

KKR Credit Advisors (Ireland) Unlimited Company
Regulation 2017/565 Disclosure
2020

KKR Credit Advisors (Ireland) Unlimited Company – Disclosure pursuant to Article 65(6) of Commission Delegated Regulation 2017/565

KKR Credit Advisors (Ireland) Unlimited Company (“KKR CAI” or “the Firm”) is a discretionary portfolio manager to various collateralised loan obligation vehicles (CLO), separately managed accounts (SMA) and open ended credit funds. KKR CAI passes orders to an affiliate KKR Credit Advisors (EMEA) LLP (“KCA EMEA LLP”) for execution in the market. KCA EMEA LLP does not perform portfolio management activities and only executes orders on behalf of KKR CAI and other KKR affiliates.

The Firm closely monitors the execution of trades by the firms with which it places orders, including the relevance of various execution factors. The most common execution factor for bond trades is price – this is consistent with our expectations for liquid traded instruments and in accordance with our policy. The second most common execution factor is availability of the instrument in the market. This is consistent with our expectations and Best Execution policy. Not all bonds are traded in a liquid manner and therefore, in accordance with the Firm’s Best Execution policy, the firms with which the Firm places orders may execute trades with a counterparty when alternative counterparty prices are not available. The Firm tracks execution factors for all trades and reviews these factors on a frequent basis. During the course of 2019 we have observed that the execution factors used by traders are consistent with the Firms Best Execution policy.

The Firm participates in the annual review of the KKR approved counterparty list to ensure that the approved counterparty list is reflective of commercial and regulatory expectations for the underlying clients. KKR Credit Advisors (EMEA) LLP disclosure provides additional information on these other third-party brokers on a “look-through” basis.

All of the Firms’ clients are categorised as professional under MiFID. There are no clients classified as retail or eligible clients. All professional clients are treated the same with respect to portfolio management, execution and allocation of trades.

The Firm has the authority to trade the following Regulation 2017/576 (RTS 28) Disclosure Instruments:

- Debt instruments (Bonds)
- Debt instruments embedding a derivative (ABS)
- Currency Derivatives (FX Forwards)
- Equities

The Firm did not trade an average of more than one trade per business day in either ABS, FX Forwards or Equities during 2019. In order to ensure that the information it publishes is meaningful and representative, the Firm does not provide information on these asset classes in the table below. The following table shows the proportion of volume traded and proportion of orders executed for bonds traded by the Firm.

KKR Credit Advisors (Ireland)

75 St. Stephens Green, Dublin 2, Ireland

Authorised and regulated by the Central Bank of Ireland

The Firm does not consider the classification of orders as “passive”, “aggressive” or “directed” to be relevant to its OTC bond trading activity as outlined in Art. 65(6) of the MiFID II Delegated Regulation RTS 28 “If a portfolio manager, or a receiver and transmitter of orders, sends an order to an entity for execution (broker), the distinction between passive and aggressive orders as defined in Article 2 of RTS 28 is likely not relevant and will not need to be disclosed in the report to be published in accordance with Article 65(6) of the Delegated Regulation”. The relevant columns in the table below are therefore left blank.

Class of Instrument	Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top 5 venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KKR Credit Advisors (EMEA) LLP (LEI: 213800A2CO7HLWP NXJ89)	100%	100%	-	-	-