KKR Closes $1.34 Billion Direct Lending Fund

April 16, 2015

NEW YORK--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced the final closing of KKR Lending Partners II L.P. ("KKRLP II" or the "Fund"), a $1.34 billion fund focused primarily on privately-originated senior loans. KKRLP II is the successor fund to KKR Lending Partners I L.P. ("KKRLP I"), which exited its investment period in December 2014.

Chris Sheldon, KKR's Co-Head of Leveraged Credit (Photo: Business Wire)

The Fund, for which KKR began soliciting third party capital in 2014, received strong backing from a diverse group of new and existing investors, including public pensions, insurance companies, private banking platforms, family offices and individual investors.

Commenting on KKRLP II, Erik Falk, Co-Portfolio Manager of the Fund, said, "We are very pleased that we were able to attract a nice mix of new and existing KKR direct lending investors to the Fund. We have a strong pipeline and are very optimistic about the opportunity set."

KKR's Direct Lending platform is part of KKR's $26.9 billion credit business. The Direct Lending strategy invests in privately-negotiated transactions with a focus on the top of a company's capital structure, seeking to capture the illiquidity premium in order to earn strong risk-adjusted returns versus the syndicated loan market.

Chris Sheldon, Co-Portfolio Manager for KKRLP II, added: "The lending landscape is being reshaped by a variety of factors, including geopolitical change, macroeconomic factors, and the regulatory environment – and we believe we are well positioned to drive high-quality, originated deal flow for our direct lending business."

KKRLP II held its first close in June 2014 and began investing shortly thereafter. Prior to raising the Fund, KKR's team primarily invested Direct Lending capital through KKRLP I and through separate accounts on behalf of large institutional clients. Inclusive of the capital raised for KKRLP II, the credit team is managing approximately $5 billion in capital available for direct lending today.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and 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 at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others 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.

About KKR Credit

Launched by KKR in 2004, KKR Credit invests on behalf of its managed funds, clients and accounts across the corporate credit spectrum, including secured credit, bank loans and high yield securities and alternative credit such as direct lending, mezzanine financing, special situations, and long/short credit. With more than 240 employees, including approximately 100 investment professionals, KKR Credit's investment teams are closely aligned with KKR's wealth of private equity investment and industry resources. KKR Credit has $26.9 billion in assets under management as of December 31, 2014.

Photos/Multimedia Gallery Available: http://www.businesswire.com/multimedia/home/20150416005068/en/

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Source: KKR