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Additional information about factors affecting KKR, including a description of risks that may be important to a decision to purchase or sell any common stock of KKR & Co. Inc., can be found in KKR & Co. Inc.’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and its other filings with the SEC, which are available at www.sec.gov.

The statements contained in this presentation are made as of July 9, 2018, unless another time is specified in relation to them, and access to this presentation at any given time shall not give rise to any implication that there has been no change in the facts set forth in this presentation since that date. All financial information in this presentation is as of March 31, 2018 unless otherwise indicated. Certain information presented in this presentation have been developed internally or obtained from sources believed to be reliable; however, KKR does not give any representation or warranty as to the accuracy, adequacy, timeliness or completeness of such information, and assumes no responsibility for independent verification of such information.

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For additional important information, please see the section entitled “Important Information” located in Appendix III at the end of this presentation. This presentation uses certain non-GAAP financial measures. For definitions and reconciliations of these non-GAAP financial measures, please see Appendix III at the end of this presentation. In addition, presentation materials are posted on the Investor Center section of KKR & Co. Inc.’s website at http://ir.kkr.com/kkr_ir/kkr_events.cfm.
# Agenda

<table>
<thead>
<tr>
<th>Presentation</th>
<th>Presenters</th>
<th>Page Number</th>
</tr>
</thead>
</table>
| Welcome and Introduction              | **Craig A. Larson**  
Head of Investor Relations                  | 4           |
| Opening Remarks                       | **Henry R. Kravis**  
Co-Chairman and Co-CEO                             | 5           |
| KKR – Positioned for Continued Growth | **Joseph Y. Bae & Scott C. Nuttall**  
Co-Presidents and Co-CEOs                        | 10          |
| Global Private Equity                 | **Johannes P. Huth**  
Head of KKR EMEA                                    | 80          |
| Incentivizing Employees and Creating Value | **Pete M. Stavros**  
Head of Industrials                              | 100         |
| Real Estate                           | **Ralph F. Rosenberg**  
Head of KKR Real Estate                           | 144         |
| Credit & Markets                      | **Todd C. Builione**  
President of KKR Credit and Markets                | 153         |
| KKR Capital Markets  
(with Infrastructure case studies)     | **Adam Smith**  
Head of KKR Capital Markets  
**Tara C. Davies**  
Head of European Infrastructure               | 166         |
| Client & Partner Group                | **Suzanne O. Donohoe**  
Head of Client & Partner Group                     | 183         |
| Financial Overview                    | **William J. Janetschek**  
Chief Financial Officer                           | 209         |
| “Questions I Am Often Asked”          | **Craig A. Larson**  
Head of Investor Relations                         | 229         |
| Closing Remarks                       | **Henry R. Kravis**  
Co-Chairman and Co-CEO                             | 256         |
| Q&A                                   | **Henry R. Kravis**  
Co-Chairman and Co-CEO  
**Joseph Y. Bae & Scott C. Nuttall**  
Co-Presidents and Co-CEOs                        | 258         |
| Lunch – Henry R. Kravis Interviewing David H. Petraeus | **Henry R. Kravis**  
Co-Chairman and Co-CEO  
**David H. Petraeus**  
Chairman of the KKR Global Institute               |             |

**Appendix**
Craig A. Larson
Welcome and Introduction
Henry R. Kravis
Opening Remarks
KKR Today

Balance Sheet ($12bn Cash & Investments)

Private Markets
- $102bn AUM
  - $70bn Private Equity\(^{(1)}\)
  - $22bn Real Assets
  - $11bn Other Private Markets

Public Markets
- $87bn AUM
  - $59bn Credit\(^{(2)}\)
  - $29bn Hedge Funds

Capital Markets
- Global Franchise
  - Equity and Debt Syndication
  - Portfolio Companies and Third Parties

Principal Activities
- $16bn of Total Assets
  - $14.56 Book Value Per Share

Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP.
(1) Private equity defined as Private Markets less Core, Growth and Real Assets.
(2) Pro forma for the closing of the FS Strategic BDC partnership. Throughout this presentation $59 billion of Credit AUM will be referenced.
AUM Growth Across Asset Classes

($ in billions)

Note:
- Private Equity includes private markets less Core, Growth and Real Assets.
- $190 billion of AUM represents $176.4 billion of AUM as reported for the quarter ended March 31, 2018, plus $13.2 billion of AUM attributable to the FS Strategic BDC partnership which closed in April 2018. Throughout this presentation $190 billion of AUM for KKR will be referenced.
KKR’s Culture and Values

- Teamwork
- Diversity
- Integrity
- Accountability
- Relationship-Driven
- Innovation
- Excellence
Areas of Focus

Henry R. Kravis  
Co-Chairman and  
Co-Chief Executive Officer

George R. Roberts  
Co-Chairman and  
Co-Chief Executive Officer

Joe Bae  
Co-President and  
Co-Chief Operating Officer

Scott Nuttall  
Co-President and  
Co-Chief Operating Officer

Private Equity  
Real Assets  
Business Operations

Public Markets  
Principal Activities  
Capital Markets and Distribution
Joseph Y. Bae and Scott C. Nuttall
KKR – Positioned for Continued Growth
We Want to Leave You With Four Takeaways

1. Our industry is growing → We are taking share

2. Our model of third party AUM + Balance Sheet + Capital Markets is differentiated → Opportunity to compound value substantially and sustainably

3. Many of our businesses are young, inflecting and operating in large end markets → Our growth opportunity is significant and global with scale benefits

4. We are committed to equity value creation - employees own or control ~40% of KKR shares → We believe C-Corp conversion will unlock value

42 Years of Superior Investment Performance
The Alternative Asset Management Industry is Growing

Secular Growth Drivers

- Limited Partners’ need for investment returns
- Growth in sovereign wealth funds
- Growing penetration of insurance and high net worth investors
- Retrenchment of banks
- Government budgets stretched
- Shareholder activism

Source: PwC Asset & Wealth Management Revolution – Figure 4: Alternatives by type in USD trillion. October 2017.
Note: KKR’s definition of AUM is different from PwC’s definition of AUM, and therefore the comparison between the two may not be directly comparable.
# Institutional Investors’ Plans for the Longer Term

<table>
<thead>
<tr>
<th>Sector</th>
<th>Reduce Allocation</th>
<th>Increase Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Equity</td>
<td>5%</td>
<td>39%</td>
</tr>
<tr>
<td>Private Credit</td>
<td>9%</td>
<td>62%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>5%</td>
<td>36%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>4%</td>
<td>50%</td>
</tr>
<tr>
<td>Venture Capital</td>
<td>15%</td>
<td>29%</td>
</tr>
<tr>
<td>Hedge Funds</td>
<td>44%</td>
<td>22%</td>
</tr>
</tbody>
</table>

KKR Growth in Alternative Asset Market Share...

Source: PwC Asset & Wealth Management Revolution – Figure 4: Alternatives by type in USD trillion. October 2017.

Note: CAGRs from 2004 to 2016, except for March 31, 2018 data. KKR’s definition of AUM is different from PwC’s definition of AUM, and therefore the comparison between the two may not be directly comparable.
...Driven By Innovation and Diversification

<table>
<thead>
<tr>
<th>2007</th>
<th>Today</th>
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</thead>
<tbody>
<tr>
<td><strong>Private Equity</strong></td>
<td></td>
</tr>
<tr>
<td>• North America PE</td>
<td>• North America PE</td>
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<tr>
<td>• Asia PE</td>
<td>• Asia PE</td>
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<tr>
<td>• Europe PE</td>
<td>• Europe PE</td>
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<td>• Impact</td>
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<td>• Impact</td>
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<td></td>
<td>• Core</td>
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<tr>
<td></td>
<td>• TMT Growth</td>
</tr>
<tr>
<td></td>
<td>• Healthcare Growth</td>
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<td></td>
<td>• Customized Portfolio Solutions</td>
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<tr>
<td><strong>Real Assets</strong></td>
<td></td>
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<td></td>
<td>• Infrastructure</td>
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<td></td>
<td>• Natural Resources</td>
</tr>
<tr>
<td></td>
<td>• Energy Income and Growth</td>
</tr>
<tr>
<td></td>
<td>• Americas Real Estate</td>
</tr>
<tr>
<td></td>
<td>• Europe Real Estate</td>
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<tr>
<td></td>
<td>• Real Estate Credit</td>
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<tr>
<td><strong>Public Markets</strong></td>
<td></td>
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<tr>
<td>• Bank Loans</td>
<td>• Bank Loans</td>
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<tr>
<td>• High Yield</td>
<td>• High Yield</td>
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<tr>
<td></td>
<td>• US Direct Lending</td>
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<td>• Europe Direct Lending</td>
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<td>• Revolving Credit</td>
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<td>• Private Opportunistic Credit</td>
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<tr>
<td></td>
<td>• Special Situations</td>
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<td>• Hedge Funds</td>
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<tr>
<td><strong>Capital Markets</strong></td>
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<tr>
<td>• Portfolio Refinancing</td>
<td>• Portfolio Refinancings</td>
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<td>• PE Syndication</td>
<td>• PE Syndication</td>
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<td>• Debt Syndication</td>
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<td></td>
<td>• Equity Underwriting</td>
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<td>• India / NBFC</td>
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<tr>
<td></td>
<td>• Third Party Capital Markets</td>
</tr>
</tbody>
</table>

Our Goal Is To Be A Top 3 Player in Every Business
Our Business Has Been Scaling

**Private Markets**

- **Private Equity**
  - 2010: $45bn
  - 3/31/2018: $81bn
  - 1.8x

- **Energy / Infra**
  - 2010: $1bn
  - 3/31/2018: $15bn
  - 10.8x

- **Real Estate**
  - 2010: $0bn
  - 3/31/2018: $6bn

**Public Markets**

- **Hedge Funds**
  - 2010: $0bn
  - 3/31/2018: $29bn

- **Leveraged Credit**
  - 2010: $13bn
  - 3/31/2018: $25bn
  - 1.9x

- **Alternative Credit**
  - 2010: $2bn
  - 3/31/2018: $34bn
  - 17.1x

---

**Note:** Includes pro rata share of strategic partnership AUM and AUM acquired through acquisitions. Our funds, vehicles and accounts have been sorted based upon their primary investment strategies. However, the AUM presented for each category may include certain investments from non-primary investment strategies, which is permitted by their investment mandates.

1. Private equity defined as all Private Markets less Real Assets.
2. Consists of strategic manager partnerships with third-party hedge fund managers in which KKR owns minority stakes.
3. Pro forma for the closing of the FS Strategic BDC partnership. Throughout this presentation $34 billion of Alternative Credit AUM will be referenced.
KKR AUM Growth

($ in billions)

2010: $62
2011: $60
2012: $83
2013: $100
2014: $107
2015: $120
2016: $130
2017: $168
3/31/2018: $190

Note: PE includes Private Markets less Core, Growth and Real Assets.
Note: PE includes Private Markets less Core, Growth and Real Assets.
KKR Realized Performance Income Growth

($ in millions)

2010: $346
2011: $371
2012: $520
2013: $762
2014: $1,241
2015: $1,047
2016: $1,290
2017: $1,272
LTM 3/31/2018: $1,283

Note: PE includes Private Markets less Core, Growth and Real Assets.
KKR Book Value Per Share Growth

Return ~70% of earnings through variable distribution policy ($7.17 paid in distributions\(^{(1)}\))

Fixed distribution policy ($1.65 paid in distributions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Book Value Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$8.38</td>
</tr>
<tr>
<td>2011</td>
<td>$8.36</td>
</tr>
<tr>
<td>2012</td>
<td>$10.14</td>
</tr>
<tr>
<td>2013</td>
<td>$11.21</td>
</tr>
<tr>
<td>2014</td>
<td>$12.48</td>
</tr>
<tr>
<td>2015</td>
<td>$12.18</td>
</tr>
<tr>
<td>2016</td>
<td>$12.15</td>
</tr>
<tr>
<td>2017</td>
<td>$14.20</td>
</tr>
<tr>
<td>3/31/2018</td>
<td>$14.56</td>
</tr>
</tbody>
</table>

Total distributions since listing: $8.82 per unit

Note:
(1) Different patterned bars reflect the change in distribution policy following September 30, 2015. See Appendix for a reconciliation to financial results prepared in accordance with GAAP. Includes Q4 2009.
Building Blocks for Future Growth

- Strong performance of flagship strategies
- Growth and scaling of newer strategies
- Building out of global adjacencies
- Balance sheet compounding
- Capturing more of everything we do

Multiplier Effect
In Order to Double Earnings and Book Value by Year 5…

Last 10 Years (2007 to March 31, 2018):

FPAUM → $40bn → $133bn
Management Fees → $265mm → $948mm
Capital Markets Fees → $1mm → $426mm

Looking Forward:

FPAUM Growth Assumption

- **FPAUM – 8% CAGR**
  - Conservative growth compared to our historical profile
  - $25bn of capital commitments in current AUM not yet earning economics (will transition to FPAUM as invested)

Gross Investment Returns Assumptions

- **Private Equity** → 17.5%
- **Growth**
- **Leveraged Credit** → 5%
- **Real Estate Equity**
- **Infrastructure**
- **Energy**
- **Core**
- **Alternative Credit** → 13 – 15%

Conservative return assumptions compared to our historical profile

Our Goal is to Exceed This Level of Performance

(1) $133 billion of FPAUM represents $119.7 billion of FPAUM as reported for the quarter ended March 31, 2018, plus $13.2 billion of FPAUM attributable to the FS Strategic BDC partnership which closed in April 2018. Throughout this presentation $133 billion of FPAUM for KKR will be referenced.

(2) The assumptions are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.
KKR Looking Forward (1)

Pre-Tax Distributable Earnings (2)

($ in billions)

<table>
<thead>
<tr>
<th></th>
<th>LTM 3/31/18</th>
<th>Year 5</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ in billions</strong></td>
<td>$1.4</td>
<td>$3.2</td>
<td>$5.0</td>
</tr>
</tbody>
</table>

Book Value Per Share

<table>
<thead>
<tr>
<th></th>
<th>3/31/18</th>
<th>Year 5</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ in billions</strong></td>
<td>$14.56</td>
<td>$32</td>
<td>$63</td>
</tr>
</tbody>
</table>

Our Goal is to Exceed This Level of Performance

Note:
(1) See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

The estimated future pre-tax distributable earnings and book value per share are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.

(2) Distributable earnings throughout this presentation will be defined as the amount of realized earnings of KKR after deducting equity-based compensation that would be distributable to Class A common stockholders for a given reporting period. See Important Information.
The Last 10 Years
Building the Foundation
A Decade of Foundation Building

Went Global & Expanded Our Toolkit
The Last 10 Years – Global Expansion

2007: 8 Offices / 6 Countries

KKR CORPORATE OFFICES

2017: 21 Offices / 15 Countries

2008: 10 Offices / 6 Countries / 43% of Investment Professionals Outside of the US

2018: 20 Offices / 14 Countries / 53% of Investment Professionals Outside of the US
We’ve Expanded the KKR Toolkit

Industry & Investment Expertise
Comprehensive global industry coverage across global markets in both private equity and credit

KKR Capital Markets
Dedicated expertise around investment structuring, financing and manages all capital markets activities

Global Macro & Asset Allocation
Provides macro and asset allocation views and guidance to internal and external constituents

KKR Capstone
Facilitates sustainable operational change in our portfolio companies to improve and drive value

Client & Partner Group
Develops and services KKR’s global network of investors, clients, and partners

KKR Global Institute
Proactive guidance on emerging geopolitical, macro-economic & public policy trends

Public Affairs & Stakeholder Management
Navigates reputation and regulatory issues to elevate brand equity and protect and enhance our license to operate

Enhanced Operations
Maintains scalable and robust operational infrastructure to power our global enterprise

(1) KKR Capstone is not a subsidiary or affiliate of KKR. KKR Capstone operates under several consulting agreements with KKR and uses the “KKR” name under license from KKR.
A Decade of Foundation Building

Diversified & Scaled
Our Business

Went Global &
Expanded our Toolkit
Growth & Diversification of AUM and Fee Revenue

AUM Scaling Faster Than Peers

1 Year

KKR CAGR: 28%
Average Peer CAGR(1): 17%

3 Years

KKR CAGR: 18%
Average Peer CAGR(1): 9%

5 Years

KKR CAGR: 15%
Average Peer CAGR(1): 11%

(1) Peer set contains Apollo, Ares, Blackstone, Carlyle and Oaktree. The 5 year average of the peers does not include Ares as data not available for all periods.
Management Fees Scaling Faster Than Peers

Peer set contains Apollo, Ares, Blackstone, Carlyle and Oaktree. The 5 year average of the peers does not include Ares as data not available for all periods.
Organic New Capital Raised Last Twelve Months – Diverse and Attractive

($ in billions)

$41bn Organic

$5
$4
$5
$3
$19
$4

$37 billion of Non-PE capital raised

Hedge Funds$^{(1)}

Leveraged Credit: CLOs, Revolving Credit

Alternative Credit: PCOP, Lending Partners

Strategic Investor Partnerships$^{(2)}

Other Private Markets
- Core
- Growth
- Real Estate
- Infrastructure
- Energy

PE: Asia

81% is performance fee or carry eligible

81%

19%

(1) Represents KKR’s pro rata portion of AUM.
(2) Strategic Investor Partnerships AUM raised denotes the unallocated portion.
Current AUM Profile

($ in billions)

88% AUM is Performance Fee Eligible

49% Average Performance Fee Eligible AUM of Peers

Alternative Credit
• PCOP II
• Lending Partners
• BDCs

Hedge Funds $29
Alternative Credit $34
Americas Private Equity $34
Europe Private Equity $8
Asia Private Equity $18
Strategic Investor Partnerships and SMAs $9
Other Private Markets $33
Leveraged Credit $3

(1) $21 billion of leveraged credit AUM is not performance fee eligible.
(2) Reflects unallocated portion of Strategic Investor Partnerships.
(3) Peer set consists of: Ares, Apollo, Blackstone, Oaktree.

Other Private Markets
• Core
• Growth
• Real Estate
• Infrastructure
• Energy
A Decade of Foundation Building

Went Public & Created Permanent Capital

Diversified & Scaled Our Business

Went Global & Expanded our Toolkit
Our Balance Sheet

($ in billions)

### Total Assets

- **Cash and Short-term Investments**: $2.5 billion
- **Unrealized Carry**: $1.6 billion
- **Corporate Real Estate**: $0.2 billion
- **Other Assets**: $2.2 billion

**Total Assets**: $16 billion

### Cash and Investments

- **KKR**: $12.4 billion
- **Apollo + Blackstone + Carlyle**: $12.1 billion

(1) KKR includes the sum of cash and short-term investments, investments and corporate real estate.

(2) Apollo includes the sum of cash and cash equivalents, US treasury securities and GP & other investments. Blackstone includes the sum of cash and cash equivalents, corporate treasury investments and GP / fund investments. Carlyle includes the sum of cash and cash equivalents, corporate treasury investments and investments, excluding accrued performance allocations.
Why Do We Have A Balance Sheet?

- To grow our AUM, Management Fees and Fee Related Earnings faster
- To capture our investment performance and support our Capital Markets business
- To allow us to invest for strategic growth (e.g. Marshall Wace, FS Investments, Avoca)
- To create direct alignment of interest with our partners
Current Balance Sheet Allocation and Performance Profile

Asset Allocation

- PE: 38%
- Real Assets: 15%
- Credit: 16%
- Other: 10%
- Cash: 20%

IRR Since Inception (excluding fees and carry)\(^{(1)}\)

- KKR Balance Sheet\(^{(2)}\): 14.3%
- MSCI World: 10.2%
- Custom Benchmark: 13.1%

Reported balance sheet returns only tell part of the story of how the balance sheet creates value for KKR

\(^{(1)}\) Balance sheet inception defined as October 1, 2009 (when KKR closed its combination with KKR Private Equity Investors, L.P., "KPE").

\(^{(2)}\) Reflects investments, excludes cash and short-term investments.
### How We Use the Balance Sheet

<table>
<thead>
<tr>
<th>Category</th>
<th>Examples</th>
</tr>
</thead>
</table>
| **Follow-On Funds**             | • Asia III  
• North America XII             |
| **Certain First-Time Funds**    | • Lending Partners  
• Mezzanine  
• Special Situations     |
| **Seeding New Strategies**      | • Real Estate  
• Energy Income & Growth       |
| **KKR Capital Markets**         | • Facilitate global underwriting activities |
| **Strategic M&A**               | • Avoca  
• Marshall Wace  
• Nephila                |
| **Opportunistic Investments**   | • WMI Holdings                                   |
Where Has the Balance Sheet Been Critical to AUM and FRE Growth?

($ in billions)

56% of AUM

Hedge Funds

$106

Alternative Credit
- Mezzanine
- Lending Partners
- Special Situations
- CCT and FS Investments

$34

CLOs

$33

Private Markets
- Core
- Growth
- Infrastructure
- Energy
- Real Estate

$29

$11
Increased Capital and Longevity

Contractual Life of Capital

2010 AUM - $62bn

- 93% Permanent Capital\(^{(1)}\)
- 5% Strategic Investor Partnerships
- 2% KFN

2018 AUM - $190bn

- 59% Capital Subject to Periodic Redemption
- 12% Additional $16bn of Total Assets on Balance Sheet\(^{(2)}\)
- 10% 8+ Year Duration at Inception
- 19% Commitments to investment strategies included in AUM total.

\(^{(1)}\) Capital of indefinite nature, which may be withdrawn under certain conditions.
\(^{(2)}\) Commitments to investment strategies included in AUM total.
A Decade of Foundation Building

Built a Unique Business Model

Went Public & Created Permanent Capital

Diversified & Scaled Our Business

Went Global & Expanded our Toolkit
Scale what we have that is or can be differentiated
Partner with others who are best in class, who we can help and who can help us
KKR Capital Markets Connectivity Across the Firm Has Improved

($ in millions)

$426 million of revenue on an LTM basis from a diversified stream

Source(1):

Private Equity - New Investments: 18%
Private Equity - Existing Portfolio Companies: 24%
Third Party Infrastructure: 25%
Credit: 28%
Third Party India: 1%
Real Estate: 1%
Energy: 1%

(1) Represents LTM March 31, 2018.
A Decade of Foundation Building

- Went Global & Expanded our Toolkit
- Diversified & Scaled Our Business
- Went Public & Created Permanent Capital
- Built A Unique Business Model
A Decade of Foundation Building

<table>
<thead>
<tr>
<th>Metric</th>
<th>2007</th>
<th>2018&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets Under Management</td>
<td>$47bn</td>
<td>$190bn</td>
</tr>
<tr>
<td>Management Fees</td>
<td>$265mm</td>
<td>$948mm</td>
</tr>
<tr>
<td>Limited Partners&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>275</td>
<td>920</td>
</tr>
<tr>
<td>Headcount</td>
<td>419</td>
<td>1,214</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> 2018 reflects either as of March 31, 2018 or LTM March 31, 2018 as applicable.

<sup>(2)</sup> 275 as of 2008, 920 as of June 18, 2018.
Looking Forward
Looking Forward

Generate Investment Performance
Track Record of Outperformance – Private Equity

Inception to March 31, 2018

- KKR Gross: 25.6%
- KKR Net: 18.9%
- S&P 500: 11.8%
- MSCI World: 9.0%

KKR Outperformance (On Net Return):
- S&P 500: 710 bps
- MSCI World: 990 bps
All funds, with the exception of two, have outperformed over the last three decades.

Annualized Fund Performance

- Overall KKR Return includes the impact of the 1976, 1980 and 1982 funds, which are not individually presented.
Track Record of Outperformance – Credit

Leveraged Credit Strategies: Inception-to-Date Annualized Gross Performance vs. Benchmark by Strategy

<table>
<thead>
<tr>
<th>Strategy</th>
<th>KKR Gross Returns</th>
<th>Benchmark Gross Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loans Plus High Yield</td>
<td>8.1%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Opportunistic Credit</td>
<td>12.9%</td>
<td></td>
</tr>
<tr>
<td>Bank Loans</td>
<td>5.6%</td>
<td>6.6%</td>
</tr>
<tr>
<td>High Yield</td>
<td>6.8%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Bank Loans Conservative</td>
<td>4.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td>European Leveraged Loans</td>
<td>5.4%</td>
<td>4.7%</td>
</tr>
<tr>
<td>High Yield Conservative</td>
<td>6.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>European Credit Opportunities</td>
<td>5.7%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>
Strong Flagship Fund Performance Also Seen on an LTM Basis

<table>
<thead>
<tr>
<th>Private Equity Flagship Funds</th>
<th>LTM 3/31/18 Gross Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America XI</td>
<td>24%</td>
</tr>
<tr>
<td>Asia II</td>
<td></td>
</tr>
<tr>
<td>Europe IV</td>
<td></td>
</tr>
</tbody>
</table>

| Real Assets                                    |                          |
| Real Estate I                                  | 10%                      |
| Infrastructure II                              | 20%                      |
| Energy Income & Growth                         | 13%                      |

| Alternative Credit                             |                          |
| Special Situations II                          | 9%                       |
| Mezzanine                                      | 30%                      |
| Lending Partners II                            | 7%                       |

Note: The strategies shown above consist of KKR’s strategies that generate carry. The funds shown within each strategy represent the flagship funds within each sub-strategy with at least $1bn in committed capital and that have been investing for at least two years. For Private Equity the funds represent the flagship funds within each major geographic region. For a complete list of our carry paying funds, see the Investment Vehicle Summary on page 14 of KKR’s first quarter earnings release, dated May 3, 2018. Past performance is no guarantee of future results.
Looking Forward

Scale Our Businesses

Generate Investment Performance
Private Equity – Our One Scale Business

Years (1)
- US PE: 42
- Europe PE: 19
- Asia PE: 11

(1) Years since strategy inception.
Current Realized Performance Income Is Not Yet At Its Full Potential

LTM Carry and Incentive Fees: $1.3bn

Majority of Our Non-PE Performance Fee Eligible AUM is Young and Seasoning – With Significant Potential Ahead
Strategy History

Years since strategy inception:

- Private Markets:
  - US PE: 42 years
  - Europe PE: 19 years
  - Asia PE: 11 years
  - Infrastructure: 7 years
  - Energy: 5 years
  - US Real Estate: 5 years
  - Europe Real Estate: 3 years
  - Asia Real Estate: 0 years
  - Real Estate Credit: 4 years
  - Tech Growth: 2 years
  - Healthcare Growth: 2 years
  - Core: 1 year
  - Impact: 0 years

- Public Markets:
  - Leveraged Credit: 14 years
  - Private Credit: 8 years
  - Lending US: 7 years
  - Lending Europe: 3 years
  - Special Sits: 6 years
  - Hedge Funds: 6 years
Realized performance income based on estimated run rate is for illustrative, informational purpose and assumes that all current AUM becomes FPAUM if eligible, is fully invested and is generating performance income. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. The estimate is not representative of any actual results, which may differ materially. See Important Information.
It Takes Time to Achieve Scale

We Have Several Businesses in Their First 10 Years, With Significant Potential

Note: The terminal year in each graph represents March 31, 2018 or LTM as of March 31, 2018 as applicable. All other years represent calendar year-end.
(1) Includes assumed final size of approximately $7bn of the Infrastructure Fund III. The final closing of the fund and ultimate amount of capital raised are subject to uncertainty and change. See Important Information.
Asia Private Equity – Revenue Profile

### Asia PE & Capstone

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Realized Carry</th>
<th>KCM Asia Fees</th>
<th>Management Fees</th>
<th>AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$2b</td>
<td>$100m</td>
<td>$2m</td>
<td>$5bn</td>
</tr>
<tr>
<td>2006</td>
<td>$3b</td>
<td>$120m</td>
<td>$3m</td>
<td>$6bn</td>
</tr>
<tr>
<td>2007</td>
<td>$4b</td>
<td>$140m</td>
<td>$4m</td>
<td>$7bn</td>
</tr>
<tr>
<td>2008</td>
<td>$5b</td>
<td>$160m</td>
<td>$5m</td>
<td>$8bn</td>
</tr>
<tr>
<td>2009</td>
<td>$6b</td>
<td>$180m</td>
<td>$6m</td>
<td>$9bn</td>
</tr>
<tr>
<td>2010</td>
<td>$7b</td>
<td>$200m</td>
<td>$7m</td>
<td>$10bn</td>
</tr>
<tr>
<td>2011</td>
<td>$8b</td>
<td>$220m</td>
<td>$8m</td>
<td>$11bn</td>
</tr>
<tr>
<td>2012</td>
<td>$9b</td>
<td>$240m</td>
<td>$9m</td>
<td>$12bn</td>
</tr>
<tr>
<td>2013</td>
<td>$10b</td>
<td>$260m</td>
<td>$10m</td>
<td>$13bn</td>
</tr>
<tr>
<td>2014</td>
<td>$11b</td>
<td>$280m</td>
<td>$11m</td>
<td>$14bn</td>
</tr>
<tr>
<td>2015</td>
<td>$12b</td>
<td>$300m</td>
<td>$12m</td>
<td>$15bn</td>
</tr>
<tr>
<td>2016</td>
<td>$13b</td>
<td>$320m</td>
<td>$13m</td>
<td>$16bn</td>
</tr>
<tr>
<td>2017</td>
<td>$14b</td>
<td>$340m</td>
<td>$14m</td>
<td>$17bn</td>
</tr>
<tr>
<td>2018</td>
<td>$15b</td>
<td>$360m</td>
<td>$15m</td>
<td>$18bn</td>
</tr>
</tbody>
</table>

(1) Final close of Asia III in 2017

(1) Final close of Asia II in 2013

(1) Final close of Asia I in 2007

### Asia PE & Capstone

- 2018 revenue numbers represent LTM March 31, 2018.
- Headcount as of March 31, 2018.
Infrastructure – Management Fee and Carry Profile

Management Fees
- Actual
- Infrastructure III

Gross Realized Carry

AUM

Revenue $ in millions:
- $0
- $5
- $10
- $15
- $20
- $25
- $30
- $35
- $40
- $45
- $50
- $55
- $60
- $65
- $70
- $75
- $80
- $85
- $90
- $95
- $100
- $105
- $110
- $115
- $120
- $125
- $130
- $135
- $140
- $145
- $150
- $155
- $160
- $165
- $170
- $175
- $180
- $185
- $190
- $195
- $200
- $205
- $210
- $215
- $220
- $225
- $230
- $235
- $240
- $245
- $250

(Total AUM $ in billions):
- $0
- $3
- $6
- $9
- $12
- $15

Final close of Infrastructure II in 2014
- $5bn

Final close of Infrastructure I in 2011
- $2bn

Final close of Infrastructure III in 2018
- $13bn


Estimated run rate is for illustrative, informational purpose only and is based on the assumed size and terms of the Infrastructure Fund III final close. This estimate is not representative of any actual results, which may differ materially. The final closing of the fund and ultimate amount of capital raised and its terms are subject to uncertainty and change. See Important Information.
Infrastructure – Total Revenue Profile With Capital Markets

(Revenue $ in millions)
(Revenue $ in billions)

Management Fees
- Actual
- Infrastructure III Expected Run Rate

KCM Infra Fees

Gross Realized Carry

AUM

Final close of Infrastructure II in 2014
$5bn

Final close of Infrastructure I in 2011
$2bn


Estimated run rate is for illustrative, informational purpose only and is based on the assumed size and terms of the Infrastructure Fund III final close. This estimate is not representative of any actual results, which may differ materially. The final closing of the fund and ultimate amount of capital raised and its terms are subject to uncertainty and change. See Important Information.
Credit – Revenue Profile

### Management Fees
- Leveraged Credit
- Alternative Credit

### Realized Performance Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Leveraged Credit</th>
<th>Alternative Credit</th>
<th>Total AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>12</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2005</td>
<td>19</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td>2006</td>
<td>21</td>
<td>28</td>
<td>43</td>
</tr>
<tr>
<td>2007</td>
<td>21</td>
<td>29</td>
<td>52</td>
</tr>
<tr>
<td>2008</td>
<td>28</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>2009</td>
<td>38</td>
<td>59</td>
<td>97</td>
</tr>
<tr>
<td>2010</td>
<td>59</td>
<td>59</td>
<td>118</td>
</tr>
<tr>
<td>2011</td>
<td>57</td>
<td>70</td>
<td>127</td>
</tr>
<tr>
<td>2012</td>
<td>94</td>
<td>89</td>
<td>183</td>
</tr>
<tr>
<td>2013</td>
<td>93</td>
<td>93</td>
<td>186</td>
</tr>
<tr>
<td>2014</td>
<td>106</td>
<td>106</td>
<td>212</td>
</tr>
<tr>
<td>2015</td>
<td>106</td>
<td>106</td>
<td>212</td>
</tr>
</tbody>
</table>

#### Notes
Large Addressable End Markets Across Businesses

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Market Size ($ in billions)</th>
<th>KKR AUM ($ in billions)</th>
<th>KKR Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Equity (1)</td>
<td>$1,645</td>
<td>$70</td>
<td>4.3%</td>
</tr>
<tr>
<td>Growth</td>
<td>$385</td>
<td>$2</td>
<td>0.5%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$810</td>
<td>$6</td>
<td>0.7%</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>$535</td>
<td>$3</td>
<td>0.6%</td>
</tr>
<tr>
<td>Infrastructure (2)</td>
<td>$419</td>
<td>$13</td>
<td>3.1%</td>
</tr>
<tr>
<td>Alternative Credit</td>
<td>$637</td>
<td>$34</td>
<td>5.3%</td>
</tr>
<tr>
<td>Leveraged Credit</td>
<td>$2,400</td>
<td>$25</td>
<td>1.0%</td>
</tr>
<tr>
<td>Hedge Funds</td>
<td>$3,550</td>
<td>$29</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Note: KKR AUM as of March 31, 2018.
(1) Private Equity KKR AUM includes Private Markets less Core, Growth and Real Assets.
(2) Infrastructure current AUM includes approximately $7bn of assumed final size of Infrastructure III. The final closing of the fund and ultimate amount of capital raised are subject to uncertainty and change. See Important Information.
Our Goal Is To Be A Top 3 Player In Every Business

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Current Size</th>
<th>Market Leader</th>
<th>Ways to Grow&lt;sup&gt;(4)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$13bn</td>
<td>$119bn</td>
<td>Infra III, Emerging Markets</td>
</tr>
<tr>
<td>Energy&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$3bn</td>
<td>$37bn</td>
<td>EIGF II, Listed Vehicles</td>
</tr>
<tr>
<td>Real Estate Equity</td>
<td>$4bn</td>
<td>$105bn</td>
<td>REPA III, REPE II, Asia I, Core Plus, Core</td>
</tr>
<tr>
<td>Real Estate Credit</td>
<td>$2bn</td>
<td>$15bn</td>
<td>Grow KREF, RECOP II, Opportunistic, Core Plus</td>
</tr>
<tr>
<td>Growth Equity</td>
<td>$2bn</td>
<td>$14bn</td>
<td>NGT II, HCG II, Impact</td>
</tr>
<tr>
<td>Core</td>
<td>$9bn</td>
<td>$347bn</td>
<td>Core II</td>
</tr>
<tr>
<td>Leveraged Credit</td>
<td>$25bn</td>
<td></td>
<td>FS Partnership, Lending IV, Europe Direct Lending II, Asia Credit, Special Situations III</td>
</tr>
<tr>
<td>Alternative Credit</td>
<td>$34bn</td>
<td>$140bn</td>
<td></td>
</tr>
<tr>
<td>Capital Markets&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>$426mm</td>
<td>$426mm</td>
<td>Geography, Product Type and Source</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Infrastructure current size includes the anticipated final close of Infrastructure III. This estimate is not representative of any actual results, which may differ materially. The final closing of the fund and ultimate amount of capital raised and its terms are subject to uncertainty and change. See Important Information.

<sup>(2)</sup> Energy market leader represents dollars raised since 1988 rather than current AUM.

<sup>(3)</sup> Denotes LTM transaction fees rather than AUM.

<sup>(4)</sup> The list does not indicate any actual or potential capital raise in a particular fund, and is not, and should not be construed as, an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, investment funds, vehicles or accounts.
Significant Scaling Opportunity

($ in billions)

Real Estate
- Market Leader
- 20x growth opportunity
- $6
- $120

Infrastructure
- Market Leader
- 9x growth opportunity
- $13
- $118

Credit
- Market Leader
- 2x growth opportunity
- $59
- $140

Core
- Market Leader
- 39x growth opportunity
- $9
- $347

Marshall Wace
- Market Leader
- 4x growth opportunity
- $39
- $160

---

(1) Infrastructure current size includes the anticipated final close of Infrastructure III. This estimate is not representative of any actual results, which may differ materially. The final closing of the fund and ultimate amount of capital raised and its terms are subject to uncertainty and change. See Important Information.

(2) Represents gross AUM, not KKR’s pro rata portion of AUM.
For Example: Where Does Asia Go From Here?

<table>
<thead>
<tr>
<th>2007</th>
<th>Today</th>
<th>2018+(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Private Equity</td>
<td>1. Private Equity</td>
<td>1. Private Equity</td>
</tr>
<tr>
<td>2. CPG / Fundraising</td>
<td>2. CPG / Fundraising</td>
<td>2. CPG / Fundraising</td>
</tr>
<tr>
<td>4. India / NBFC</td>
<td>4. India / NBFC</td>
<td>4. India / NBFC</td>
</tr>
<tr>
<td>5. Special Situations</td>
<td>5. Special Situations</td>
<td>5. Special Situations</td>
</tr>
<tr>
<td>6. Direct Lending/Mezz</td>
<td>6. Direct Lending/Mezz</td>
<td>6. Direct Lending/Mezz</td>
</tr>
<tr>
<td>7. Pan-Asia Real Estate</td>
<td>7. Pan-Asia Real Estate</td>
<td>7. Pan-Asia Real Estate</td>
</tr>
<tr>
<td>8. Infrastructure</td>
<td>8. Infrastructure</td>
<td>8. Infrastructure</td>
</tr>
</tbody>
</table>

- Multiple growth avenues
- Ability to leverage pan-Asian PE platform together with global KKR relationships
- Overlay of KKR Capital Markets and KKR balance sheet is synergistic

AUM: 2007 - $4bn, Today - $18bn

Significant Growth Opportunities

\(^{(1)}\) The list does not indicate any actual or potential capital raise in a particular fund, and is not, and should not be construed as, an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, investment funds, vehicles or accounts.
Looking Forward

Use Our Balance Sheet to Drive Growth

Scale Our Businesses

Generate Investment Performance
KKR’s Balance Sheet – A Growth Enabler and Accelerator

- Real Estate (US, Europe, Asia and Credit)
- Marshall Wace
- Healthcare Growth
- TMT Growth
- Special Situations

- Infrastructure
- Core
- Mezzanine
- Private Credit & BDC platform
- Energy Real Assets
- KKR Capital Markets

Supports
- Global Private Equity
- CLOs
Example: Marshall Wace

($ in billions)

- **76% increase in AUM**
- August 2015: $22
- May 31, 2018: $39

- Through our ~30% pro rata interest, significant AUM and FRE contributor
- Strong investment performance
- Competitive advantages in systems, process, controls and risk

Note: Represents gross AUM, not KKR’s pro rata portion of AUM. KKR records its proportionate share of Marshall Wace’s earnings or losses based on the most recently available financial information of Marshall Wace.
Example: Marshall Wace (cont’d)

August 2015: KKR announces strategic partnership

$22bn

+33% CAGR

+11% CAGR


Source: BarclayHedge 2017.
Looking Forward

Use Our Model to Drive Participation

Generate Investment Performance

Use Our Balance Sheet to Drive Growth

Scale Our Businesses
Use Our Model to Increase Participation

KKR Model = Increased Participation in Economics

Assumptions

- $1 billion equity investment
- Fund takes $500 million
- $100 million capital markets fees over life
- 2.5x gross MOIC

KKR Approach Benefits

- Increases opportunity set
- Maintain ball control
- Enhance capital markets execution
- Be a more valuable partner for our LPs

The assumptions and estimated economics are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.
Example: Infrastructure in 2017
Looking Forward

Utilize the Power of Compounding

Generate Investment Performance

Scale Our Businesses

Use Our Balance Sheet to Drive Growth

Use Our Model to Drive Participation
Increase Duration of Our Capital

- Aim to grow all types of capital
- Over time, we want a higher portion of Permanent and Core & Strategic Partnership Capital

$190bn + Balance Sheet

- Compounds with Performance
- Infinite Duration
- Recycles / Compounds
Three Elements of Compounding Power

1. Balance Sheet Compounding
2. Permanent Capital
3. Recycling Capital

Allows us to compound AUM, Fee Related Earnings, Performance Income and Book Value Per Share faster
Compounding Example: Impact of Core Investment

($ in billions)

Core AUM

<table>
<thead>
<tr>
<th>January 1, 2017</th>
<th>March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$6.0</td>
</tr>
<tr>
<td>$3.5</td>
<td>$9.5</td>
</tr>
</tbody>
</table>

Illustrative Book Value Impact – Including Fee and Carry Earnings\(^{(1)}\)

Assuming:
- Initial investment closed in 2017 (USI Insurance), remaining AUM invested equally over 4 years, 10-year hold period
- 15% Gross IRR
- Book value impact of fees and carry net of expenses and taxes

\[ \text{Year 10 Book Value} = 3.3 \times \text{MOIC} \]

\[ \text{Year 10 Book Value} = $11.7 \]

Cost: $3.5
Book Value Gain: $11.7
Book Value Impact - Fees and Carry: $3.5

\(\text{(1)}\) The assumptions and estimated book value impact are for illustrative, informational purpose only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.
Looking Forward

Unlock Our Potential

- Utilize the Power of Compounding
- Use Our Model to Drive Participation
- Use Our Balance Sheet to Drive Growth
- Scale Our Businesses
- Generate Investment Performance

Translate this text to English:
We Want to Leave You With Four Takeaways

1. Our industry is growing
   - We are taking share

2. Our model of third party AUM + Balance Sheet + Capital Markets is differentiated
   - Opportunity to compound value substantially and sustainably

3. Many of our businesses are young, inflecting and operating in large end markets
   - Our growth opportunity is significant and global with scale benefits

4. We are committed to equity value creation - employees own or control ~40% of KKR shares
   - We believe C-Corp conversion will unlock value

42 Years of Superior Investment Performance
## Pre-Tax Distributable Earnings

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount ($ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTM 3/31/18</td>
<td>$1.4</td>
</tr>
<tr>
<td>Year 5</td>
<td>$3.2</td>
</tr>
<tr>
<td>Year 10</td>
<td>$5.0</td>
</tr>
</tbody>
</table>

## Book Value Per Share

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount ($ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/18</td>
<td>$14.56</td>
</tr>
<tr>
<td>Year 5</td>
<td>$32</td>
</tr>
<tr>
<td>Year 10</td>
<td>$63</td>
</tr>
</tbody>
</table>

---

**Our Goal is to Exceed This Level of Performance**

Note:

1. See Appendix for a reconciliation to financial results prepared in accordance with GAAP.
   The estimated future pre-tax distributable earnings and book value per share are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.

2. Distributable earnings throughout this presentation will be defined as the amount of realized earnings of KKR after deducting equity-based compensation that would be distributable to Class A common stockholders for a given reporting period. See Important Information.
Johannes P. Huth
Global Private Equity
KKR’s Global Platform and The Current Environment
KKR Private Equity: From U.S. Focused Start-Up To Global Franchise In 40+ Years

**Leading Global Franchise**
- 42 years, ~300 investments, ~$80 billion of equity deployed
- ~$34 billion private equity dry powder today

**Distinctive Strategy**
- Distinctive Sourcing
- Operational Value Creation
- One Team

**Aligned with Investors**
- Biggest investor in our own private equity funds
- ~$8 billion invested and committed from KKR’s balance sheet
- A further $2.2 billion committed by individual KKR employees\(^{(1)}\)

**Strong Historical Returns**
- Fully and partially realized investments: \(2.4x\) gross MOIC, \(26\%\) gross IRR, and \(21\%\) net IRR\(^{(2)}\)
- Fully invested funds: \(2.2x\) gross MOIC, \(26\%\) gross IRR, and \(19\%\) net IRR\(^{(3)}\)

---

**Note:** Past performance is no guarantee of future results. See Important Information.

\(^{(1)}\) Includes investments /commitments made by KKR Capstone and other affiliates. KKR Capstone is not an affiliate or subsidiary of KKR. Investments made by current and former KKR employees and KKR Capstone are retained by those individuals personally. Includes unfunded commitments made by individuals.

\(^{(2)}\) Capital invested and total value are based on fully realized investments, partially realized investments, and written-off investments from any KKR private equity fund through March 31, 2018. Investments are considered partially realized when realized proceeds have been returned to investors.

\(^{(3)}\) Calculated based on all of our private equity funds since inception until today except KKR Americas Fund XII, KKR European Fund IV and KKR Asian Fund III.
The Macroeconomic Outlook Is Strong Globally

**Total Global GDP Growth in 2018 expected at almost 4.0%**

- World: 3.9%
- US: 2.9%
- Europe: 2.5%
- China: 6.6%

**2018E Earnings Growth Is Strong Globally**

- S&P 500: 21.0%
- MSCI Emerging Markets: 14.6%
- MSCI Europe: 8.1%

Note: Data as at April 2018. Source: IMF World Economic Outlook, April 2018 Update. Bloomberg consensus estimates as at June 2018. KKR Global Macro & Asset Allocation analysis of various variable inputs that contribute meaningfully to these forecasts.
KKR’s Industry Leading Global Private Equity Portfolio...

119 Companies(1)

Over $170bn of Annual Revenue

~667,500 Employees

~19 Industries

~20 Countries

Note:
(1) Logos as of May 2018. Not inclusive of all companies.
Includes toehold investments as of December 31, 2017.
Has Performed Very Strongly

Our global portfolio of high quality franchises continues to perform well

LTM Revenue Growth

LTM EBITDA Growth

Note: Data reflects NAV-weighted growth for the portfolio in which data was available for each respective time period. Past performance is no guarantee of future results.
The Current PE Environment

While we are cautious within the US and Europe...

- Late cycle (~11x / ~10x average acquisition multiples in Europe / US)
- LBO leverage levels are approaching 6x\(^{(1)}\)
- Focus on value / complexity vs. growth

...we have been constructive across Asia

- Valuations more attractive
- Greater growth opportunities
- 2017 most active deployment year in Asia in the last 12 years

(1) Source: S&P Global Market Intelligence, 1Q18 Leverage Buyout Review.
We Have Been Returning Capital While Unrealized Carry Has Increased

LP Dollars Invested vs. Cash Back to LPs

Unrealized Carried Interest

Represents LTM March 31, 2018.
Strong Global Historical Private Equity Performance...

<table>
<thead>
<tr>
<th>Gross IRR vs. S&amp;P 500&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Realized / Partially Realized&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KKR</strong></td>
<td><strong>~210 investments</strong></td>
</tr>
<tr>
<td>25.6%</td>
<td></td>
</tr>
<tr>
<td><strong>S&amp;P 500</strong></td>
<td></td>
</tr>
<tr>
<td>11.8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Invested</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$64</td>
<td>$154</td>
</tr>
</tbody>
</table>

Note: Past performance is no guarantee of future results. See Important Information.

<sup>(1)</sup> Calculated based on all of our private equity funds since inception.

<sup>(2)</sup> Capital invested and total value are based on fully realized investments, partially realized investments, and written-off investments from any KKR private equity fund through March 31, 2018. Investments are considered partially realized when realized proceeds have been returned to investors.
...as well as Regionally in North America, Europe and Asia

<table>
<thead>
<tr>
<th>Region</th>
<th>Composite KKR Gross IRR</th>
<th>S&amp;P 500</th>
<th>MSCI Europe</th>
<th>MSCI Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>25.8%</td>
<td>12.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>23.9%</td>
<td></td>
<td>5.9%</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>19.7%</td>
<td></td>
<td>7.6%</td>
<td></td>
</tr>
</tbody>
</table>


(2) European composite includes investments that have been, or currently are owned by a KKR-sponsored private equity fund and that are headquartered, incorporated or have significant operations in Europe. Includes all investments made in Europe beginning with the investment in Newsquest in 1996 across all of our private equity funds, including the 1996 Fund (1996 vintage), European I (2000 vintage), Millennium (2002 vintage), European II (2005 vintage), 2006 Fund (2006 vintage), European III (2008 vintage), E2 Investors (2009 vintage), and European IV funds (2015 vintage), and exclusive of toehold investments. The MSCI Europe benchmark references the European fund equity only.

(3) Includes investments in Asian Fund, Asian Fund II and Asian Fund III.
Performance of Flagship Funds Has Helped Drive Scaling

North America XI
26% | 21%

North America XII

55% $13.5

Asia II
23% | 17%

Asia III

55% $9.0

Europe IV
34% | 26%

Successor Fund

$8.7

$5.8

$3.6

Total Fund Commitment ($ in billions)

Note: Key For Earlier Funds: Gross IRR | Net IRR.
Growing Private Markets AUM

Note:
- Does not include Core or Growth businesses.
- Other Private Equity includes SMAs and Unallocated Strategic Investor Partnerships.

Private Equity AUM Has More Than Tripled Over The Last 10 Years

- $20 billion in 2005
- $32 billion in 2006
- $37 billion in 2007
- $32 billion in 2008
- $39 billion in 2009
- $45 billion in 2010
- $40 billion in 2011
- $52 billion in 2012
- $53 billion in 2013
- $52 billion in 2014
- $59 billion in 2015
- $61 billion in 2016
- $72 billion in 2017
- $70 billion as of 3/31/2018

CAGR of +11%
We Are Well Positioned For Continued Growth

1. Traditional PE Funds
   - NAXI
   - Asia II
   - Europe IV
   - Americas XII
   - Asia III

2. Adjacent Strategies That Leverage PE Platform
   - Core
   - TMT Growth
   - Healthcare Growth
   - Impact

$12bn AUM

3. Additional Opportunities
   - Permanent Capital Vehicles
   - Additional sector focused funds
   - PE is a key asset class for strategic investor partnerships

The Balance Sheet Supports and Accelerates All We Do
How Do We Create Equity Value?
Decades of Experience and Decades Investing Together

Global Team

Senior Experience
Senior PE investment professionals average over 14 years with KKR

Additional Resources
Senior Advisors, KKR Capital Markets, Public Affairs

Global Private Equity & KKR Capstone Team

<table>
<thead>
<tr>
<th>Year</th>
<th>Private Equity Investment Professionals</th>
<th>KKR Capstone Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>81</td>
<td>18</td>
</tr>
<tr>
<td>2007</td>
<td>156</td>
<td>31</td>
</tr>
<tr>
<td>2010</td>
<td>197</td>
<td>59</td>
</tr>
<tr>
<td>2012</td>
<td>211</td>
<td>56</td>
</tr>
<tr>
<td>2017</td>
<td>215</td>
<td>55</td>
</tr>
</tbody>
</table>

Private Equity Investment Professionals
KKR Capstone Executives
Note: Data in the charts above represent all private equity transactions publicly announced or completed since January 1, 2015. Percentages are based on number of transactions. Limited Process is defined as three or fewer parties, including KKR.
Private Equity Model Evolution: 40+ Years of Experience

Differentiated Model with broader capabilities

Initial
Value through financial engineering

Involved
Value through active board engagements

Integrated
Value through internal operating teams

Value through global resources & expertise

KKR Capstone (1)
KKR Capital Markets
Balance Sheet
Client & Partner Group
Global Macro and Global Institute
Public Affairs
KKR Credit
KKR Real Assets

(1) KKR Capstone is not a subsidiary or affiliate of KKR. KKR Capstone operates under several consulting agreements with KKR and uses the "KKR" name under license from KKR.
## KKR Capstone—Value Creation Through Operational Improvements

<table>
<thead>
<tr>
<th>Selected Portfolio Examples</th>
<th>Value Creation Impact&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="#">Latitude Financial Services</a></td>
<td>$30mm+ overhead savings achieved</td>
</tr>
<tr>
<td><a href="#">Hensoldt</a></td>
<td>30%+ productivity improvement</td>
</tr>
<tr>
<td><a href="#">Epicor</a></td>
<td>€105mm annual cost savings identified and €50mm realized to date</td>
</tr>
<tr>
<td><a href="#">Epicor</a></td>
<td>Complex carve-out completed</td>
</tr>
<tr>
<td><a href="#">Epicor</a></td>
<td>20% new sales booking growth</td>
</tr>
<tr>
<td><a href="#">Epicor</a></td>
<td>New CEO and 4 new C-level executives</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> The portfolio companies represented are shown as examples of KKR Capstone’s value creation impact from each of Asia, Europe, and Americas, and are examples of a significant KKR Capstone engagement with regard to topline, cost structure and turnaround. Portfolio companies identified may not be representative of the entire portfolio, and results may not be typical. KKR Capstone is owned and controlled by its senior management and not KKR.
KKR’s Value Creation Approach: Panasonic Healthcare

**KKR Leverages Multiple Ways...**

**Buying Complexity:**
Carve-Out From Panasonic

**Operational Improvement:**
Procurement and manufacturing efficiencies, sales force effectiveness, product innovation

**Synergistic M&A:**
Acquisition and integration of Bayer Diabetes Care

---

**...To Create Operational Value**

<table>
<thead>
<tr>
<th>EBITDA (JPY bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013 (Pre KKR)</td>
</tr>
<tr>
<td>FY 2014 (KKR Close)</td>
</tr>
<tr>
<td>FY 2016 (Standalone)</td>
</tr>
<tr>
<td>FY 2018(1)</td>
</tr>
</tbody>
</table>

12.6% 18.4% 23.8% 23.7%

**Current USD Mark of 4.3x Cost**

FY 2013 (Pre KKR)
FY 2014 (KKR Close)
FY 2016 (Standalone)
FY 2018(1)

EBITDA Margin

(1) Pro forma for Bayer Diabetes Care transaction.
KKR Well Positioned To Continue To Deliver Results In Private Equity

Strong macroeconomic backdrop

Well performing Private Equity portfolio

Strong Private Equity returns

Strong team with experience

Significant dry powder

Scaled strategy with significant growth opportunity
Pete M. Stavros
Incentivizing Employees and Creating Value
History of Hourly Employee Relations
Misaligned Incentives

- Quality
- Cost
- On-time delivery

**EMPLOYER**

**VERSUS**

**HOURLY EMPLOYEE**

- Rework OK
- Number of hours worked
- Falling behind OK
Current Engagement Model

**EMPLOYER**
- set expectations / monitor

**EMPLOYEE**
- meet minimum / evade oversight

Lack of mutual investment

Low worker morale
KKR Industrials As Engagement Laboratory
• Hourly Employees
CHI Employees

- Hourly Employees
- Truck Drivers (Paid Per Mile)
CHI Employees

- Hourly Employees
- Truck Drivers (Paid Per Mile)
- Received Payout At Initial KKR Acquisition
Low Worker Morale – Safety Concerns

Total Recordable Incident Rate

CHI 2015 TRIR\(^{(1)}\)

OSHA Industry Benchmark\(^{(2)}\)

14.0

4.5

(1) Total recordable incident rate, a metric that takes into account how many OSHA recordable incidents a company has per number of hours worked.
First Ever Employee Survey - 2016

30% RESPONDED

90% OF RESULTS WELL BELOW BENCHMARKS

Most said survey would have no impact
Performance Reflected Low Employee Engagement

Quality Challenges

Poor Processes

No Margin Growth

Excess Working Capital
New Approach Under KKR

- New Leadership
- New Priorities
- Process Orientation
- Roll-out of Employee Engagement Model
Our Employee Engagement Model

- Investing in the Workforce
- Making Everyone an Owner
- Engaging with the Community
**Total Recordable Incident Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>CHI</th>
<th>OSHA Industry Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>14.0</td>
<td>4.5</td>
</tr>
<tr>
<td>2016</td>
<td>10.0</td>
<td>4.4</td>
</tr>
<tr>
<td>2017</td>
<td>7.0</td>
<td>4.4</td>
</tr>
</tbody>
</table>

(1) Total recordable incident rate, a metric that takes into account how many OSHA recordable incidents a company has per number of hours worked.

Engagement: Making Everyone an Owner

- Hourly Employees
- Truck Drivers (Paid Per Mile)
- Received Payout At Initial KKR Acquisition
Engagement: Making Everyone an Owner

• Became Owners Under KKR
Engagement: Making Everyone an Owner

- Educate
- Share Information
- Make It “Real”
- If Possible, Pay An Early Dividend
CHI’s First Dividend in 2017
Community Involvement Engenders Pride in the Company

HOMES for our TROOPS

www.hiotusa.org

C.H.I.

KKR
Employee Survey Update - 2017

80% RESPONDED

60% OF RESULTS ABOVE BENCHMARKS
Engagement: Practical Example of Changed Behavior

Larry | Truck Driver at CHI
Engagement: Practical Example of Changed Behavior

Total Profitability of: Gladstone, Michigan Delivery

- Total Doors Delivered: 1
- Total Incremental Miles Driven: 200
- Total Incremental Stops: 1
- Rough Incremental Costs: ~$250

Rough Gross Profit per Door
- Sales Commission
- Delivery Costs

= $0
CHI Operational Transformation: Results So Far

EBITDA Margin

~800 bps of margin improvement in under 3 years

Prior Owners

FY 2005: 21%
FY 2006: 20%
FY 2007: 19%
FY 2008/2009: 18%
FY 2010: 20%
FY 2011: 20%
FY 2012: 20%
FY 2013: 22%
FY 2014: 21%
FY 2015: 21%
FY 2016: 22%
FY 2017: 27%
FY 2018: 28%
FY 2019: 29%

LTM July 2015: 27%
LTM May 2018: 29%
CHI Operational Transformation: Results So Far

Net Working Capital as % of Revenue

- 2014: 12%
- 2015: 9%
- 2016: 6%
- 2017: 3%
Potential Macro Impact of this Engagement Model

- Inequality
- Productivity
- Technology Disruption
Employee Ownership Prior to KKR

- Received Payout At Initial KKR Acquisition
Employee Ownership (Update)

- Became Owners Under KKR
Employee Ownership (Update)

• Received >$100k payout
Employee Ownership (Update)

- Received >$1mm payout
Employee Ownership (Update)

- Top Executives Still Received Significant Payout

...and the top 2 still made >$35mm

Lowest payout of $15,000 in the U.S.
Capital Safety Exit

Inequality
Capital Safety Operational Transformation

EBITDA Margin

26% 27% 28% 25% 26% 29% 31% 33% 34% 36% 37% 38% 38%

Prior Owners

1,200 bps of margin improvement in just 3.5 years
Operational Transformations: A Broader Set of Results

EBITDA Margin Expansion

~800 bps  
July 2011 – July 2017

~1,200 bps  
Jan 2012 – Nov 2015

~750 bps  
July 2013 – Present

~800 bps  
July 2015 – Present

~600 bps  
Nov 2013 – Present

Note: Company selection based on Industrials investments. Capital Safety EBITDA margin data is shown for the time period until KKR's exit. Capsugel data is shown through March 31, 2017. Gardner Denver shown through the three months ended March 31, 2018. CHI Overhead Doors shown through LTM May 31, 2018. Crosby shown through the two months ended May 31, 2018.
Gardner Denver: Engaged Employee-Owners Driving Productivity
The Gardner Denver Challenge

Productivity

NWC$^{(1)}$ as a “proof point”

i) Everyone touches NWC

ii) Easily understood concepts

iii) Room for improvement

iv) Meaningful impact

---

(1) NWC stands for “net working capital,” defined as accounts receivable + inventory – accounts payable.
Our Approach to Improving NWC at Gardner Denver

“Train the Trainer” Approach

Extensive Measurement and Reporting

Ongoing Communication

Productivity
Celebrating Examples of Improved Engagement

Holly | Sales Office Manager at Gardner Denver UK
NWC Reduction at Gardner Denver: Early Results

Net Working Capital as % of Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>GDI</th>
<th>Industry Benchmark(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>31.5%</td>
<td></td>
</tr>
<tr>
<td>Q1 2018</td>
<td>29.2%</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Represents the approximate three year average NWC as % of revenue for Atlas Copco, Weir, and Flowserve. From company filings.
Larry | Truck Driver at CHI
How an Engaged Truck Driver Creates Value at CHI

- Identifying improvement opportunities
- Unloading doors at every stop
- Providing competitive intelligence
- Serving as a feedback loop on quality
- Strengthening customer relationships
We BUY complexity...

and SELL simplicity...

We Invest in Defensive Assets

We Look for Market Inefficiencies
KKR Global Real Estate – Our History

- **Established CRE NBFC in India**
- **Final Close of REPA II**
  - Europe Value-Add/Opportunistic Fund
- **Final Close of REPA I**
  - Americas Value-Add/Opportunistic Fund
- **US CRE Credit Business Formed**
- **Final Close of RECOP**
  - Americas Risk Retention Credit
- **Hired Head of CRE Asia Pacific (1)**

**Timeline:***
- **2013**: Final Close of REPA I
- **2015**: Final Close of REPE
  - Europe Value-Add/Opportunistic Fund
- **2016**: US CRE Credit Business Formed
- **2017**: KREF IPO on the NYSE
  - Americas Mortgage REIT
- **2018**: Final Close of REPA II

**Employees**
- **5 NYC**

**Office Locations**
- **63**
- **7 Offices**
- **5 Countries**

(1) Expected to join July 2018.
KKR Global Real Estate – Team Overview

63 Investment & Asset Management Professionals Globally

- Stable team continuing to grow selectively
- Diversity by experience, race & gender

Note: Team numbers as of June 18, 2018.
(1) Includes Balance Sheet investments as of March 31, 2018. Inception to date Balance Sheet commitments of $1.6 billion including Balance Sheet, KFN and KKR Employee Commitments to all CRE transactions since inception of dedicated CRE business in March 2011 including transactions in Special Situations and Asian Private Equity funds.

2011
$0bn FPAUM

2018
$4.7bn FPAUM
$802mm
Balance Sheet Investments

Other Dedicated RE Professionals

- 7 Real Estate Finance
- 2 Capital Markets
- 3 Product Specialists

Locations:
- San Francisco: 4
- New York: 28
- Houston: 4
- London: 10
- Mumbai: 8
- Hong Kong: 7
- Sydney: 2

Inception to date Balance Sheet commitments of $1.6 billion including Balance Sheet, KFN and KKR Employee Commitments to all CRE transactions since inception of dedicated CRE business in March 2011 including transactions in Special Situations and Asian Private Equity funds.
KKR Global Real Estate – Our History

Fully Integrated Real Estate Platform

North America
- EQUITY Value-Add / Opportunistic REPA I, REPA II
- PLATFORMS Yield-Driven, Mid-Teen Core+ Target Return Drawbridge
- CREDIT B-Piece Risk Retention RECOP
- CREDIT Senior, Transitional Whole Loans KREF

Europe
- EQUITY Value-Add / Opportunistic REPE
- PLATFORMS German, Core-Opportunistic Target Returns GEG

Asia
- EQUITY Value-Add / Opportunistic To-Date: Balance Sheet / KKR PE Funds
- CREDIT Opportunistic Senior Lending India RE NBFC

Risk/Return Potential
# KKR Global Real Estate – Our Performance

## KKR CRE Fund Performance

### Equity

<table>
<thead>
<tr>
<th>Fund</th>
<th>Vintage</th>
<th>Gross IRR/MOIC</th>
<th>DPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Partners Americas (REPA)</td>
<td>2013</td>
<td>19.9%/1.4x</td>
<td>85%</td>
</tr>
<tr>
<td>Real Estate Partners Europe (REPE)</td>
<td>2016</td>
<td>21.9%/1.3x</td>
<td>7.2%</td>
</tr>
<tr>
<td>Real Estate Partners Americas II (REPA II)</td>
<td>2017</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>Vintage</th>
<th>Gross IRR/MOIC</th>
<th>DPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>KKR Real Estate Finance Trust (NYSE:KREF)</td>
<td>2017</td>
<td>10.4%/1.0x</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

### Credit

<table>
<thead>
<tr>
<th>Fund</th>
<th>Vintage</th>
<th>Gross IRR/MOIC</th>
<th>Gross Current Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Credit Opportunities Partners (RECOP)</td>
<td>2017</td>
<td>10.4%/1.0x</td>
<td>9.9%</td>
</tr>
<tr>
<td>KKR Real Estate Finance Trust (NYSE:KREF)</td>
<td>2017</td>
<td>1.05 bn</td>
<td>1.0x</td>
</tr>
</tbody>
</table>

Note: All figures as of March 31, 2018, unless otherwise noted.
(1) RECOP had its first capital call in Q2 2017, so the IRR presented is non-annualized.
(2) As of June 29, 2018.
The KKR Global Real Estate Business Is Fully Integrated Across the Broader KKR Platform

We Draw Upon the Strengths of All Parts of The Firm To Execute Our Business – From Sourcing to Underwriting to Macro to Financing, etc.
<table>
<thead>
<tr>
<th></th>
<th>When We Last Met – May 2013</th>
<th></th>
<th>Today – March 31, 2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FPAUM</td>
<td># of Transactions</td>
<td>FPAUM</td>
<td># of Transactions</td>
</tr>
<tr>
<td>US Equity</td>
<td>-</td>
<td>9</td>
<td>$2,232mm</td>
<td>35</td>
</tr>
<tr>
<td>US Credit</td>
<td>-</td>
<td>-</td>
<td>$1,551mm</td>
<td>51</td>
</tr>
<tr>
<td>EU Equity</td>
<td>-</td>
<td>-</td>
<td>$657mm</td>
<td>12</td>
</tr>
<tr>
<td>Asia Equity(1)</td>
<td>-</td>
<td>2</td>
<td>$223mm</td>
<td>34</td>
</tr>
<tr>
<td>Asia Credit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>11</td>
<td>$4,664mm</td>
<td>144</td>
</tr>
</tbody>
</table>

- **$486mm Commitment**
  - **$801.7mm Investments**
  - **$89.1mm**
  - **$16.2mm**
  - **$66.7mm**

---

(1) Equity in Asia CRE transactions funded by KKR Private Equity funds, Special Situations and Balance Sheet capital as of May 2018.
(2) $801.7mm Includes Balance Sheet investments as of March 31, 2018. Inception to date Balance Sheet commitments of $1.6 billion including Balance Sheet, KFN and KKR Employee Commitments to all CRE transactions since inception of dedicated CRE business in March 2011 including transactions in Special Situations and Asian Private Equity funds.
(3) Represents cumulative figures from inception in March 2011.
(4) Includes inception to date total gross carried interest (realized and unrealized).
(5) Represents total proceeds across fully realized Real Estate transactions in North America, Europe and Asia. Includes deals done by other vehicles such as Special Situations and KKR Balance Sheet.
<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>Today</th>
<th>2018+{(1)}</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>REPA I</td>
<td>REPA II</td>
<td>REPA Successor Funds</td>
</tr>
<tr>
<td>2</td>
<td>REPE</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Credit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>RECOP</td>
<td>RECOF Successor Funds</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>KREF</td>
<td>KREF Continued Growth</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Stabilized Credit Strategy</td>
<td></td>
</tr>
</tbody>
</table>

- Adjacent products
- Successor funds
- Geographic expansion
- Selective strategic considerations / selective acquisitions or JVs
- KKR Capital Markets scales in lock-step

---

**Path To Scale: Performance + Brand + Culture + Balance Sheet + KKR Capital Markets**

(1) The list does not indicate any actual or potential capital raise in a particular fund, and is not, and should not be construed as, an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, investment funds, vehicles or accounts.
Todd C. Builione
Credit and Markets
KKR Credit & Markets — 10+ Years in the Works

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2018(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUM</strong></td>
<td>$11bn</td>
<td>$59bn</td>
</tr>
<tr>
<td><strong>Credit Management Fees</strong></td>
<td>$53mm</td>
<td>$247mm</td>
</tr>
<tr>
<td><strong>Transaction Fees</strong></td>
<td>$1mm</td>
<td>$434mm(2)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$78mm</td>
<td>$791mm</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td>62(3)</td>
<td>293</td>
</tr>
</tbody>
</table>

(1) 2018 reflects LTM 2018 or as of March 31, 2018, as applicable.
(2) Includes $7mm of transaction fees generated by KKR Credit.
(3) An approximate number as of December 31, 2007.
KKR Credit AUM – Since Inception

5 Year CAGRs

<table>
<thead>
<tr>
<th></th>
<th>Excluding FS</th>
<th>With FS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUM</td>
<td>20%</td>
<td>26%</td>
</tr>
<tr>
<td>Management Fees</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

(KKR Credit AUM – Since Inception)

- AUM: $13bn
- Management Fees: 20%
Case Studies – Leveraging our Business Model

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Portfolio Company</th>
<th>KKR Origination</th>
<th>Credit Investing</th>
<th>Capital Markets Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sycamore Partners</td>
<td><strong>STAPLES</strong></td>
<td>Credit &amp; Markets</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Marlin Equity Partners</td>
<td><strong>Virgin Pulse</strong></td>
<td>Americas PE</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>REDBRICK HEALTH®</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Delivering Financing Solution to Sycamore Partners

Origination

- June 2017
- Sycamore approaches KKR to finance Staples take private transaction
  - Complex transaction given desire to split Staples into 3 entities
  - KKR commits to $500m 1st lien term loan

STAPLES
Delivering Financing Solution to Sycamore Partners

### KKR Solution

<table>
<thead>
<tr>
<th>Credit Investing</th>
<th>Capital Markets Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• $150mm investment</td>
<td>• $350mm committed and distributed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KKR Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fees $3.8mm$^{(1)} + Carry Potential $5.8mm$^{(1)} + KKR Capital Markets Fees $7.5mm = $17.1mm</td>
</tr>
</tbody>
</table>

(1) Management Fees and Carry Potential represent 3.5 years. The estimated carry potential is for illustrative, informational purpose only and is not representative of actual results, which may differ materially from the estimate. See Important Information.
Delivering Financing Solution to Marlin Equity Partners

Origination

• Q1 2018 — KKR Americas PE considers investment
• April 2018
  • KKR works with Marlin (who has Virgin Pulse & Red Brick under LOI)
  • KKR commits to 1st lien term loan
Delivering Financing Solution to Marlin Equity Partners

**KKR Solution**

**Credit Investing**

- 1st lien term loan investment

**KKR Revenue**

Management Fees $8.0mm$^{(1)} + Carry Potential $12.3mm$^{(1)} = Total $20.3mm$

(1) Management Fees and Carry Potential represent 3.5 years. The estimated carry potential is for illustrative, informational purpose only and is not representative of actual results, which may differ materially from the estimate. See Important Information.
Partnership with FS Investments – Overview

- FS Investments – manages $25bn AUM and provides retail investors access to alternative investments
- FS served as investment advisor and Blackstone / GSO as sub-advisor (to FSIC BDC franchise)
- On April 9, 2018, FS ended the Blackstone / GSO relationship and formed a partnership with KKR

<table>
<thead>
<tr>
<th>FSIC BDC Franchise</th>
<th>Gross Assets</th>
<th>KKR BDC Franchise</th>
</tr>
</thead>
<tbody>
<tr>
<td>($bn)</td>
<td></td>
<td>($bn)</td>
</tr>
<tr>
<td>FSIC I</td>
<td>$4.1</td>
<td>CCT I</td>
</tr>
<tr>
<td>FSIC II</td>
<td>5.0</td>
<td>$4.0</td>
</tr>
<tr>
<td>FSIC III</td>
<td>3.8</td>
<td>CCT II</td>
</tr>
<tr>
<td>FSIC IV</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Total</td>
<td>$13.2bn</td>
<td>Total</td>
</tr>
</tbody>
</table>

Combined Franchise

- $17.4bn AUM
- 6 BDCs
- 250K clients
- 150 sponsors
- 325 borrowers
Partnership with FS Investments – Strategic Rationale

1. Scale in a space where scale matters
   - Top player in Private Credit
   - #1 BDC player – +50% larger than #2

2. $13.2bn of incremental permanent capital
   - Increases KKR Credit’s permanent capital to $18bn (31% of AUM)
   - Increases KKR’s permanent/strategic capital to $42bn (22% of AUM)

3. Retail opportunity

4. Economics

(1) Pro forma for the closing of the FS Strategic BDC partnership.
KKR Credit Snapshot – March 31, 2018

$59bn AUM

KKR Credit

$25bn

Leveraged Credit
• CLOs
• Loans & Bonds
• Opportunistic Credit
• Revolving Credit

$34bn

Alternative Credit
• BDCs
• Direct Lending
• Private Opportunistic
• Special Situations

~750 Issuers  |  $2.7bn balance sheet & employee capital committed
Where Does Credit Go From Here?

**2007**
1. CLOs
2. Loans & Bonds
3. KFN

**Today**
1. CLOs
2. Loans & Bonds
3. Opportunistic Credit
4. Revolving Credit
5. BDCs
6. Direct Lending
7. Private Opportunistic
8. Special Situations

**2018+**
1. CLOs
2. Loans & Bonds
3. Opportunistic Credit
4. Revolving Credit
5. BDCs
6. Direct Lending
7. Private Opportunistic
8. Special Situations
9. European Private Credit
10. Asia Credit

**Key Priorities**
- Investment performance
- Run hard to capitalize on momentum
- Build out Europe & Asia
- Be creative...be agile...use KKR’s full toolkit

**AUM**
- **2007** – $11bn
- **Today** – $59bn

---

**Significant Growth Opportunities**

(1) The list does not indicate any actual or potential capital raise in a particular fund, and is not, and should not be construed as, an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, investment funds, vehicles or accounts.
Adam Smith
KKR Capital Markets
**KKR Capital Markets Overview**

<table>
<thead>
<tr>
<th>Key Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Full service capital markets business that serves both KKR and independent clients</td>
</tr>
<tr>
<td>• Global footprint with local presence and licenses across North America, Europe and Asia</td>
</tr>
<tr>
<td>• Broad based, investor-facing platform with deep product expertise and differentiated access to liquid and illiquid markets</td>
</tr>
<tr>
<td>• Scale and frequency of financing activities provides unique insights into market trends and opportunities</td>
</tr>
<tr>
<td>• Experienced team of &gt;40 executives who operate with an ownership mentality</td>
</tr>
<tr>
<td>• Fee based business with 11-year history of growth and profitability</td>
</tr>
</tbody>
</table>

**Product Expertise**

<table>
<thead>
<tr>
<th>Debt</th>
<th>Equity</th>
<th>Structured</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Total Cost of Borrowing" /></td>
<td><img src="image2" alt="Interest Rate" /></td>
<td><img src="image3" alt="Spread Chart" /></td>
</tr>
</tbody>
</table>

**Distribution Reach**

- LPs
- Credit Funds
- Insurance Cos.
- Pension Funds
- Sovereign Wealth Funds
- Mezzanine Funds
- Family Offices
- Hedge Funds
- Mutual Funds
- Fund of Funds
- Distribution
### Components of Our Business

#### Equity Capital Markets

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity Syndicated</th>
<th>Gross Proceeds</th>
<th>Total Since 2007</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$0.9</td>
<td>$9.0</td>
<td>Total Since 2007(1)</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$1.2</td>
<td>$11.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$4.7</td>
<td>$13.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- Deal counts include fee generating and non-fee generating events.
- Figures as of June 30, 2018.
- Total represent gross proceeds while subtotals represent the number of deals of each type.
- Debt financings exclude deals effected by our Indian Merchant Bank and related Non-Bank Finance Company.

#### Debt Capital Markets

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Arranged</th>
<th>Total Since 2007</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$46.2</td>
<td>Total Since 2007(1)</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$46.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$105.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$520.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- Revolving Credit Facilities
- Asset-Based Facilities
- 1st Lien Term Loans
- 2nd Lien Term Loans
- Unitranche Loans
- Bridge Loans
- Mezzanine Capital
- High Yield Bonds
- Structured Credit
- Preferred Equity
Opportunity to Generate Business Over the Life of an Investment

Acquisition
- Debt Financing
- Equity Syndication

Ownership
- Debt Refinancing / Repricing
- Debt Amendment / Extension
  - Dividend Recaps
  - Incremental Debt
  - Incremental Equity

Monetization
- IPO
- Follow-On
- Staple Financing
Financial Performance

($ in millions)

$1.6 billion of fee generation

$1 $18 $34 $105 $171 $129 $143 $218 $191 $182 $440

First Five Years
Second Five Years

23 Deals per Year on Average
88 Deals per Year on Average

139 Deals Closed

Note:
"First Five Years" refers to 2007 – 2011 and "Second Five Years" refers to 2012-2016.
(1) As of December 31, 2017.
New Business Lines Have Helped Drive Growth and Diversification

Average Annual Revenue Contribution by Investment Strategy

**First Five Years**
- PE - New Investments: 47%
- PE – Existing Portfolio Companies: 42%
- Third Party: 9%

**Second Five Years**
- PE - New Investments: 27%
- PE – Existing Portfolio Companies: 25%
- Third Party: 2%
- Infrastructure: 2%
- Energy / Real Estate: 2%

**2017**
- PE - New Investments: 26%
- PE – Existing Portfolio Companies: 25%
- Third Party: 23%
- Infrastructure: 23%
- Energy / Real Estate: 3%
- Other / Balance Sheet: 3%

Note: "First Five Years" refers to 2007 to 2011 and "Second Five Years" refers to 2012 to 2016.
And So Has Global Expansion

Average Annual Revenue Contribution by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>First Five Years</th>
<th>Second Five Years</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>75%</td>
<td>64%</td>
<td>51%</td>
</tr>
<tr>
<td>Europe</td>
<td>15%</td>
<td>20%</td>
<td>38%</td>
</tr>
<tr>
<td>Asia</td>
<td>10%</td>
<td>16%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Note: "First Five Years" refers to 2007 to 2011 and "Second Five Years" refers to 2012 to 2016.
While the Contribution of Our Product Lines Has Remained Balanced

Average Annual Revenue Contribution by Product

First Five Years

- 59% Debt Capital Markets
- 41% Equity Capital Markets

Second Five Years

- 67% Debt Capital Markets
- 33% Equity Capital Markets

2017

- 58% Debt Capital Markets
- 42% Equity Capital Markets

Note: “First Five Years” refers to 2007 to 2011 and “Second Five Years” refers to 2012 to 2016.
# The Firm’s Investment Activities Provide Us With a Strong Foundation

<table>
<thead>
<tr>
<th>Third Party</th>
<th>Monetization</th>
<th>Ownership</th>
<th>Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financings</strong></td>
<td><strong>IPOs and Follow-Ons</strong></td>
<td><strong>Refinancings and Incremental Capital</strong></td>
<td><strong>Debt Financings</strong></td>
</tr>
<tr>
<td>$99.5mm in fees</td>
<td>$39.0mm in fees</td>
<td>$64.2mm in fees</td>
<td>$105.1mm in fees</td>
</tr>
<tr>
<td>52 deals</td>
<td>9 deals</td>
<td>41 deals</td>
<td>22 deals</td>
</tr>
</tbody>
</table>

**Drivers**

- **Sponsors and Corporate Clients**
- **119 KKR Private Equity Portfolio Companies\(^{1}\)**
- **$59bn in Dry Powder\(^{1}\)**

**Note:** Deal counts include only fee-paying events. Deals effected through our Indian Merchant Bank and related Non-Bank Finance Company are also excluded. As of March 31, 2018.

\(^{1}\) As of March 31, 2018.

1. Scaled direct distribution network to allow us to lead deals in broadly syndicated markets

2. Capitalized on bank retrenchment and regulatory pressures to gain market share

3. Used high volume business and control over debt allocations to gain market influence

4. Added capital from internal and external sources to expand underwriting capacity

5. Integrated debt capital markets team with Credit platform to create a unique competitive advantage with clients

6. **Performed**

**Performance Metrics**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Volume</strong> ($ in billions)</td>
<td>$46</td>
<td>$46</td>
<td>$106</td>
</tr>
<tr>
<td><strong>Total Fees</strong> ($ in millions)</td>
<td>$141</td>
<td>$133</td>
<td>$256</td>
</tr>
<tr>
<td><strong>Deals</strong></td>
<td>62</td>
<td>66</td>
<td>118</td>
</tr>
</tbody>
</table>

**Lead Left Mandates**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Lead Left Deals</strong> ($ in billions)</td>
<td>$12</td>
<td>$16</td>
<td>$37</td>
</tr>
<tr>
<td><strong>Total Proceeds</strong> ($ in billions)</td>
<td>$3.4</td>
<td>$4.6</td>
<td>$23.7</td>
</tr>
</tbody>
</table>

Note: Deal counts and volumes exclude deals effected through our Indian Merchant Bank and related Non-Bank Finance Company.
Growing Contribution from Our Third Party Business

**Number of Third Parties Transacting**

<table>
<thead>
<tr>
<th>Year</th>
<th>Third Party</th>
<th>KKR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

**Deals Among Unique Sponsors**

<table>
<thead>
<tr>
<th>Year</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>8</td>
</tr>
<tr>
<td>2017</td>
<td>25</td>
</tr>
</tbody>
</table>

**2017 US Debt Deals**

**Number of Deals**

- Third Party: 38 (55%)
- KKR: 31 (45%)

**Total Proceeds ($ billions)**

- Third Party: $31.2 (45%)
- KKR: $37.4 (55%)

**Recent Select Lead Left Mandates**

1. **Formula 1**
   - Total Proceeds: $3,102mm
   - Sponsor: Liberty Media

2. **MMed**
   - Total Proceeds: $2,250mm
   - Sponsor: Silver Lake

3. **Tibco**
   - Total Proceeds: $1,860mm
   - Sponsor: Vista

4. **Medtronic**
   - Total Proceeds: $865mm
   - Sponsor: Olympus

5. **Staples**
   - Total Proceeds: CAD$500mm
   - Sponsor: Canadian Retail

6. **K-MAC**
   - Total Proceeds: $530mm
   - Sponsor: Sycamore

7. **Tacala**
   - Total Proceeds: $505mm
   - Sponsor: Lee Equity

8. **Sycamore**
   - Total Proceeds: $425mm
   - Sponsor: Altamont, Bain, TPG, Providence, KKR

9. **HC2**
   - Total Proceeds: $1,010mm
   - Sponsor: HIG

10. **Southern Carlson**
    - Total Proceeds: $345mm
    - Sponsor: Kelso

11. **Southwire**
    - Total Proceeds: $500mm
    - Sponsor: Family Owned

12. **SMART**
    - Total Proceeds: $165mm
    - Sponsor: Silver Lake

---

(1) Excludes non-fee generating deals.
(2) Figures represent total debt raised on a lead left basis over course of relationship.
Approach Financings from a Differentiated Perspective

$20 million Revolver
$205 million First Lien Term Loan
$70 million 2nd Lien Term Loan

1. Leading designer and manufacturer of military and commercial vehicles

2. Owners were focused on extending maturities and refinancing existing indebtedness

3. Initially invited to participate as a passive syndicate member in a bank-led unitranche financing

4. When the bank-led financing failed to clear the market, we took over and sole-led a combined capital markets and Credit solution that bifurcated the financing into a 1st Lien Term Loan and 2nd Lien Term Loan

5. AM General was a nuanced credit story that required significant diligence and engagement to appropriately structure and distribute to investors

6. We drove a successful refinancing in which the 1st Lien Term Loan was substantially acquired by our Credit funds, and the 2nd Lien Term Loan and the balance of the 1st Lien Term Loan were distributed into the market
Connect the Dots Across Transactions

We use our experiences across deals and markets to identify, win and drive mandates

1. **Sole Arranger**
   - Mills Fleet Farm
   - **Directly placed full LBO financing across multiple markets in midst of severe credit dislocation**
   - $100 million ABL
   - $535mm 1st Lien TL
   - $180mm 2nd Lien TL

2. **Lead Left Arranger**
   - TKC Holdings
   - **Led to confidence to underwrite acquisition financing when markets appeared closed**
   - $575mm 1st Lien TL
   - $425mm 2nd Lien / Seller Note

3. **Joint Lead Arranger**
   - Sedgwick
   - **Led to view that markets would open to support dividend recap for a high quality credit**
   - $325mm Incremental 1st Lien TL

4. **Lead Left Arranger**
   - NPC International
   - **Dividend recapitalization pitch led to refinancing mandate and subsequent LBO financing for restaurant franchisee**
   - 100mm RCF
   - $580mm 1st Lien TL
   - $160mm 2nd Lien TL

5. **Lead Left Arranger**
   - Taco Cala
   - **Led to opportunity to finance one of the largest Taco Bell franchisees as a new issuer in the syndicated loan market**
   - $30mm RCF
   - $355mm 1st Lien TL
   - $120mm 2nd Lien TL

6. **Lead Left Arranger**
   - K-Mac
   - **Led to opportunity to finance a similar Taco Bell, KFC and Golden Coral franchisee as a new issuer in the syndicated loan market**
   - $50mm RCF
   - $360mm 1st Lien TL
   - $120mm 2nd Lien TL
Tara C. Davies
Infrastructure Case Studies
Calvin Capital Case Study

Result

- Controlled the ~£1bn deal by speaking for total capital
- Balance sheet committed to the entire £750mm transaction (Holdco debt and equity), enabling speed of execution
- Delivered significant co-investment opportunity to LPs
- Allows us to demonstrate our infrastructure capabilities and size of opportunity
- Highlights our equity and debt syndication expertise

~£1bn Infrastructure Deal

- ~£600mm in Equity
  - ~£200mm – KKR Global Infrastructure Fund II
  - ~£400mm – Syndicated to co-investors
- ~£400mm in Debt
  - ~£250mm existing debt
  - ~£150mm Holdco debt obtained with attractive debt terms by KKR Capital Markets

~£600mm in Equity

~£400mm in Debt
Q-Park Case Study

~€3bn Infrastructure Deal

~€1.8bn in Equity
- ~€300m – KKR Global Infrastructure Fund II
- ~€1.5bn – Syndicated to co-investors

~€1.2bn in Debt
- Obtained attractive debt terms with the expertise of KKR Capital Markets

Result
- Controlled the ~€3bn deal by speaking for total capital
- Use of the Balance Sheet enabled speed of execution
- Delivered significant co-investment opportunity to LPs
- Allows us to demonstrate our infrastructure capabilities and size of opportunity
- Highlights our equity and debt syndication expertise
- 11 out of 18 co-investors became new KKR Infrastructure LPs by investing in Infra III

~€3bn Infrastructure Deal

~€1.8bn in Equity

~€1.2bn in Debt
Conclusions

**Today**

1. Full service capital markets business serving KKR and independent clients

2. Significant growth and diversification leading to $440 million of revenue in 2017

3. Strong baseline business across private equity, infrastructure and third party with a healthy balance between debt and equity

4. Transformation of our debt capital markets platform has allowed us to gain market share

**Looking Ahead**

1. Significant runway across debt capital markets and third party business

2. New business opportunities as our more recent investment strategies scale

3. Continued geographic expansion as we follow the firm’s global build out

4. Additional product capabilities as our Credit business expands
Suzanne O. Donohoe
Client & Partner Group
Observations from the Marketplace
We Are In A Vibrant Fundraising Environment

($ in billions)

Annual Aggregate Private Capital Raised by Asset Class

Returns for Private Equity Have Been Strong

“Over the 10-year period, private equity portfolios have generated the highest return for public pension funds across all asset classes examined.”

95% of LPs feel their private equity investments met or exceeded expectations in 2017

Investors’ Intentions for Their Private Equity Allocations over the Longer Term, December 2012 - 2017

- Decrease Allocation
- Maintain Allocation
- Increase Allocation

The State Pension Funding Gap Remains Significant


($ in trillions)
Return Needs Not Met Through Traditional Fixed Income

Sovereign Wealth Funds Continue to Grow

($ in trillions)

- Assets added by sovereign wealth funds over the past 12 months: $866 billion
- Number of sovereign wealth funds in existence worldwide: 78
- Number of sovereign wealth funds established since 2010: 21

Note: 2018 Preqin Sovereign Wealth Fund Review.
### Meaningful Opportunities For Growth

<table>
<thead>
<tr>
<th>Underallocated to Alternatives</th>
<th>Country</th>
<th>AUM (USD bn)</th>
<th>Current Alternative Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Post Bank (1)</td>
<td>Japan</td>
<td>$1,820</td>
<td>0.1%</td>
</tr>
<tr>
<td>Government Pension Investment Fund (2)</td>
<td>Japan</td>
<td>$1,420</td>
<td>0.1%</td>
</tr>
<tr>
<td>Global Government Pension Fund (3)</td>
<td>Norway</td>
<td>$1,034</td>
<td>2.5%</td>
</tr>
<tr>
<td>National Pension Service of Korea (4)</td>
<td>South Korea</td>
<td>$462</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Developed Alternative Platforms</th>
<th>Country</th>
<th>AUM (USD bn)</th>
<th>Current Alternative Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada Pension Plan (5)</td>
<td>Canada</td>
<td>$253</td>
<td>42%</td>
</tr>
<tr>
<td>Texas Teachers (6)</td>
<td>United States</td>
<td>$138</td>
<td>32%</td>
</tr>
<tr>
<td>Government of Singapore Investment Corporation (7)</td>
<td>Singapore</td>
<td>$250</td>
<td>21%</td>
</tr>
<tr>
<td>CalPERS (8)</td>
<td>United States</td>
<td>$295</td>
<td>20%</td>
</tr>
</tbody>
</table>

---

(1) Pension & Investments, Japan Post Bank starts turn to alts, Published: March 20, 2017.
(2) GPIF Investment Results as of 2Q 2017.
(4) Pension & Investments, South Korea’s NPS relocation may hinder investment plans, Published: February 28, 2017, Allocation as of November 30, 2016.
(5) CPPIB 2017 Annual Report.
(7) Source: Preqin as of December 31, 2017. Alternatives allocation includes Private Equity, Real Estate and Hedge Funds.
(8) As of June 30, 2016, calpers.ca.gov Asset Allocation & Performance. Includes Private Equity, Real Estate, Forestland and Infrastructure.
Overall High Net Worth Market is Large and Growing

Global Pension Assets 5-Year CAGR stands at 5.8% vs 7.4% for the Global HNW market

<table>
<thead>
<tr>
<th>Global Pension Assets</th>
<th>Global HNW Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36 trillion</td>
<td>$60 trillion</td>
</tr>
</tbody>
</table>

Insurance Industry’s Allocation to Alternatives has increased 1.5x over a 3 year period.

Insurance Companies’ Allocations to Alternatives Are Scaling

Insurance Industry’s Allocation to Alternatives has increased 1.5x over a 3 year period.

Note: KKR Insights: Global Macro Trends – New World Order, April 2018. KKR survey respondents’ allocation to non-investment grade and non-traditional investment. Data as of March 31, 2018.
Alternative Asset Management Industry Continues to Grow

Source: PwC Asset & Wealth Management Revolution – Figure 4: Alternatives by type in USD trillion. October 2017.
Note: CAGR from 2004 to 2016.
The Largest, Global Firms Are Best Positioned

Proportion of Private Equity Capital Raised by the 20 Largest Funds

Source: Preqin 2018 Private Equity report.
Our Client Effort
 CLIENT & PARTNER GROUP

80 dedicated professionals on a global basis

RELATIONSHIP MANAGEMENT

35 Senior Executives

Avg. Tenure at KKR: 6 Years
Avg. Years of Industry Experience: 19 Years

PRODUCT MANAGEMENT

15 Senior Executives

Avg. Tenure at KKR: 5 Years
Avg. Years of Industry Experience: 15 Years

Note: As of June 1, 2018.

(1) Individual Investor Business ("IIB") is comprised of the HNW / Platform / Retail sales teams.
AUM Growth Across Asset Classes

($ in billions)

Note: Private Equity includes private markets less core, growth and real assets.
Gross New Capital Raised

($ in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Private Markets</th>
<th>Public Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$14</td>
<td>$3</td>
</tr>
<tr>
<td>2013</td>
<td>$14</td>
<td>$8</td>
</tr>
<tr>
<td>2014</td>
<td>$17</td>
<td>$11</td>
</tr>
<tr>
<td>2015</td>
<td>$20</td>
<td>$13</td>
</tr>
<tr>
<td>2016</td>
<td>$16</td>
<td>$13</td>
</tr>
<tr>
<td>2017</td>
<td>$25</td>
<td>$13</td>
</tr>
<tr>
<td>LTM 3/31/2018</td>
<td>$26</td>
<td>$15</td>
</tr>
</tbody>
</table>

2012-2017

Private Markets

Public Markets

LTM 3/31/2018
Investor Base Growth Across Platforms

Private Equity

Credit

Real Assets

Growth Equity

Note: As of June 18, 2018.
One Team One Dream...

CPG’s contribution to KKR Capital Markets fees is growing year over year

Note: CPG sourced is an internal estimate representing the portion of KKR Capital Markets’ transaction fees that are attributable to various CPG investor relationships.
We Are Reaching More Investors

On average KKR clients are invested in 2.0 products (non-successor funds)

Investor Base Continues to Expand

Number of Investors in Multiple Products and Products per Client\(^{(1)}\)

---

\(^{(1)}\) Number of fund investors includes those who have made commitments, including verbal commitments to KKR's strategies. Our goals above are subject to uncertainty and change. Products per client were not tracked in 2008. Re-ups to same strategy do not constitute a cross sell.
Current Areas of Focus for CPG
Extend the Duration and Scale of our Capital Base

($ in billions)

- 2015: $9
- 2016: $11
- 2017: $28
- 3/31/18 PF for FS: $42

~4x

- Permanent Capital
- Strategic Investor Partnerships with Recycling
Continue to Add New Clients & Cross Sell

Rise in Strategic Investor Partnership capital seen in cross selling statistics; clients with >$500mm in commitments are invested in an average of 4.5 products

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2010</th>
<th>Today (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Investors</td>
<td>275</td>
<td>344</td>
<td>~920</td>
</tr>
<tr>
<td>Products per Client</td>
<td>?</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Fund Investors in Multiple Products</td>
<td>?</td>
<td>130</td>
<td>~365</td>
</tr>
</tbody>
</table>

(1) As of June 18, 2018.
Drive Insurance Penetration

The breadth and depth of our relationships with insurance companies is growing

Insurance AUM(1) by Asset Class

- Private Equity
- Infrastructure
- Real Estate
- CLOs
- Core PE
- Credit
- Hedge Funds(3)
- Energy
- Structured Balance Sheet Products(2)
- Multi-Strategy(4)

AUM is calculated as uncalled capital plus NAV.
(2) Q1 2018 Structured Balance Sheet Products AUM: KKR Wolverine; KKR Eagle is incorporated in each respective asset class.
(3) Hedge Funds AUM: 100% of Prisma and 24.9% of Marshall Wace in 2015; 39.9% of PAAMCO Prisma as well as 29.9% of Marshall Wace in Q1 2018.
Keep Growing Individual Investor Business

- “Platform Partners” to drive access to HNW and retail
- Directly cover the wealthiest families. **Current count over 350**
- Our Individual Investor Business (“IIB”)\(^{(1)}\) is becoming an **increasingly meaningful component** of KKR’s overall client base

---

Retail Capital AUM

\(^{(1)}\) IIB is comprised of the HNW/Platform/Retail sales teams. Please note a portion of assets raised from Individuals was originated from other teams outside of IIB.
Where Does CPG Go From Here?

Number of Investors

Today: ~920
End of 2022 Goal: 1,500

Products Per Client

Today: 2.0x
End of 2022 Goal: 2.3x

Fund Investors in Multiple Products

Today: ~365
End of 2022 Goal: ~500

Note: These goals are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events and actual results may differ materially from these goals. See Important Information.
CPG Looking Forward

- Seasoning of relationship managers and product teams
- Increased investor base
- More cross selling
- Track record as funds perform and scale
- Expansion of insurance, retail and sovereign wealth client base

Combined impact of these factors drives significant opportunity for growth
Business Model Review
Simple Financial Model

- **Management, Monitoring & Transaction Fees**
- **Realized Performance Income**
- **Realized Investment Income**

3 Forms of Revenue

- **Compensation incl. Equity-Based Compensation**
- **Occupancy & Other Operating Expenses**

2 Forms of Operating Expenses

After-Tax Distributable Earnings
Fee Revenue

**Attributes**
- Long-term, committed FPAUM leads to predictable management fee revenue
- Majority of management fees on committed or invested capital
- Capital Markets fees from KKR and third party activity
- Upside from transaction activity

**Growth Drivers**
- Increasing FPAUM
- Scaling new businesses and expanding permanent capital base
- Transaction activity (investment, monetization and capital markets)
- ~$25bn in capital commitments become FPAUM on an as-invested basis at a weighted average rate of approximately 100 basis points

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Management Fees</th>
<th>Capital Markets Fees</th>
<th>Additional Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$666</td>
<td>$146</td>
<td>$144</td>
</tr>
<tr>
<td>2014</td>
<td>$726</td>
<td>$218</td>
<td>$155</td>
</tr>
<tr>
<td>2015</td>
<td>$732</td>
<td>$191</td>
<td>$191</td>
</tr>
<tr>
<td>2016</td>
<td>$798</td>
<td>$182</td>
<td>$95</td>
</tr>
<tr>
<td>2017</td>
<td>$905</td>
<td>$440</td>
<td>$157</td>
</tr>
<tr>
<td>LTM</td>
<td>$948</td>
<td>$426</td>
<td>$134</td>
</tr>
</tbody>
</table>

**Contractual Life of FPAUM**

- <8 Years: 22%
- Permanent: 15%
- >8 Years: 58%
- Strategic Investor Partnerships: 5%

Additional Fees includes Monitoring Fees and non-Capital Markets Transactions Fees, net of Fee Credits.

Based on FPAUM as of March 31, 2018, pro forma for strategic BDC partnership with FS Investments. Time periods are measured from the time of fund, account, or vehicle's inception.

Permanent capital refers to capital of indefinite duration, which may be withdrawn under certain conditions.
Infrastructure Platform Growth

Scaling of Infrastructure Platform with Improving Quality of Capital

($ in billions)

Blended Management Fee/Carry Rate:
- Infrastructure Fund I: 1%/10%
- Infrastructure Fund II: 1%/11%
- Infrastructure Fund III: 1.2%/16%

Committed Capital:
- Infrastructure Fund I: $1.0
- Infrastructure Fund II: $3.0
- Infrastructure Fund III: ~$7.0

(1) The size and terms of the Infrastructure Fund III are assumptions. The final closing of the fund and ultimate amount of capital raised and its terms are subject to uncertainty and change. See Important Information.
Management Fees – Impact of Infrastructure III

Infra II Investment Period—$2.9 billion at 100 bps

Infra III Investment Period—$7.0 billion at ~120 bps

Infra II Post-Investment Period—NAV at 100 bps

Note: Assumed $7.0 billion of LP commitments for Infrastructure Fund III for purposes of this example. The final closing of the fund and ultimate amount of capital raised are subject to uncertainty and change. See Important Information.
Management Fees – Impact of FS Partnership

- The strategic BDC partnership, which closed on April 9, 2018, creates the largest BDC platform
- Transaction accelerates continued growth of the KKR Credit and KKR Capital Markets platforms
- Net incremental management fees of ~$6mm expected in Public Markets in Q2’18\(^{(1)}\)

![KKR Credit AUM Since Inception Diagram](image-url)

\(^{(1)}\) Q1’18 Public Markets management fees included ~$7mm in administrative servicing fees from FS Investments’ BDC assets. CCT also included within the Strategic BDC Partnership that closed on April 9, 2018.
Realized Performance Income

**Attributes**
- Our share of realized investment gains/losses from third-party capital we manage
- Directly tied to realization activity in funds in position to pay carry

**Growth Drivers**
- Managing more 3rd party capital
- Investment performance
- Realization activity

<table>
<thead>
<tr>
<th>Performance Fee-Eligible FPAUM Expansion</th>
<th>Net Accrued Carry Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>($ in millions)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td>2013</td>
</tr>
<tr>
<td>$66</td>
<td>$935</td>
</tr>
<tr>
<td>$762</td>
<td></td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td>2014</td>
</tr>
<tr>
<td>$73</td>
<td>$1,277</td>
</tr>
<tr>
<td>$79</td>
<td></td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>2015</td>
</tr>
<tr>
<td>$79</td>
<td>$1,375</td>
</tr>
<tr>
<td>$85</td>
<td></td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td>2016</td>
</tr>
<tr>
<td>$85</td>
<td>$1,283</td>
</tr>
<tr>
<td>$97</td>
<td></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>2017</td>
</tr>
<tr>
<td>$97</td>
<td>$1,283</td>
</tr>
<tr>
<td><strong>LTM</strong></td>
<td></td>
</tr>
<tr>
<td>$98</td>
<td>$1,307</td>
</tr>
<tr>
<td>$1,283</td>
<td></td>
</tr>
<tr>
<td>$1,283</td>
<td>$1,591</td>
</tr>
</tbody>
</table>

**Notes**
- Performance Fee-Eligible FPAUM ($bn)
- Realized Performance Fees ($mm)
## Realized Gross Performance Income and Dry Powder Growth

<table>
<thead>
<tr>
<th></th>
<th>Q4'10</th>
<th>Q1'18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LTM Realized Perf. Income</strong></td>
<td>$346mm</td>
<td>$1,283mm</td>
</tr>
<tr>
<td><strong>Unrealized Carry on Balance Sheet</strong></td>
<td>$526mm</td>
<td>$1,591mm</td>
</tr>
<tr>
<td><strong>Dry Powder</strong></td>
<td>$14bn</td>
<td>$59bn</td>
</tr>
</tbody>
</table>

### LTM Realized Performance Income ($mm)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>LTM Realized Performance Income ($mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4'10</td>
<td>$346</td>
</tr>
<tr>
<td>Q1'11</td>
<td>$371</td>
</tr>
<tr>
<td>Q2'11</td>
<td>$316</td>
</tr>
<tr>
<td>Q3'11</td>
<td>$322</td>
</tr>
<tr>
<td>Q4'11</td>
<td>$520</td>
</tr>
<tr>
<td>Q1'12</td>
<td>$69</td>
</tr>
<tr>
<td>Q2'12</td>
<td>$81</td>
</tr>
<tr>
<td>Q3'12</td>
<td>$166</td>
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<tr>
<td>Q4'12</td>
<td>$222</td>
</tr>
<tr>
<td>Q1'13</td>
<td>$216</td>
</tr>
<tr>
<td>Q2'13</td>
<td>$211</td>
</tr>
<tr>
<td>Q3'13</td>
<td>$762</td>
</tr>
<tr>
<td>Q4'13</td>
<td>$1,241</td>
</tr>
<tr>
<td>Q1'14</td>
<td>$1,047</td>
</tr>
<tr>
<td>Q2'14</td>
<td>$1,047</td>
</tr>
<tr>
<td>Q3'14</td>
<td>$1,290</td>
</tr>
<tr>
<td>Q4'14</td>
<td>$1,283</td>
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<tr>
<td>Q1'15</td>
<td>$1,283</td>
</tr>
<tr>
<td>Q2'15</td>
<td>$1,290</td>
</tr>
<tr>
<td>Q3'15</td>
<td>$1,290</td>
</tr>
<tr>
<td>Q4'15</td>
<td>$1,290</td>
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<tr>
<td>Q1'16</td>
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<tr>
<td>Q2'16</td>
<td>$1,290</td>
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<td>Q3'16</td>
<td>$1,290</td>
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<tr>
<td>Q4'16</td>
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<tr>
<td>Q1'17</td>
<td>$1,290</td>
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<tr>
<td>Q2'17</td>
<td>$1,290</td>
</tr>
<tr>
<td>Q3'17</td>
<td>$1,290</td>
</tr>
<tr>
<td>Q4'17</td>
<td>$1,290</td>
</tr>
<tr>
<td>Q1'18</td>
<td>$1,283</td>
</tr>
</tbody>
</table>

### Dry Powder ($bn)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Dry Powder ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4'10</td>
<td>$14</td>
</tr>
<tr>
<td>Q1'11</td>
<td>$11</td>
</tr>
<tr>
<td>Q2'11</td>
<td>$16</td>
</tr>
<tr>
<td>Q3'11</td>
<td>$22</td>
</tr>
<tr>
<td>Q4'11</td>
<td>$21</td>
</tr>
<tr>
<td>Q1'12</td>
<td>$22</td>
</tr>
<tr>
<td>Q2'12</td>
<td>$25</td>
</tr>
<tr>
<td>Q3'12</td>
<td>$27</td>
</tr>
<tr>
<td>Q4'12</td>
<td>$29</td>
</tr>
<tr>
<td>Q1'13</td>
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<tr>
<td>Q2'13</td>
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<td>Q3'13</td>
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<td>Q4'13</td>
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<tr>
<td>Q1'14</td>
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<td>Q2'14</td>
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<td>Q3'14</td>
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<td>Q4'14</td>
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<td>Q1'15</td>
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<td>Q4'15</td>
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<tr>
<td>Q1'16</td>
<td>$29</td>
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<tr>
<td>Q2'16</td>
<td>$29</td>
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<td>Q3'16</td>
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<td>Q4'16</td>
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<tr>
<td>Q1'17</td>
<td>$29</td>
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<tr>
<td>Q2'17</td>
<td>$29</td>
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<tr>
<td>Q3'17</td>
<td>$29</td>
</tr>
<tr>
<td>Q4'17</td>
<td>$59</td>
</tr>
<tr>
<td>Q1'18</td>
<td>$59</td>
</tr>
</tbody>
</table>

---

**Note:** The chart and table above illustrate the growth in Long-Term Moving (LTM) Realized Performance Income ($mm) and Dry Powder ($bn) from Q4'10 to Q1'18.
## Significant Opportunity for Realized Carried Interest

($ in billions)

<table>
<thead>
<tr>
<th>Status</th>
<th>Key Strategies / Funds</th>
<th>AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Above Cost Paying Carry</strong></td>
<td>2006 Fund, NAXI, Europe III, Asia II</td>
<td>$29.3</td>
</tr>
<tr>
<td><strong>At or Above Cost Not Paying Carry: Seasoning, Working Through Preferred Returns</strong></td>
<td>Asia III, Americas XII, Healthcare Growth, Core Investment, Infra. III(^{(1)}), Real Estate II / Europe / Credit, Special Situations I &amp; II, EIGF, Private Credit. Opps. II, Direct Lending</td>
<td>$60.5</td>
</tr>
<tr>
<td><strong>Below Cost</strong></td>
<td>Natural Resources I, Other</td>
<td>$1.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$119.2</td>
</tr>
</tbody>
</table>

**Unrealized gain on above Funds of ~$15bn\(^{(2)}\)**

\(^{(1)}\) Assumed $7.0bn size of the Infrastructure Fund III for purposes of this example. The final closing of the fund and ultimate amount of capital raised are subject to change and constitute a forward-looking statement. See Important Information regarding forward looking statements.

\(^{(2)}\) The realization of embedded gains depends on the satisfaction of certain conditions, such as the profitable realization of investments, netting adjustments, and the fair value of our investment, which may or may not occur. See Important Information.
Realized Investment Income – Balance Sheet

**Attributes**

- 100% of gains/losses on balance sheet investments
- Materially larger for us vs. our peers
- Directly tied to realization activity

**Growth Drivers**

- Continued balance sheet investment performance
- Scaling of Core Investment strategy
- Realization activity

### Book Value Per Adjusted Share

<table>
<thead>
<tr>
<th>Year</th>
<th>BVPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$12.18</td>
</tr>
<tr>
<td>2016</td>
<td>$12.15</td>
</tr>
<tr>
<td>2017</td>
<td>$14.20</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>$14.56</td>
</tr>
</tbody>
</table>

### Realized Investment Income\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>RIIncome ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$749</td>
</tr>
<tr>
<td>2016</td>
<td>$694</td>
</tr>
<tr>
<td>2017</td>
<td>$480</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>$424</td>
</tr>
</tbody>
</table>

### Monetization Cycle

- ‘15 and ‘16 activity driven by a concentrated realization backdrop across several legacy PE & KFN positions
- Recent balance sheet performance remains strong. Reduction in net interest and dividends driven by transition into PE/Core Investments
- Healthy % of balance sheet investments compound over longer periods of time, driving book value growth

**Note:**

- See Appendix for a reconciliation to financial results prepared in accordance with GAAP.
- \(^{(1)}\) Consists of Net Realized Gains (Losses) and Interest Income and Dividends. Excludes Interest Expense.

---

<table>
<thead>
<tr>
<th>Year</th>
<th>BVPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$12.18</td>
</tr>
<tr>
<td>2016</td>
<td>$12.15</td>
</tr>
<tr>
<td>2017</td>
<td>$14.20</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>$14.56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>RIIncome ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$749</td>
</tr>
<tr>
<td>2016</td>
<td>$694</td>
</tr>
<tr>
<td>2017</td>
<td>$480</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>$424</td>
</tr>
</tbody>
</table>

Private Equity → 4-7+Years
Core Investments → 7+Years
Real Assets → 4-7+Years
Strategies Combine for ~2/3 of Balance Sheet Fair Value
## Compensation Expense

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>LTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Compensation</td>
<td>$1,283</td>
<td>$1,306</td>
</tr>
<tr>
<td>Total Compensation Ratio</td>
<td>39%</td>
<td>41%</td>
</tr>
</tbody>
</table>

We expect our compensation ratio to be in the low-40s as a % of Total Segment Revenues, with the opportunity to improve as we continue to scale.

Note: Total Compensation includes Cash Compensation and Benefits, Realized Performance Income Compensation and Equity-based Compensation. Total Compensation Ratio calculated by dividing Total Compensation by Total Distributable Segment Revenues.
In a period of significant asset and fee growth across the firm, KKR has been disciplined on non-compensation expenses, contributing to an improved expense ratio. Based on Total Segment Revenues, Occupancy and Other Operating Expense ratio is ~9% on an LTM basis.
The declaration and payment of dividends to our shareholders will be subject to the sole discretion of our board of directors and compliance with applicable law. Dividends will be treated as qualified dividend income for U.S. individuals and will be taxed at the same preferential U.S. federal tax rate as long-term capital gains.

---

**Capital Allocation**

- KKR & Co. Inc. expected to declare a $0.50 annual dividend per share of Class A common stock for Q3\(^{(1)}\)
  - For U.S. individuals, dividends are treated as qualified dividends
  - Share repurchase authorization increased to $500 million

**Taxes**

- Tax basis step-up over $2 billion upon conversion reduces cash taxes as a C-Corp
  - Goodwill amortization reduces cash taxes annually for 15 years
  - Step-up in balance sheet assets reduces cash taxes as assets are sold
- Increase in estimated effective tax rate on DE less EBC (7% as a PTP → gradually increasing to 22% over the next ~5 years)

**Other items in connection with the conversion**

- Expected to realize ~$725 million of DE losses in Q2 largely related to old energy and credit investments
  - Already reflected in ENI and book value per unit
  - Will not impact compensation accrual in 2018

---

\(^{(1)}\) The declaration and payment of dividends to our shareholders will be subject to the sole discretion of our board of directors and compliance with applicable law. Dividends will be treated as qualified dividend income for U.S. individuals and will be taxed at the same preferential U.S. federal tax rate as long-term capital gains.
Simplified Reporting

1. ENI

2. Book Value Reflects Mark-to-Market Value of Balance Sheet Investments and Accrued Carry

3. After-tax Distributable Earnings includes Equity Based Compensation

4. Simplified Fee Related Earnings Approach

5. One Compensation Line
   (Cash Compensation / Performance Compensation / Equity Based Compensation)

6. Interest Expense Presented in Segment Expenses

7. Greater Transparency on Carry and Incentive Fee Eligible AUM
## Simplified Reporting – Four Key Metrics

<table>
<thead>
<tr>
<th>Year</th>
<th>($ in billions)</th>
<th>($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets Under Management</td>
<td>Management Fees</td>
</tr>
<tr>
<td>2013</td>
<td>$100</td>
<td>$666</td>
</tr>
<tr>
<td>2014</td>
<td>$107</td>
<td>$726</td>
</tr>
<tr>
<td>2015</td>
<td>$120</td>
<td>$732</td>
</tr>
<tr>
<td>2016</td>
<td>$130</td>
<td>$798</td>
</tr>
<tr>
<td>2017</td>
<td>$168</td>
<td>$905</td>
</tr>
<tr>
<td>3/31/18</td>
<td>$190</td>
<td>$948</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Book Value Per Adjusted Share</th>
<th>After-Tax Distributable Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$11.21</td>
<td>$1,242</td>
</tr>
<tr>
<td>2014</td>
<td>$12.48</td>
<td>$1,773</td>
</tr>
<tr>
<td>2015</td>
<td>$12.18</td>
<td>$1,266</td>
</tr>
<tr>
<td>2016</td>
<td>$12.15</td>
<td>$1,341</td>
</tr>
<tr>
<td>2017</td>
<td>$14.20</td>
<td>$1,356</td>
</tr>
<tr>
<td>3/31/18</td>
<td>$14.56</td>
<td>$1,295</td>
</tr>
</tbody>
</table>

Note: See Appendix for a reconciliation to financial results prepared in accordance with GAAP.
Segment Focus – Fee Related Earnings

($ in millions)

Components
- Total Fees and Other, Net
- Total Non-Interest Operating Expenses, attributed to Fees & Other, Net

Methodology
- Calculated as KKR’s total fees and other, net multiplied by KKR’s segment operating margin

Note: For purposes of the fee related earnings calculation, segment operating margin is calculated as total segment revenues less segment expenses (excluding equity-based compensation expense associated with the Equity Incentive Plan and interest expense) divided by total segment revenues. See Appendix for illustrative example.
### Q2’18 Realized Carried Interest and Investment Income Update

<table>
<thead>
<tr>
<th></th>
<th>Gross Realized Carried Interest</th>
<th>Realized Investment Income&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Secondaries</strong></td>
<td>Gardner Denver, National Vision, Go Daddy, Qingdao Haier, Café Coffee Day</td>
<td>Gardner Denver, National Vision, Go Daddy, Qingdao Haier</td>
</tr>
<tr>
<td><strong>Strategic Sales</strong></td>
<td>Aricent, Mitchell</td>
<td>Next Issue Media, Amedisys, Aricent, Mitchell, Real Estate</td>
</tr>
<tr>
<td><strong>Interest Income and Dividends</strong></td>
<td>-</td>
<td>CLOs, Alternative Credit, KREF Dividend</td>
</tr>
<tr>
<td><strong>Gross Realized Carried Interest and Investment Income</strong></td>
<td>~$350mm</td>
<td>~$150mm</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>~$500mm</td>
</tr>
</tbody>
</table>

Note: The Gross Realized Carried Interest and Investment Income amount above is subject to uncertainty and change. See Important Information.<br><br><sup>(1)</sup> Excludes Interest Expense.
## Q1’18 After-tax Distributable Earnings Per Share

<table>
<thead>
<tr>
<th>Q1 2018 (Actual)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>After-tax Distributable Earnings per Share (excluding Equity-based Compensation)</td>
<td>$0.37</td>
</tr>
<tr>
<td>After-tax Distributable Earnings per Share (including Equity-based Compensation)</td>
<td>$0.29</td>
</tr>
</tbody>
</table>

*Note: Per share amounts based on per adjusted shares eligible for distribution. See Appendix for a reconciliation to financial results prepared in accordance with GAAP.*
Craig A. Larson
Questions I Am Often Asked
Recent Topics

1. What drove KKR’s decision to convert and how do you see your shareholder expansion opportunity as a C-Corp?
2. How do you think KKR shares should be valued?
3. What impact would rising rates have on KKR?
4. What happens to KKR in a market downturn?
C-Corp Conversion | Shareholder Expansion
We believe our long-term opportunity to create equity value through shareholder expansion and, in turn, multiple expansion is greater than the incremental taxes we will pay as a corporation.

Employees own or control ~40% of KKR shares.
Historically, What Did the Investor Relations Team Hear?

“I’d say 40 to 50% of investors won’t engage on the alts. It’s tough to say this is entirely due to structure and K-1s, but I’ll bring out my comp sheet and begin talking about how attractive valuations are and they’ll stop me outright and say they aren’t interested in the alts and we’ll move on. This happens all the time.”

“If you don’t convert, what you are betting on is that there are enough niche and momentum-oriented hedge funds out there that nobody has ever heard of that will drive your equity value, because it isn’t going to come from US mutual fund complexes.”

“I just don’t think you will realize fair value relative to your fundamentals without becoming a mainstream equity security.”
Our Ownership Profile as a PTP

**Mutual Fund Ownership**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>29%</td>
</tr>
<tr>
<td>2015</td>
<td>34%</td>
</tr>
<tr>
<td>2016</td>
<td>34%</td>
</tr>
<tr>
<td>2017</td>
<td>31%</td>
</tr>
<tr>
<td>2017 Financials (1)</td>
<td>60%</td>
</tr>
</tbody>
</table>

**Hedge Fund Ownership**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>21%</td>
</tr>
<tr>
<td>2015</td>
<td>20%</td>
</tr>
<tr>
<td>2016</td>
<td>20%</td>
</tr>
<tr>
<td>2017</td>
<td>32%</td>
</tr>
<tr>
<td>2017 Financials (1)</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Index**

Index Ownership as a % of Mutual Fund Ownership

<table>
<thead>
<tr>
<th>Year</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3%</td>
</tr>
<tr>
<td>2015</td>
<td>45%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2017 Financials (1)</td>
<td></td>
</tr>
</tbody>
</table>

**Ownership Concentration**

Number of fund complexes to get to 50% of mutual fund ownership

<table>
<thead>
<tr>
<th>Year</th>
<th>KKR</th>
<th>Financials (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2017 Financials (1)</td>
<td>68 (2)</td>
<td></td>
</tr>
</tbody>
</table>

---


(2) Excludes Berkshire Hathaway. Including Berkshire Hathaway, the average fund figure increases from 68 to 151.
Our Shareholder Expansion Opportunity

1. Existing Stockholders
   In most mutual fund complexes as a PTP, we were relevant to only a fraction of institutional AUM

2. New, Prospective Stockholders
   Current ownership across the largest mutual fund complexes is sparse

3. Passive Strategies (ETFs, index and smart beta)
   Over 35% of the US market (and growing); PTPs largely irrelevant

Distributable Earnings vs. ENI

Distributable Earnings:
- More reflective of realized earnings
- More reflective of how the firm is run

In our view, will result in a greater focus on where KKR will be in 3 to 5 years – and our earnings trajectory over this timeframe – versus an acute focus on the forward 30 to 90 days
How do you think KKR shares should be valued?
Valuation Framework

1. Fee Related Earnings
2. Balance Sheet
3. Performance Income
Valuation Framework – Fee Related Earnings

- We believe we should be valued on an after-tax basis at a multiple reflective of growth and margin profiles
- Long-term, committed AUM leads to recurring and predictable management fees
- Increasing diversification of investors, funds and strategies
- Identifiable growth avenues
- Elimination of PTP discount

### Fee Related Earnings

<table>
<thead>
<tr>
<th>Management Fees</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$637</td>
<td>$707</td>
<td>$856</td>
</tr>
</tbody>
</table>

- **+8%**
- **+17%**
- **+21%**

### P/E Multiple 2019E(1)

#### Broad Market
- S&P 500: 16x

#### Select Growth-Oriented Financials(2)
- 22x

#### Alternative-focused C-Corps
- Partners Group: 24x
- Hamilton Lane: 24x

---

(1) Bloomberg and Capital IQ as of July 5, 2018. 2019E earnings for Hamilton Lane on a calendarized basis. 2019E P/E multiples based on market pricing as of June 29, 2018 and July 5th, 2018 for Select Growth-Oriented Financials.

(2) "Select Growth-Oriented Financials" includes: MSCI Inc., S&P Global Inc., Equifax Inc., IHS Market Ltd. and Moody’s Corporation. Select Growth-Oriented Financials, Partners Group and Hamilton Lane presented above were selected based on a variety of factors including revenue growth, earnings growth and margin profile, as well as relative market positioning, business diversification, contractually-based revenue arrangement and exposure to secular growth trends, which management believes is comparable to KKR.
Valuation Framework

1.

Fee Related Earnings

At a multiple reflective of earnings quality
Given longer-term expected hold period, believe Price / Book on a marked basis is the appropriate methodology

“For conservatism,” remains valued at a discount to book value in the majority of sum-of-the-parts analysis

- No management fee burden
- Balance sheet investment portfolio, effectively, comprised of investments where our partners pay a fee (or fee and carry) to invest in the underlying fund or investment opportunity
- $2.5bn of cash as of March 31, 2018 (21% of book value)

Meaningful transition in balance sheet composition since 2010

Balance sheet focus today:
- Allows us to grow our AUM, management fees and FRE faster
- Capture investment performance
- Allows us to invest for strategic growth
Valuation Framework

1. Fee Related Earnings
   At a multiple reflective of earnings quality

2. Book Value
   At least 1.0x book value
Realized Performance Income is More Consistent Than One Might Think

Rolling Last 12-Months

- ~35% worst peak-to-trough
- 20% CAGR

Rolling Last 24-Months

- ~20% worst peak-to-trough
- 24% CAGR
Realized performance income based on estimated run rate is for illustrative, informational purpose and assumes that all current AUM becomes FPAUM if eligible, is fully invested and is generating performance income. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. The estimate is not representative of any actual results, which may differ materially. See Important Information.
Valuation Framework – Performance Income

• We believe a Discounted Cash Flow analysis is the most appropriate valuation approach

  • Key assumptions:
    - Investment returns
    - AUM/FPAUM growth
    - Perpetuity growth rate
    - Discount rate

• Performance fee value attribution focused only on invested capital and dry powder, to us, feels punitive

  • Implies no going concern or franchise value
Valuation Framework

1. Fee Related Earnings: At a multiple reflective of earnings quality

2. Book Value: At least 1.0x book value

3. Performance Income: DCF-based analysis

Framework suggests value of at least $40 per share

Note: The estimated value per share is for illustrative, informational purposes only and is not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show a hypothetical estimate calculated using the specific valuation framework and assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.
What impact would rising rates have on KKR?
Source: KKR Global Macro and Asset Allocation Analysis.

Note: Represents universe of 110 North American deals since 1984 for which data is available. Excludes new deals/current portfolio companies which are less than two years old. Valuation data as of March 2018. Past performance is no guarantee of future results. Projections May Not Materialize. The information in this presentation may contain projections or other forward-looking statements regarding future events, targets or expectations regarding the Funds or strategies. There is no assurance that such events or targets will be achieved, and may be significantly different than that shown here. The information in this presentation, including statements concerning financial market trends, is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons.

Solid historical performance across interest rate environments
PE Returns Not As Sensitive to Rates As One Might Think

### Simplified LBO Analysis

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price:</td>
<td>9.0x EBITDA</td>
</tr>
<tr>
<td>Leverage:</td>
<td>6.0x EBITDA</td>
</tr>
<tr>
<td>Average Cost of Debt:</td>
<td>6.5%</td>
</tr>
<tr>
<td>EBITDA Growth:</td>
<td>7.0%</td>
</tr>
<tr>
<td>Exit Multiple:</td>
<td>8.0x EBITDA</td>
</tr>
</tbody>
</table>

### Interest Rate Spike

- **Average Cost of Debt +200 bps:**
  - 6.5% → 8.5%
  - All other assumptions held constant

- **IRR:**
  - 22.0% IRR
  - 20.5% IRR

- **To offset:**
  - Purchase multiple 9.0x → 8.8x

---

**Note:** The assumptions and hypothetical IRR are for illustrative, informational purposes only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.
What happens to KKR in a market downturn?
In Our Experience...

- Volatility can be good for our business
- During periods of market volatility, we have the ability to be patient
- Our model has withstood periods of historical stress
Our Business is Built to Withstand Volatile Markets

Locked Up, Diversified Capital Base

Record Dry Powder

<table>
<thead>
<tr>
<th>Date</th>
<th>Dry Powder (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/16</td>
<td>$34</td>
</tr>
<tr>
<td>3/31/17</td>
<td>$41</td>
</tr>
<tr>
<td>3/31/18</td>
<td>$59</td>
</tr>
</tbody>
</table>

AUM Diversified Across Strategies

- PE Americas
- PE Asia
- PE Europe
- Core/Growth
- Lev. Credit
- Alternative Credit
- Real Estate
- Infrastructure
- Energy
- Hedge Funds

Long-Term, Locked Up Capital

- Permanent Capital
- Strategic Investor Partnerships
- 8+ Year Duration at Inception
- Capital Subject to Periodic Redemption

$59bn 1Q’18 Dry Powder

- Private Equity & Growth: 61%
- Real Assets: 14%
- Alternative Credit: 19%
- Other: 6%
## KKR During the Financial Crisis

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets Under Management ($ in billions)</th>
<th>Management Fees ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$37</td>
<td>$230</td>
</tr>
<tr>
<td>2007</td>
<td>$47</td>
<td>$265</td>
</tr>
<tr>
<td>2008</td>
<td>$45</td>
<td>$413</td>
</tr>
<tr>
<td>2009</td>
<td>$52</td>
<td>$438</td>
</tr>
</tbody>
</table>

**Note:** Assets under management and management fees are represented pro forma for the combination with KKR Private Equity Investors, L.P. ("KPE") and, therefore, exclude the net asset value of KPE and its commitments to our investment funds.

[253]
The U.S. debt ceiling crisis combined with European financial concerns resulted in significant market volatility; the MSCI World Index declined 16.5% in the quarter.
Q3 2011 – 10 Largest PE Investments

Final / Current MOICs of 10 Largest PE Investments

Note:

"F" represents Q1 2018 gross MOIC or if the portfolio company has been exited, the gross MOIC at the time of exit. Largest PE investments are based on remaining fair value as of September 31, 2011, a time period when KKR common units experienced significant volatility.
KKR – Positioned for Continued Growth

2010

Private Equity

$45

Non-Private Equity

$17

2018

$70

$120

Never Been Better Positioned

Note: Private Equity includes Private Markets less Core, Growth and Real Assets.
Appendix
Appendix I
Additional Information
## Increasing Our Participation Rate

### Traditional Model — $1bn Equity

- Fund takes $500, no economics on remainder
- $100mm capital markets fees over life; 10% capture
- 2.5x gross MOIC

<table>
<thead>
<tr>
<th>Balance Sheet Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund equity</td>
<td>$500mm</td>
</tr>
<tr>
<td>Balance sheet</td>
<td>0</td>
</tr>
<tr>
<td>Syndication (no economics)</td>
<td>500</td>
</tr>
<tr>
<td>Syndication (10% carry)</td>
<td>0</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,000</td>
</tr>
</tbody>
</table>

- Fund equity: Gross realized carry    | $150    |
- Balance sheet: Realized investment income | $0     |
- Syndicated equity: Gross realized carry | $0     |

### Capital markets:
- KCM capture -- %                     | 10%     |
- KCM capture -- $                      | $10     |
- Total value creation                  | 1,600   |
- Participation rate                    | 10%     |

### KKR Approach — $1bn Equity

- Fund takes $500, balance sheet takes $100 with remainder syndicated with 10% carry
- $100mm capital markets fees over life; 30% capture
- 2.5x gross MOIC

<table>
<thead>
<tr>
<th>Balance Sheet Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund equity</td>
<td>$500mm</td>
</tr>
<tr>
<td>Balance sheet</td>
<td>100</td>
</tr>
<tr>
<td>Syndication (no economics)</td>
<td>0</td>
</tr>
<tr>
<td>Syndication (10% carry)</td>
<td>400</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,000</td>
</tr>
</tbody>
</table>

- Fund equity: Gross realized carry    | $150    |
- Balance sheet: Realized investment income | $150   |
- Syndicated equity: Gross realized carry | $60    |

### Capital markets:
- KCM capture -- %                     | 30%     |
- KCM capture -- $                      | $30     |
- Total value creation                  | 1,600   |
- Participation rate                    | 24%     |

### Notes:

1. The assumptions used to calculate estimated participation rates are for illustrative, informational purpose only and are not representative of any actual results. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. Actual results may differ materially from these assumptions and estimates. See Important Information.
Repositioning the Balance Sheet Portfolio

2010 Asset Allocation
- Private Equity: 80%
- Real Assets: 14%
- Other: 4%
- Cash: 2%

2014 Asset Allocation
- Private Equity: 29%
- Real Assets: 28%
- Credit: 10%
- Other: 7%

2018 Asset Allocation
- Private Equity: 38%
- Real Assets: 15%
- Credit: 16%
- Other: 10%

Geographic Allocation
- 2010: Asia - 64%, Europe - 26%, North America - 11%
- 2014: Asia - 70%, Europe - 25%, North America - 5%
- 2018: Asia - 71%, Europe - 19%, North America - 10%

Top 5 Investments %
- 2010: 46%
- 2014: 29%
- 2018: 26%


(1) 2014 Top 5 Investments % is pro forma for the pre-IPO equity investment in First Data in July 2014.
Segment Focus – After-tax Distributable Earnings

<table>
<thead>
<tr>
<th></th>
<th>Year Ended</th>
<th>Year Ended</th>
<th>Year Ended</th>
<th>Year Ended</th>
<th>Year Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Segment Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and Other, Net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Fees</td>
<td>$665,630</td>
<td>$726,043</td>
<td>$732,033</td>
<td>$797,862</td>
<td>$905,188</td>
<td>$251,585</td>
</tr>
<tr>
<td>Transaction Fees</td>
<td>336,686</td>
<td>459,677</td>
<td>364,994</td>
<td>344,274</td>
<td>777,247</td>
<td>156,845</td>
</tr>
<tr>
<td>Monitoring Fees</td>
<td>120,267</td>
<td>135,160</td>
<td>264,643</td>
<td>64,354</td>
<td>81,021</td>
<td>17,530</td>
</tr>
<tr>
<td>Fee Credits</td>
<td>(166,612)</td>
<td>(222,037)</td>
<td>(219,620)</td>
<td>(131,628)</td>
<td>(261,429)</td>
<td>(43,774)</td>
</tr>
<tr>
<td>Total Fees and Other, Net</td>
<td>955,971</td>
<td>1,098,843</td>
<td>1,142,050</td>
<td>1,074,862</td>
<td>1,502,027</td>
<td>382,186</td>
</tr>
<tr>
<td><strong>Realized Performance Income (Loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carried Interest</td>
<td>690,027</td>
<td>1,193,661</td>
<td>1,027,154</td>
<td>1,256,208</td>
<td>1,198,981</td>
<td>202,555</td>
</tr>
<tr>
<td>Incentive Fees</td>
<td>72,359</td>
<td>47,807</td>
<td>19,647</td>
<td>33,346</td>
<td>73,395</td>
<td>16,407</td>
</tr>
<tr>
<td>Total Realized Performance Income (Loss)</td>
<td>762,386</td>
<td>1,241,468</td>
<td>1,046,801</td>
<td>1,289,554</td>
<td>1,272,376</td>
<td>218,962</td>
</tr>
<tr>
<td><strong>Realized Investment Income (Loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Realized Gains (Losses)</td>
<td>635,633</td>
<td>628,403</td>
<td>337,023</td>
<td>371,563</td>
<td>194,020</td>
<td>7,875</td>
</tr>
<tr>
<td>Interest Income and Dividends</td>
<td>87,168</td>
<td>408,084</td>
<td>411,536</td>
<td>322,857</td>
<td>285,696</td>
<td>72,577</td>
</tr>
<tr>
<td>Total Realized Investment Income (Loss)</td>
<td>722,801</td>
<td>1,036,487</td>
<td>748,559</td>
<td>694,420</td>
<td>479,716</td>
<td>80,452</td>
</tr>
<tr>
<td><strong>Total Segment Revenues</strong></td>
<td>$2,441,158</td>
<td>$3,376,798</td>
<td>$2,937,410</td>
<td>$3,058,836</td>
<td>$3,254,119</td>
<td>$681,600</td>
</tr>
<tr>
<td><strong>Segment Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>734,492</td>
<td>1,036,097</td>
<td>1,015,056</td>
<td>1,119,564</td>
<td>1,282,745</td>
<td>300,480</td>
</tr>
<tr>
<td>Occupancy and Related Charges</td>
<td>56,327</td>
<td>57,787</td>
<td>62,657</td>
<td>62,400</td>
<td>56,410</td>
<td>13,583</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>215,883</td>
<td>229,069</td>
<td>233,618</td>
<td>234,348</td>
<td>243,772</td>
<td>57,905</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>65,662</td>
<td>134,909</td>
<td>203,085</td>
<td>188,761</td>
<td>181,612</td>
<td>50,192</td>
</tr>
<tr>
<td>Total Segment Expenses</td>
<td>$1,072,364</td>
<td>$1,457,862</td>
<td>$1,541,416</td>
<td>$1,605,073</td>
<td>$1,764,539</td>
<td>$422,160</td>
</tr>
<tr>
<td>Income (Loss) Attributable to Noncontrolling Interests</td>
<td>6,387</td>
<td>14,946</td>
<td>16,007</td>
<td>2,336</td>
<td>6,551</td>
<td>1,203</td>
</tr>
<tr>
<td>Income Taxes Paid</td>
<td>120,052</td>
<td>131,081</td>
<td>140,677</td>
<td>87,723</td>
<td>94,065</td>
<td>14,168</td>
</tr>
<tr>
<td>Preferred Distributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,235</td>
<td>33,364</td>
<td>8,341</td>
</tr>
<tr>
<td><strong>After-tax Distributable Earnings</strong></td>
<td>$1,242,355</td>
<td>$1,772,909</td>
<td>$1,266,310</td>
<td>$1,341,469</td>
<td>$1,355,600</td>
<td>$235,728</td>
</tr>
<tr>
<td><strong>Per Adjusted Share Eligible for Distribution</strong></td>
<td>$1.80</td>
<td>$2.30</td>
<td>$1.54</td>
<td>$1.65</td>
<td>$1.66</td>
<td>$0.29</td>
</tr>
</tbody>
</table>

Note: See following pages for a reconciliation to financial results prepared in accordance with GAAP.
Segment Focus – Fee Related Earnings

- Calculated as KKR’s total fees and other, net multiplied by KKR’s segment operating margin
- Applying KKR’s segment operating margin to fee revenues is consistent with how it is managed

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Segment Revenues</td>
<td>$681,600</td>
</tr>
<tr>
<td>Total Compensation Less Equity-Based Compensation</td>
<td>232,684</td>
</tr>
<tr>
<td>Occupancy and Related Charges</td>
<td>13,583</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>57,905</td>
</tr>
<tr>
<td><strong>Total Operating Expenses (excluding interest expense)</strong></td>
<td><strong>$304,172</strong></td>
</tr>
<tr>
<td>Subtotal</td>
<td><strong>$377,428</strong></td>
</tr>
<tr>
<td><strong>Segment Operating Margin</strong></td>
<td><strong>55.4%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Illustrative FRE</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fees and Other, Net</td>
<td>$382,186</td>
</tr>
<tr>
<td><strong>Segment Operating Margin</strong> x 55.4%</td>
<td></td>
</tr>
<tr>
<td>Fee Related Earnings</td>
<td>$211,631</td>
</tr>
<tr>
<td>As Reported in Q1 2018</td>
<td>$223,430</td>
</tr>
</tbody>
</table>

**Note:** For purposes of the fee related earnings calculation, segment operating margin is calculated as total segment revenues less segment expenses (excluding equity-based compensation expense associated with the Equity Incentive Plan of $67.8mm and interest expense of $50.2mm) divided by total segment revenues.
Greater Transparency on Carry and Incentive Fee Eligible AUM

### KKR ASSETS UNDER MANAGEMENT SUMMARY (UNAUDITED)

As of March 31, 2018
(Amounts in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Uncalled Commitments</th>
<th>Remaining Fair Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carried Interest Eligible</strong></td>
<td>$58,843.9</td>
<td>$59,325.3</td>
<td>$118,169.2</td>
</tr>
<tr>
<td><strong>Incentive Fee Eligible</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hedge Funds (1)</td>
<td>-</td>
<td>28,502.7</td>
<td>28,502.7</td>
</tr>
<tr>
<td>BDCs</td>
<td>-</td>
<td>4,238.6</td>
<td>4,238.6</td>
</tr>
<tr>
<td>KKR Real Estate Finance Trust Inc.</td>
<td>-</td>
<td>1,064.0</td>
<td>1,064.0</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>2,524.7</td>
<td>2,524.7</td>
</tr>
<tr>
<td><strong>Total Incentive Fee Eligible</strong></td>
<td>-</td>
<td>36,330.0</td>
<td>36,330.0</td>
</tr>
<tr>
<td><strong>Total Carried Interest and Incentive Fee Eligible</strong></td>
<td>58,843.9</td>
<td>95,655.3</td>
<td>154,499.2</td>
</tr>
<tr>
<td><strong>Collateralized Loan Obligations (CLOs)</strong></td>
<td>-</td>
<td>10,752.2</td>
<td>10,752.2</td>
</tr>
<tr>
<td><strong>Leveraged Credit / Other</strong></td>
<td>-</td>
<td>11,104.3</td>
<td>11,104.3</td>
</tr>
<tr>
<td><strong>Total Assets Under Management</strong></td>
<td>$58,843.9</td>
<td>$117,511.8</td>
<td>$176,355.7</td>
</tr>
</tbody>
</table>

(1) Hedge Funds represent KKR’s pro rata portion of AUM of our strategic manager partnerships, which consist of minority stakes in hedge fund managers.
Appendix II
Speaker Biographies
Speaker Biographies

Henry R. Kravis
Co-Chairman and Co-CEO

Henry R. Kravis (New York) co-founded KKR in 1976 and is Co-Chairman and Co-Chief Executive Officer. He is actively involved in managing the Firm and serves on each of the regional Private Equity Investment Committees. Mr. Kravis currently serves on the boards of First Data Corporation and ICONIQ Capital, LLC. Mr. Kravis is chairman of the Business Council and also serves as a director, chairman emeritus, or trustee of several other cultural, professional, and educational institutions, including Claremont McKenna College, Columbia Business School (co-chairman), Mount Sinai Hospital, the Partnership for New York City (former chairman), the Partnership Fund for New York City (founder), Rockefeller University (vice chairman), Sponsors for Educational Opportunity (chairman), and the Tsinghua School of Economics and Management in China. He earned a B.A. from Claremont McKenna College in 1967 and an M.B.A. from Columbia Business School in 1969. Mr. Kravis has more than four decades of experience financing, analyzing, and investing in public and private companies, as well as serving on the boards of a number of KKR portfolio companies.

Joseph Y. Bae
Co-President and Co-COO

Joseph Y. Bae is the Co-President and Co-Chief Operating Officer of KKR. He joined KKR in 1996. Most recently, he was the Managing Partner of KKR Asia and the Global Head of KKR’s Infrastructure and Energy Real Asset businesses. Mr. Bae has been the architect of KKR’s Asian expansion since 2005 and has helped KKR build one of the largest and most successful Asia-Pacific investment platforms in the market. He is the Chairman of KKR’s Asia and Americas Private Equity Investment Committees and also serves on KKR’s European Private Equity, Growth Equity, Energy, Infrastructure, Real Estate and Special Situations Investment Committees. He is also a member of KKR’s Risk Management Committee and Inclusion and Diversity Council. Prior to KKR, Mr. Bae worked for Goldman, Sachs & Co. in its Principal Investment Area, where he was involved in a broad range of merchant banking transactions. He has a B.A., magna cum laude, from Harvard College. Mr. Bae serves on the boards of a number of non-profit educational and cultural institutions including, as a Trustee for Phillips Andover Academy, the Global Advisory Council at Harvard University, a Board member of Lincoln Center, The Asia Society and the Asia Art Archives.
Speaker Biographies

Scott C. Nuttall
Co-President and Co-COO

Scott C. Nuttall is the Co-President and Co-Chief Operating Officer of KKR. He joined KKR in 1996. Most recently, he was the head of KKR’s Global Capital and Asset Management Group, where he was responsible for overseeing KKR’s Public Markets & Distribution businesses, which includes Credit, Capital Markets, Hedge Funds and our Client & Partner Group. He has played a significant role in driving the strategic development of KKR for the last 15 years, including his leadership on KKR’s public listing, developing the firm’s balance sheet strategy, helping build KKR’s platforms in the credit and hedge fund space and creating the firm’s capital markets and capital raising businesses. Mr. Nuttall also serves on KKR’s Balance Sheet Committee and the firm’s Inclusion and Diversity Council. He is currently a member of the board of directors of First Data Corporation, a KKR portfolio company. Prior to joining KKR, he was with the Blackstone Group where he was involved in numerous merchant banking and merger and acquisition transactions. He received a B.S., summa cum laude, from the University of Pennsylvania. He has served on the board of various non-profit institutions with a particular focus on education, most recently as Co-Chairman of Teach for America - New York.

Johannes P. Huth
Member & Head of KKR EMEA

Johannes P. Huth joined KKR in 1999 and is a Member of KKR and Head of KKR’s operations in Europe, the Middle East, and Africa. He has participated in investments including Wincor Nixdorf, Zumtobel, Demag Holdings, MTU Aero Engines, DSD, Selenia, Kion Group, NXP Semiconductors, Pro7 Sat1, BMW, Wild, Württembergische Metallwarenfabrik AG (WMF) and SoftwareOne AG. He is currently Vice Chairman of the Supervisory Board of NXP BV. He is also a member of the Board of SoftwareOne AG, member of the Supervisory Board of GEG German Estate Group AG, member of the Board of Cognita Ltd, member of the Board of GfK SE, and member of the Supervisory Board of Airbus DS Electronics & Border Security GmbH (Hensoldt). Prior to joining KKR, Mr. Huth was a member of Investcorp’s Management Committee and was also responsible for the firm’s operations in Europe. Previously, he was with Salomon Brothers, where he was a vice president in the mergers and acquisitions departments in London and New York. Mr. Huth holds a B.Sc with highest honors from the London School of Economics and an M.B.A. from the University of Chicago. He is Chairman of the Trustees of Impetus - The Private Equity Foundation, Vice-Chair of the Board of Trustees of the Design Museum, trustee of the Staedel Museum in Frankfurt, a trustee of The Education Endowment Foundation, a member of the Global Advisory Board of the University of Chicago Booth School of Business, visiting fellow to Oxford University, fellow of the Royal Society of the Arts and member of the Conseil d’Administration of Les Arts Decoratifs, Paris.
Speaker Biographies

Pete M. Stavros
Member & Head of Industrials

Pete M. Stavros is Head of the Industrials investment team and a member of the Investment Committee within KKR's Private Equity platform in the Americas. He has been actively involved with investments in HCA, Capsugel, Capital Safety, Gardner Denver, CHI Overhead Doors, and Crosby and currently sits on the Boards of Gardner Denver, CHI Overhead Doors and Crosby. Prior to joining KKR, Mr. Stavros was with GTCR Golder Rauner, where he was involved in the execution of numerous investments in the healthcare sector. He holds a B.S. in Chemistry, magna cum laude, from Duke University and an M.B.A. with high distinction, Baker Scholar, from Harvard Business School.

Ralph F. Rosenberg
Member & Head of KKR Real Estate

Ralph F. Rosenberg joined KKR in 2011 and is the Global Head of KKR's Real Estate Platform. Prior to joining KKR, Mr. Rosenberg was a Partner at Eton Park Capital Management and also managed his own firm, R6 Capital Management, which later merged into Eton Park. Previously, he was a Partner at Goldman Sachs. He holds an undergraduate degree from Brown University where he was magna cum laude and an M.B.A from the Stanford Graduate School of Business. Mr. Rosenberg is Chairman of the Board of Directors of KKR Real Estate Finance Trust Inc., a Global and U.S. Trustee of the Urban Land Institute, a Governor of the Urban Land Institute Foundation, a Board Member and Treasurer of the Pension Real Estate Association and the PREA Foundation. He also serves as a Trustee of Brown University and is an Honorary Trustee of the Francis W. Parker School in Chicago, Illinois. He is a former Trustee of the Stanford Graduate School of Business Trust and a former Trustee of the Masters School in Dobbs Ferry, New York.
Speaker Biographies

Todd C. Builione
Member & President of KKR Credit and Markets

Todd C. Builione joined KKR in 2013 and is a Member of KKR and President of KKR Credit and Markets. He also serves on the firm’s Investment Management & Distribution Committee and its Risk and Operations Committee. Mr. Builione is President of the KKR / FS Investments joint venture and of the business development companies managed by the joint venture, including Corporate Capital Trust and FS Investment Corporation, both of which trade on the NYSE. He serves on the Board of Directors of Marshall Wace, a liquid alternatives provider in which KKR is a strategic partner. Prior to joining KKR, Mr. Builione spent 9 years at Highbridge Capital Management, serving as President of the firm, CEO of Highbridge’s Hedge Fund business and a member of the Investment and Risk Committees. Mr. Builione began his career at the Goldman Sachs Group, where he was predominantly focused on capital markets and mergers and acquisitions for financial institutions. He received a B.S., summa cum laude, Merrill Presidential Scholar, from Cornell University and a J.D., cum laude, from Harvard Law School. Mr. Builione serves on the Advisory Council of Cornell University’s Dyson School of Applied Economics and Management, and on the Board of Directors of the Pingry School.

Adam Smith
Member & Head of KKR Capital Markets

Adam Smith joined KKR in 2007 and is the Head of Capital Markets. He leads a team of executives that provide capital markets advice to clients globally across debt, equity and structured transactions. He was significantly involved in the structuring and initial formation of KKR Private Equity Investors and its subsequent merger with KKR to form a NYSE listed company. Mr. Smith holds a B.A. from Duke University and a J.D. from the UCLA School of Law.
Tara C. Davies joined KKR in 2016 and is a Member and Head of the European Infrastructure team. Ms. Davies is currently on the board of directors of Calvin Capital, a U.K.-based gas and electricity smart metering business; Telxius, a global tower and cable company based in Spain; and X-Elio, a global solar developer based in Spain. Ms. Davies has spent over 18 years in the global infrastructure industry working in both Sydney and London. Prior to joining KKR, she was a senior managing director and head of mergers and acquisitions for Macquarie Group’s infrastructure advisory arm in London (having also spent a number of years in the infrastructure funds division). Ms. Davies commenced her career at Price Waterhouse and is a qualified Chartered Accountant. She holds a Bachelor of Commerce degree from the University of Sydney.

Suzanne O. Donohoe joined KKR in 2009 and is the global head of KKR’s Client and Partner Group and a Member of KKR. She also serves on the firm’s Investing & Distribution Committee and its Inclusion and Diversity Council. Ms. Donohoe is President and the Chairperson of the Board of KKR’s Income Opportunities Fund, a closed end fund which trades on the NYSE. She serves as a board member of PAAMCO Prisma, in which KKR is a strategic partner. Prior to joining KKR, she was with the Goldman Sachs Group, serving as a partner and head of Goldman Sachs Asset Management International. Ms. Donohoe also led Goldman Sachs Asset Management’s client businesses in North America and co-headed GSAM’s EMEA business previously. Ms. Donohoe holds a B.A., magna cum laude, from Georgetown University and an M.B.A from the Wharton School of the University of Pennsylvania. Ms. Donohoe also serves on the New York Board of The Nature Conservancy, is a member of the Board of Directors of Georgetown University and a Co-Chair of Georgetown University’s Wall Street Alliance.
Speaker Biographies

William J. Janetschek
Member & Chief Financial Officer

William J. Janetschek joined KKR in 1997 and is KKR's Chief Financial Officer. Mr. Janetschek is also a member of KKR's Balance Sheet Committee, Global Valuation Committee and the Firm's Risk and Operating Committee. Prior to joining KKR, he was a Tax Partner at Deloitte & Touche LLP. He holds a B.S. from St. John's University and an M.S. from Pace University. Mr. Janetschek is actively involved in the community, serving as a sponsor and member of a variety of non-profit organizations including Student Sponsor Partners and St. John's University.

Craig A. Larson
Managing Director & Head of Investor Relations

Craig A. Larson is the Head of Investor Relations for KKR and leads KKR's efforts to engage with public investors and industry analysts. Prior to this role, Mr. Larson was a member of the Client and Partner Group. Mr. Larson joined KKR in 2009 after spending 17 years at Citigroup Global Markets Inc. where he was a managing director in the global communications franchise. While at Citigroup, Mr. Larson played a leading role on a broad array of merger and acquisition and financing assignments for global media and telecommunications clients. Mr. Larson graduated with a B.A. with honors from Queen's University in Kingston, Canada.
Appendix III
Important Information
Important Information

Please also refer to the important information contained in the section entitled "Legal Disclosures" located at the beginning of this presentation, which section is incorporated herein by reference in its entirety.

**Adjusted shares** are used as a measure of the total common equity ownership of KKR that is held by KKR & Co. Inc. (including equity awards issued under the Amended and Restated KKR & Co. Inc. 2010 Equity Incentive Plan (the "Equity Incentive Plan"), but excluding preferred stock), KKR Holdings L.P. ("KKR Holdings") and other holders of securities exchangeable into Class A common stock of KKR & Co. Inc. and represent the fully diluted Class A common stock count using the if-converted method. We believe this measure is useful to stockholders as it provides an indication of the total common equity ownership of KKR as if all outstanding KKR Holdings units, equity awards issued under the Equity Incentive Plan and other exchangeable securities had been exchanged for Class A common stock of KKR & Co. Inc. Series A Preferred Stock and Series B Preferred Stock are not exchangeable for common stock of KKR & Co. Inc.

**Adjusted shares eligible for distribution** represents the portion of total adjusted shares that is eligible to receive a distribution. We believe this measure is useful to stockholders as it provides insight into the calculation of amounts available for distribution on a per share basis. Adjusted shares eligible for distribution is used in the calculation of after-tax distributable earnings per share.

**After-tax distributable earnings** is a measure of KKR’s earnings on a segment basis excluding mark-to-market gains (losses), defined as the amount of realized earnings of KKR after deducting equity-based compensation that would be available for distribution to Class A common stockholders for a given reporting period. We believe that after-tax distributable earnings is useful to the stockholders as it provides additional insight into the overall profitability of KKR’s businesses and it aligns KKR’s net realization performance with the manner in which KKR receives its revenues and determines compensation of its employees. After-tax distributable earnings does not represent and is not used to calculate actual dividends under KKR’s dividend policy. Historically, equity-based compensation expense relating to the Equity Incentive Plan was not reflected in KKR’s calculation of after-tax distributable earnings. Under KKR’s new definition of after-tax distributable earnings, equity-based compensation expense is included in after-tax distributable earnings as a component of compensation expense in order to reflect the dilutive nature of these non-cash equity-based awards. We revised the definition of after-tax distributable earnings because we believe it reflects how management evaluates our business. After-tax distributable earnings for all historical periods in this presentation have been adjusted to reflect the new definition.

**Fee related earnings** is a supplemental measure of the operating earnings of KKR on a segment basis before performance income and investment income. We believe this measure may be useful to stockholders as it provides additional insight into the operating profitability of KKR’s fee generating management companies and capital markets businesses. Fee related earnings is calculated as KKR’s total “Fees and Other” multiplied by KKR’s segment operating margin. For purposes of the fee related earnings calculation, segment operating margin is calculated as total segment revenues less segment expenses (excluding equity-based compensation expense associated with the Equity Incentive Plan and interest expense) divided by total segment revenues. Historically, fee related earnings was calculated as operating earnings of KKR on a segment basis before performance income, related performance income compensation and investment income. We revised the definition of fee related earnings to provide supplemental information about fees generated from KKR’s management companies and capital markets business because we believe it provides increased transparency on KKR’s underlying financial results to the stockholders. Fee related earnings for all historical periods in this presentation have been adjusted to reflect the new definition.

**Assets under management ("AUM")** represent the assets managed or advised by KKR from which KKR is entitled to receive fees or a carried interest (either currently or upon deployment of capital), general partner capital, and assets managed or advised by strategic manager partnerships in which KKR holds a minority ownership interest. We believe this measure is useful to stockholders as it provides additional insight into the capital raising activities of KKR and its strategic manager partnerships and the overall activity in their investment funds and other managed capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR’s investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or carried interest; (iii) the fair value of investments in KKR’s co-investment vehicles; (iv) the par value of outstanding CLOs (excluding CLOs wholly-owned by KKR); (v) KKR’s pro rata portion of the AUM of strategic manager partnerships in which KKR holds a minority ownership interest, and (vi) the fair value of other assets managed by KKR. The pro rata portion of the AUM of strategic manager partnerships is calculated based on KKR’s percentage ownership interest in such entities multiplied by such entity’s respective AUM. KKR’s definition of AUM is not based on any definition of AUM that may be set forth in the agreements governing the investment funds, vehicles or accounts that it manages or calculated pursuant to any regulatory definitions.
Important Information

Fee paying AUM ("FPAUM") represents only the AUM from which KKR receives management fees. We believe this measure is useful to stockholders as it provides additional insight into the capital base upon which KKR earns management fees. FPAUM is the sum of all of the individual fee bases that are used to calculate KKR’s and its strategic manager partnership management fees and differs from AUM in the following respects: (i) assets and commitments from which KKR does not receive a management fee are excluded (e.g., assets and commitments with respect to which it receives only carried interest or is otherwise not currently receiving a management fee) and (ii) certain assets, primarily in its private equity funds, are reflected based on capital commitments and invested capital as opposed to fair value because fees are not impacted by changes in the fair value of underlying investments.

Book value is a measure of the net assets of KKR’s reportable segments and is used by management primarily in assessing the unrealized value of KKR’s investments and other assets, including carried interest. We believe this measure is useful to stockholders as it provides additional insight into the assets and liabilities of KKR excluding the assets and liabilities that are allocated to non-controlling interest holders and to the holders of Series A Preferred Stock and Series B Preferred Stock.

Capstone: References to “KKR Capstone” or “Capstone” are to all or any of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) LLP, KKR Capstone Asia Limited, and their affiliates, which are owned and controlled by their senior management. KKR Capstone is not a subsidiary or affiliate of KKR. KKR Capstone operates under several consulting agreements with KKR and uses the “KKR” name under license from KKR. References to operating executives, operating experts, or operating consultants are to employees of KKR Capstone and not to employees of KKR.

Calculation of IRR: Unless otherwise indicated, internal rates of return ("IRRs") measure the aggregate annual compounded returns generated by a fund’s investments over a holding period. “Net IRRs” are calculated after giving effect to the allocation of realized and unrealized carried interest and the payment of any applicable management fees and organizational expenses. “Gross IRRs” are calculated before giving effect to the allocation of carried interest and the payment of any applicable management fees and organizational expenses.

Calculation of MOIC: Unless otherwise indicated, the gross multiples of invested capital ("MOIC") measure the aggregate value generated by a fund’s investments in absolute terms. Each MOIC is calculated by adding together the total realized and unrealized values of a fund’s investments and dividing by the total amount of capital invested by the fund. Such amounts do not give effect to the allocation of realized and unrealized carried interest or the payment of any applicable management fees or organizational expenses.

Investments is a term used solely for purposes of financial presentation of a portion of KKR’s balance sheet and includes majority ownership of subsidiaries that operate KKR’s asset management and broker-dealer businesses, including the general partner interests of KKR’s investment funds.

Additional disclosure for assumptions and estimates: Target, goal, hypothetical or estimated results (and other comparable phrases) are hypothetical in nature and are shown for illustrative, informational purposes only. This information is not intended to forecast or predict future events, but rather to show the hypothetical estimates calculated using the specific assumptions presented herein. It does not reflect any actual results, which may differ materially. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in calculating the target, goal, hypothetical or estimated results have been stated or fully considered. Changes in the assumptions may have a material impact on the target, goal, hypothetical or estimated results presented. Target, goal, hypothetical or estimated results may not materialize.

Past performance is not a guarantee: Information about any fund and investments made by such funds, including past performance of such funds and investments, is provided solely to illustrate KKR’s investment experience, and processes and strategies used by KKR in the past with respect to such funds. The performance information relating to KKR’s previous investments is not intended to be indicative of any fund’s future results or the future results of KKR. Past performance is not a guarantee of future results. There can be no assurance that KKR or any fund will achieve comparable results as those presented.

Forward-Looking Non-GAAP Financial Measures: All forward-looking non-GAAP financial measures included in this presentation are provided only on a non-GAAP basis. This is due to the inherent difficulty of forecasting the timing or amount of items that would be included in the most directly comparable forward-looking GAAP financial measures. As a result, reconciliation of the forward-looking non-GAAP financial measures to GAAP financial measures is not available without unreasonable effort and we are unable to assess the probable significance of the unavailable information.
# Reconciliation of KKR & Co. Inc. Capital – Common Unitholders (GAAP Basis) to Book Value per Outstanding Adjusted Unit

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
<th>As of March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>KKR &amp; Co. Inc. Capital – Common Unitholders</td>
<td>$1,013,849</td>
<td>$1,326,493</td>
</tr>
<tr>
<td>Impact of consolidation of investment vehicles and other entities</td>
<td>1,919</td>
<td>7,627</td>
</tr>
<tr>
<td>Other Reclassifications</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity impact of KKR Management Holdings Corp.</td>
<td>64,756</td>
<td>45,118</td>
</tr>
<tr>
<td><strong>Book value</strong></td>
<td><strong>$4,152,884</strong></td>
<td><strong>$5,725,626</strong></td>
</tr>
<tr>
<td>Outstanding adjusted units</td>
<td>683,007,420</td>
<td>683,007,420</td>
</tr>
<tr>
<td><strong>Book Value per adjusted unit</strong></td>
<td><strong>$6.08</strong></td>
<td><strong>$8.38</strong></td>
</tr>
<tr>
<td><strong>Average Book Value – 5 Quarter Straight Average</strong></td>
<td>$11,234,919</td>
<td></td>
</tr>
</tbody>
</table>
Reconciliation of Net Income (Loss) Attributable to KKR & Co. Inc. Per Class A Common Share – Basic (GAAP Basis) to After Tax Distributable Earnings Per Adjusted Share Eligible for Distribution

<table>
<thead>
<tr>
<th></th>
<th>12/31/13</th>
<th>12/31/14</th>
<th>12/31/15</th>
<th>12/31/16</th>
<th>12/31/17</th>
<th>Quarter Ended March 31, 2018</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (Loss) attributable to KKR &amp; Co. Inc. per Class A Common Share – Basic</td>
<td>$2.51</td>
<td>$1.25</td>
<td>$1.09</td>
<td>$0.64</td>
<td>$2.10</td>
<td>$0.36</td>
<td>$1.10</td>
</tr>
<tr>
<td>Weighted Average Class A Common Shares Outstanding – Basic</td>
<td>274,910,628</td>
<td>381,092,394</td>
<td>448,884,185</td>
<td>448,905,126</td>
<td>468,282,642</td>
<td>487,704,838</td>
<td>819,845,624</td>
</tr>
<tr>
<td>Net Income (Loss) Available to KKR &amp; Co. Inc. Class A Common Stockholder</td>
<td>$691,226</td>
<td>$477,611</td>
<td>$488,482</td>
<td>$287,072</td>
<td>$984,941</td>
<td>$173,204</td>
<td>$898,802</td>
</tr>
<tr>
<td>Less: Excess of carrying value over consideration transferred on redemption of KRN 7.375% Series A LLC Preferred Shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,102</td>
<td>3,102</td>
</tr>
<tr>
<td>Net Income (Loss) Attributable to KKR &amp; Co. Inc. Class A Common Stockholders</td>
<td>$691,226</td>
<td>$477,611</td>
<td>$488,482</td>
<td>$287,072</td>
<td>$984,941</td>
<td>$170,102</td>
<td>$895,700</td>
</tr>
<tr>
<td>Add: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.</td>
<td>1,056,126</td>
<td>585,135</td>
<td>433,693</td>
<td>212,878</td>
<td>791,021</td>
<td>121,002</td>
<td>695,591</td>
</tr>
<tr>
<td>Add: Equity-based and Other Compensation</td>
<td>192,805</td>
<td>151,476</td>
<td>75,233</td>
<td>78,663</td>
<td>141,727</td>
<td>32,695</td>
<td>113,329</td>
</tr>
<tr>
<td>Add: Amortization of Intangibles, Placement Fees and Other, net</td>
<td>102,789</td>
<td>290,348</td>
<td>47,599</td>
<td>(17,267)</td>
<td>122,870</td>
<td>47,709</td>
<td>137,742</td>
</tr>
<tr>
<td>Deduct: Unrealized Carried Interest</td>
<td>724,141</td>
<td>110,133</td>
<td>163,545</td>
<td>(420,372)</td>
<td>600,242</td>
<td>(111,732)</td>
<td>347,884</td>
</tr>
<tr>
<td>Deduct: Net Unrealized Gains (Losses)</td>
<td>301,262</td>
<td>(396,425)</td>
<td>(391,962)</td>
<td>(584,423)</td>
<td>395,358</td>
<td>207,862</td>
<td>399,184</td>
</tr>
<tr>
<td>Deduct: Gain from re-measurement of tax receivable agreement liability</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(67,221)</td>
<td>-</td>
<td>(67,221)</td>
</tr>
<tr>
<td>Add: Income tax provision</td>
<td>37,926</td>
<td>63,669</td>
<td>66,636</td>
<td>24,561</td>
<td>224,326</td>
<td>17,641</td>
<td>201,425</td>
</tr>
<tr>
<td>Deduct: Income Taxes Paid</td>
<td>120,052</td>
<td>131,081</td>
<td>140,677</td>
<td>87,723</td>
<td>94,065</td>
<td>14,168</td>
<td>81,958</td>
</tr>
<tr>
<td>After-tax Distributable Earnings</td>
<td>$1,242,355</td>
<td>$1,772,909</td>
<td>$1,266,310</td>
<td>$1,341,469</td>
<td>$1,355,600</td>
<td>$235,728</td>
<td>$1,294,804(1)</td>
</tr>
<tr>
<td>Weighted Average Adjusted Shares Eligible for Distribution</td>
<td>689,492,479</td>
<td>771,529,514</td>
<td>820,569,662</td>
<td>810,811,022</td>
<td>816,466,568</td>
<td>824,442,002</td>
<td>819,845,624</td>
</tr>
<tr>
<td>After-tax Distributable Earnings Per Adjusted Share Eligible for Distributions</td>
<td>$1.80</td>
<td>$2.30</td>
<td>$1.54</td>
<td>$1.65</td>
<td>$1.66</td>
<td>$0.29</td>
<td>$1.58</td>
</tr>
</tbody>
</table>

(1) For the twelve months ended March 31, 2018, Pre-tax Distributable Earnings of $1,376,762 is calculated as After-tax Distributable Earnings of $1,294,804 plus Income Taxes Paid of $81,958.
Reconciliation of Net Income (Loss) Attributable to KKR & Co. Inc. Per Class A Common Share – Basic (GAAP Basis) to After Tax Distributable Earnings Per Adjusted Share Eligible for Distribution (cont’d)

<table>
<thead>
<tr>
<th>After-tax Distributable Earnings</th>
<th>12/31/13</th>
<th>12/31/14</th>
<th>12/31/15</th>
<th>12/31/16</th>
<th>12/31/17</th>
<th>Quarter Ended March 31, 2018</th>
<th>Twelve Months Ended</th>
<th>12/31/13</th>
<th>12/31/14</th>
<th>12/31/15</th>
<th>12/31/16</th>
<th>12/31/17</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add: Equity-based Compensation</td>
<td>114,709</td>
<td>158,927</td>
<td>186,346</td>
<td>186,227</td>
<td>204,308</td>
<td>67,796</td>
<td>221,161</td>
<td>114,709</td>
<td>158,927</td>
<td>186,346</td>
<td>186,227</td>
<td>204,308</td>
<td>67,796</td>
</tr>
<tr>
<td>After-tax Distributable Earnings before Equity Based Compensation</td>
<td>$1,357,064</td>
<td>$1,931,836</td>
<td>$1,452,656</td>
<td>$1,527,696</td>
<td>$1,559,908</td>
<td>$303,524</td>
<td>$1,516,965</td>
<td>$1,357,064</td>
<td>$1,931,836</td>
<td>$1,452,656</td>
<td>$1,527,696</td>
<td>$1,559,908</td>
<td>$303,524</td>
</tr>
<tr>
<td>Weighted Average Adjusted Shares Eligible for Distribution</td>
<td>689,492,479</td>
<td>771,529,514</td>
<td>820,569,662</td>
<td>810,811,022</td>
<td>816,466,568</td>
<td>824,442,002</td>
<td>819,845,624</td>
<td>689,492,479</td>
<td>771,529,514</td>
<td>820,569,662</td>
<td>810,811,022</td>
<td>816,466,568</td>
<td>824,442,002</td>
</tr>
<tr>
<td>After-tax Distributable Earnings before Equity Based Compensation Per Adjusted Share Eligible for Distribution</td>
<td>$1.97</td>
<td>$2.50</td>
<td>$1.77</td>
<td>$1.88</td>
<td>$1.91</td>
<td>$0.37</td>
<td>$1.85</td>
<td>$1.97</td>
<td>$2.50</td>
<td>$1.77</td>
<td>$1.88</td>
<td>$1.91</td>
<td>$0.37</td>
</tr>
</tbody>
</table>