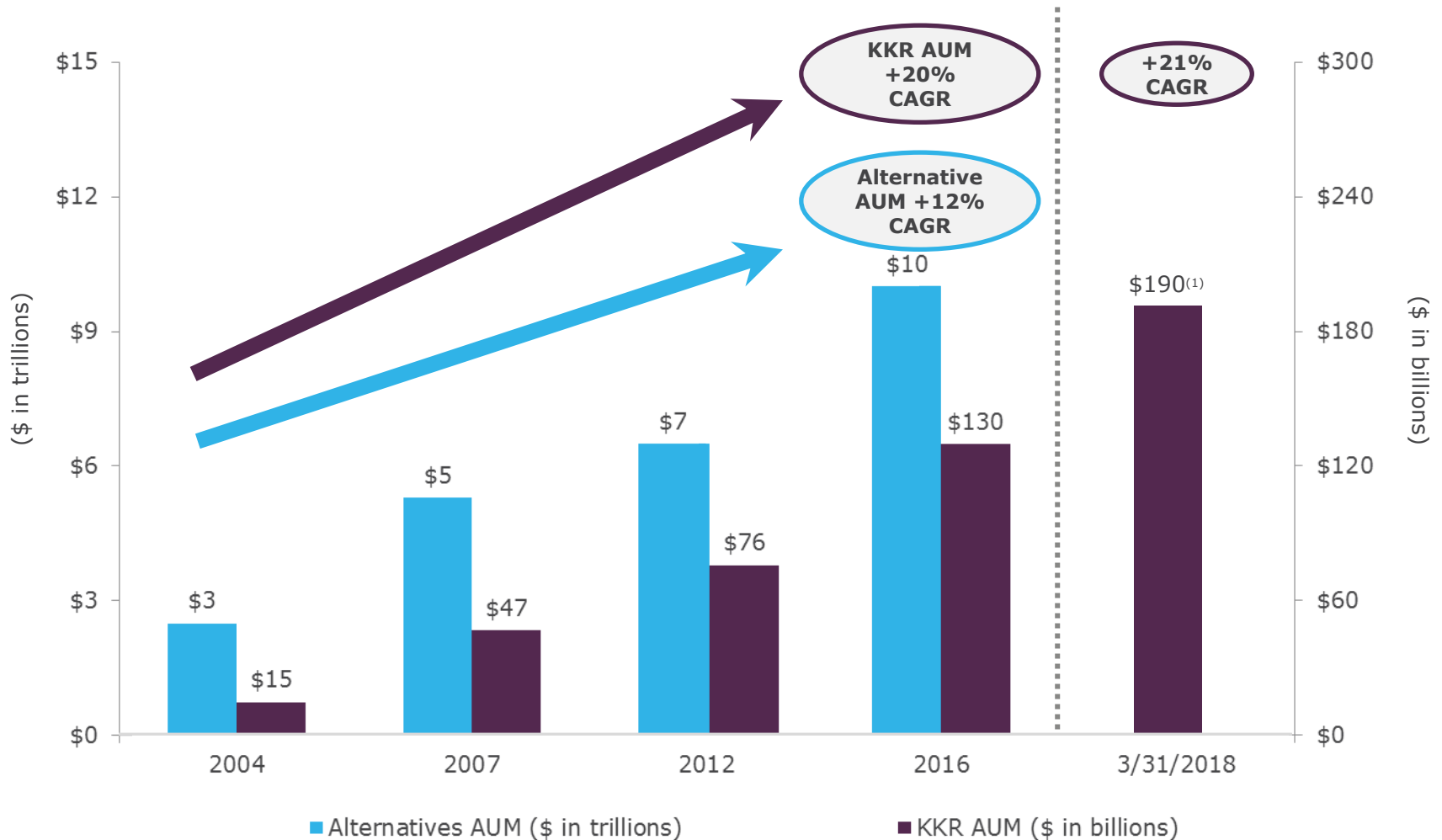


# KKR & Co. L.P.

Morgan Stanley Financials Conference: June 13, 2018

# 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.

(1) Pro forma for the strategic BDC partnership with FS Investments, which closed on April 9, 2018.

# Investment Returns Are Critical

KKR Flagship Funds		LTM Gross Return	
Private Equity	<b>Private Equity Flagship Funds</b> <ul style="list-style-type: none"> <li>• North America XI</li> <li>• Asia II</li> <li>• Europe IV</li> </ul>	<b>24%</b>	
	<hr/>		
	Real Assets	<b>Real Estate I</b>	<b>10%</b>
		<b>Infrastructure II</b>	<b>20%</b>
<b>Energy Income &amp; Growth</b>		<b>13%</b>	
<hr/>			
Alternative Credit	<b>Special Situations II</b>	<b>9%</b>	
	<b>Mezzanine</b>	<b>30%</b>	
	<b>Lending Partners II</b>	<b>7%</b>	

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.

# Behavioral Changes By Incumbents Have Created Opportunities

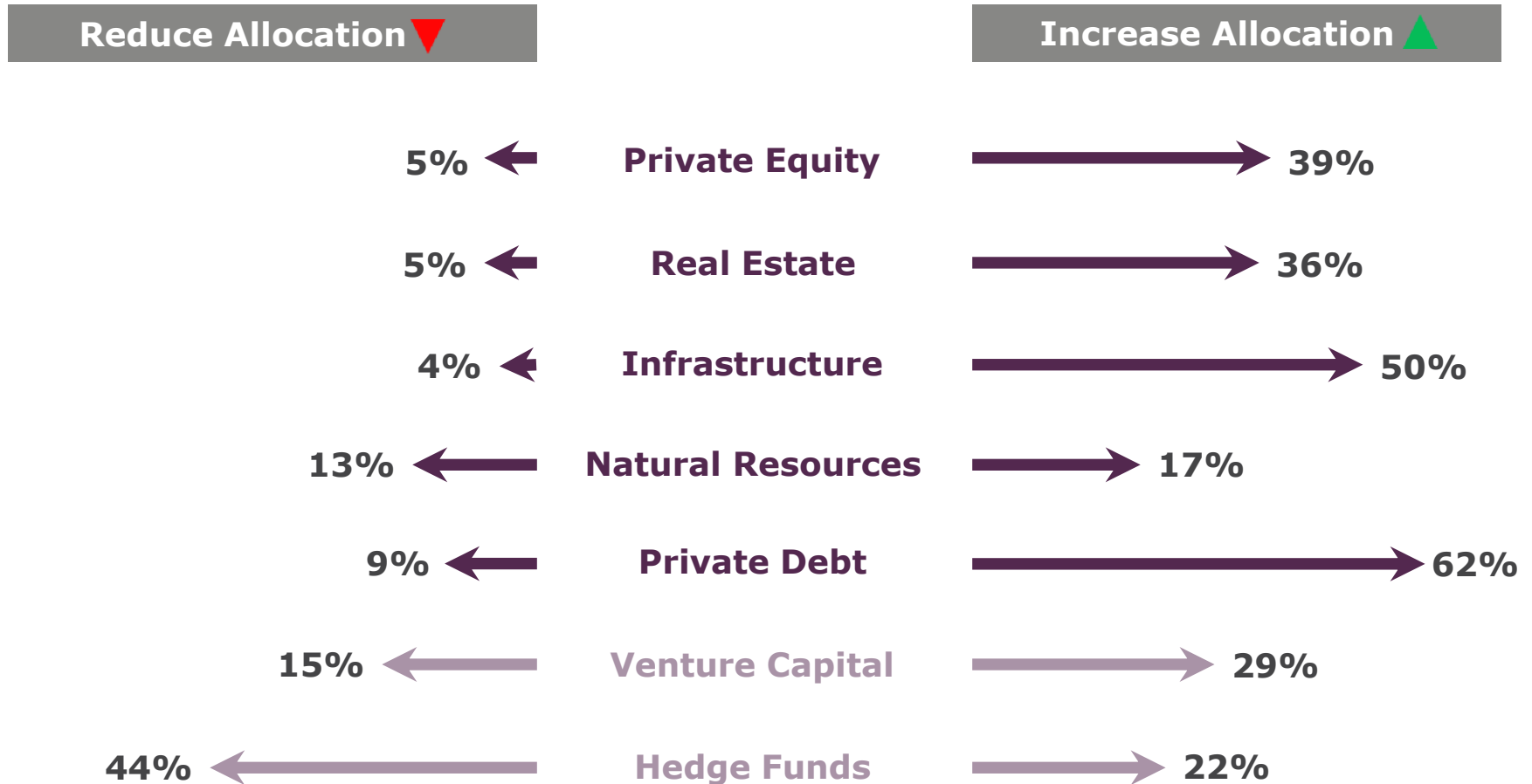
(\$ in billions)

## Private Credit Global AUM

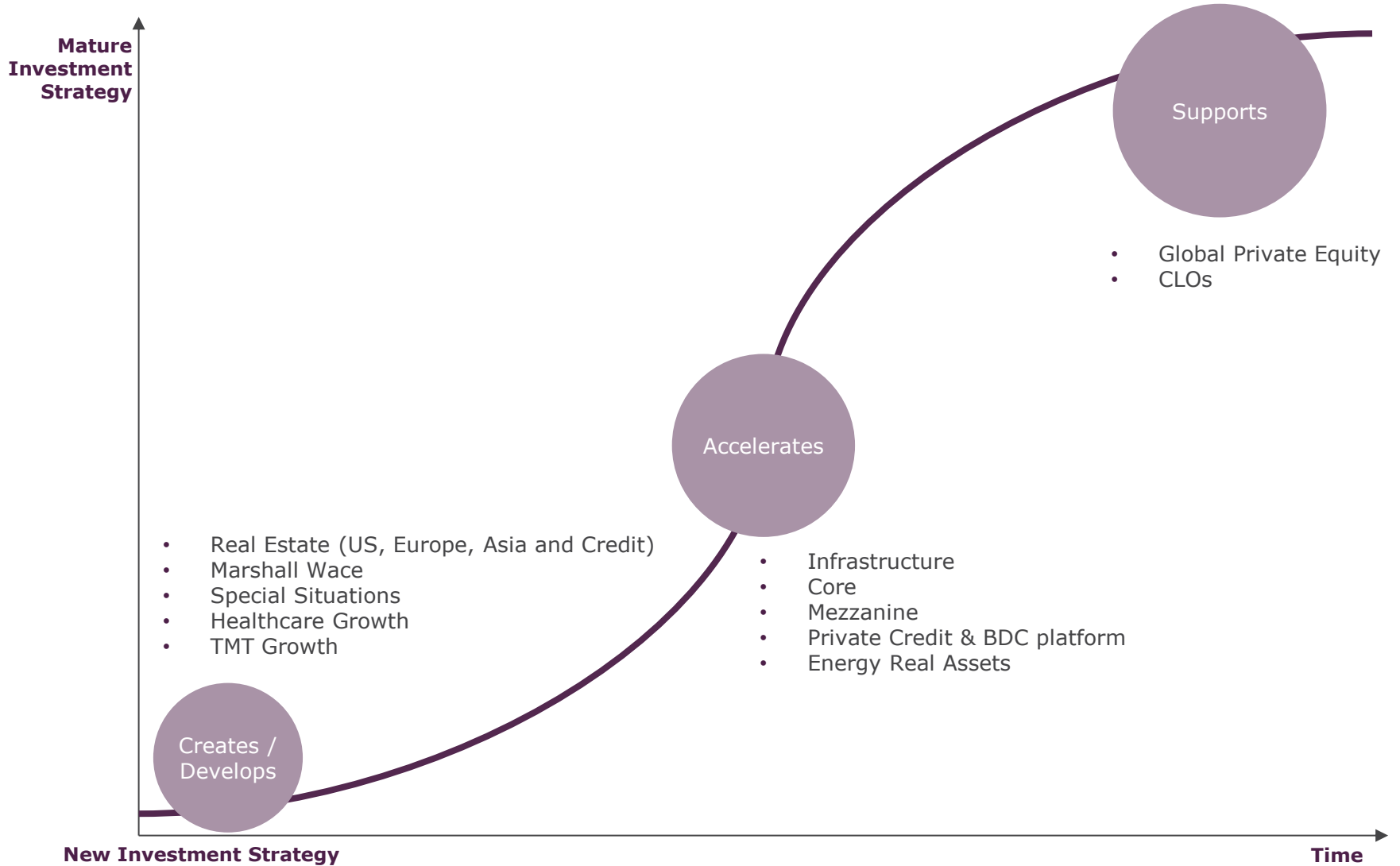


Source: Preqin 2017.

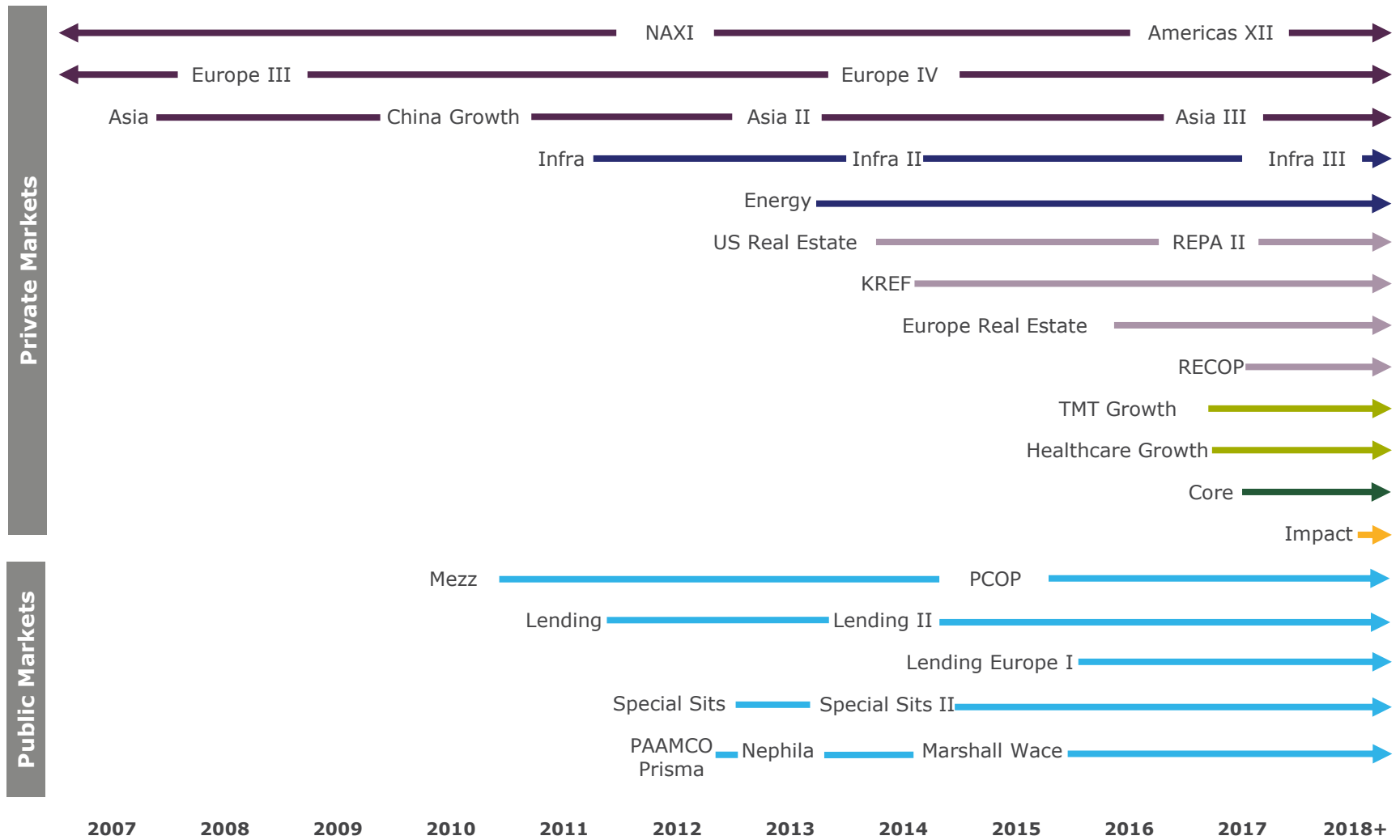
# Institutional Investors' Plans for the Longer Term



# KKR's Balance Sheet – A Growth Enabler and Accelerator

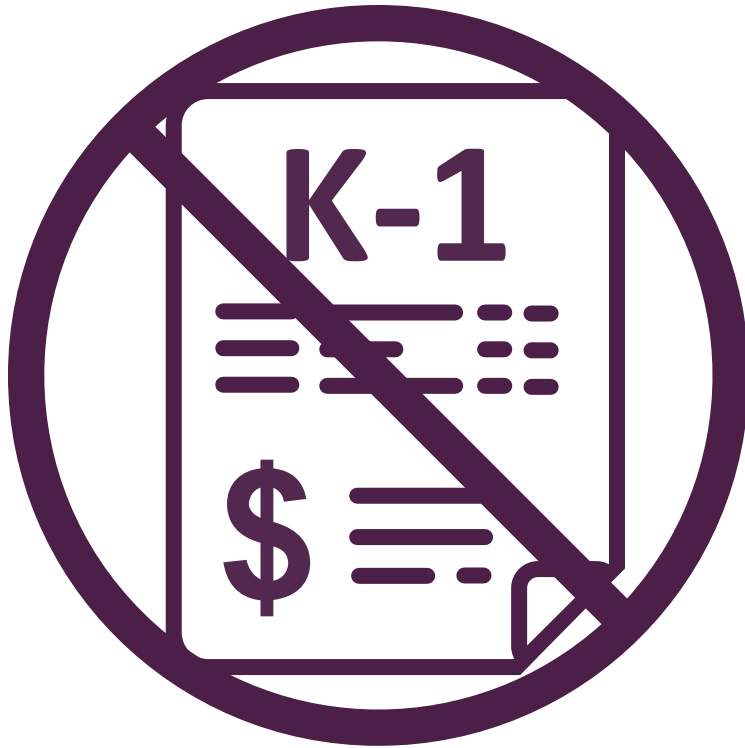


# KKR Is Well Positioned For Future Growth



# KKR to Convert to a C-Corp on July 1, 2018

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- ▶ Easier to buy
  - Broader eligible investor universe
  - Simplified tax reporting (no Schedule K-1s)
- ▶ Easier to own
  - Simplified financial reporting
  - Distributable earnings transparency through a quarter
  - Annual dividend of \$0.50 / common share as a C-Corp<sup>(1)</sup> (expect to grow over time)
  - Upsized current buyback authorization to \$500 million

**We believe the conversion to a corporation will create long-term value for our shareholders (employees own or control ~40% of KKR units)<sup>(2)</sup>**

Note: See "Legal Disclosures" on page 10 for cautionary statement regarding forward-looking statements.

(1) Relates to dividends payable on Class A common stock (to be listed on the NYSE under "KKR.") The declaration and payment of dividends to our Class A shareholders will be subject to the sole discretion of our board of directors and compliance with applicable law.

(2) Ownership information is as of March 31, 2018.





# **KKR Investor Day**

## **July 9, 2018**

# Legal Disclosures

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