



KKR Closes \$950 Million Real Estate Credit Opportunity Partners Fund II

July 20, 2020

NEW YORK--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced the final closing of KKR Real Estate Credit Opportunity Partners II ("RECOP II" or "the Fund") with \$950 million in committed capital. The Fund will continue KKR's strategy focused on generating attractive risk-adjusted returns, primarily through the purchase of junior tranches of new issue conduit commercial mortgage-backed securities (CMBS) (the "CMBS B-Piece").

Matt Salem, Partner and Head of KKR's Real Estate Credit business, said: "We are pleased to have the trust of so many investors in our second fund, which speaks to the strength of our strategy, team, and reputation in the market. Having invested over \$1.25 billion into conduit risk retention since 2017, we believe that the market has demonstrated the need for private, long-dated risk retention capital."

RECOP II, like its predecessor, RECOP I, focuses primarily on investing in newly-issued conduit CMBS B-Pieces as an eligible third party purchaser subject to the risk retention regulations which took effect in December 2016. Additionally, it has the ability to purchase non-risk retention conduit CMBS and other real estate securities.

RECOP II has closed on nine risk retention transactions and RECOP I and RECOP II have completed a combined 36 closed investments through June 2020, making KKR the most active CMBS B-Piece buyer of third party risk retention structures since risk retention regulations took effect.

Chris Lee, Partner and Head of KKR's Real Estate Americas business, said: "We have continued to grow our platform which enables us to invest across the capital structure and risk return spectrum while delivering differentiated underwriting capabilities. The successful closing reflects the strong progress of our real estate credit business, and we are pleased to provide our clients with a product that delivers attractive cash yield and portfolio diversification."

Since launching a dedicated real estate platform in 2011, KKR has grown to approximately \$11.8 billion in real estate assets under management across the U.S., Europe and Asia as of March 31, 2020. KKR's global real estate team consists of over 85 dedicated investment professionals, spanning both the equity and credit businesses.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, credit, and real assets, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside its partners' capital and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20200720005737/en/): <https://www.businesswire.com/news/home/20200720005737/en/>

Media Contact

Kristi Huller, Cara Major, or Miles Radcliffe-Trenner

media@kkr.com

(212) 750-8300

Source: KKR