Global Wealth
Investment Playbook

Highlights | 4Q24

Important Information

The views expressed in this presentation are the personal views of the speaker and do not necessarily reflect the views of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") itself. This presentation is not research and should not be treated as research. This presentation does not represent valuation judgments with respect to any financial instrument, issuer, security or sector that may be described or referenced herein and does not represent a formal or official view of KKR. This presentation is not intended to, and does not, relate specifically to any investment strategy or product that KKR offers. It is being provided merely to provide a framework to assist in the implementation of an investor's own analysis and an investor's own views on the topic discussed herein.

The views expressed reflect the current views of the speaker as of the date hereof and neither the speaker nor KKR undertakes to advise you of any changes in the views expressed herein. Opinions or statements regarding financial market trends are based on current market conditions and are subject to change without notice. References to a target portfolio and allocations of such a portfolio refer to a hypothetical allocation of assets and not an actual portfolio. The views expressed herein and discussion of any target portfolio or allocations may not be reflected in the strategies and products that KKR offers or invests, including strategies and products to which The speaker provides investment advice to or on behalf of KKR. It should not be assumed that the speaker has made or will make investment recommendations in the future that are consistent with the views expressed herein, or use any or all of the techniques or methods of analysis described herein in managing client or proprietary accounts. Further, the speaker may make investment recommendations and KKR and its affiliates may have positions (long or short) or engage in securities transactions that are not consistent with the information and views expressed in this document.

This presentation has been prepared solely for informational purposes. The information contained herein is only as current as of the date indicated, and may be superseded by subsequent market events or for other reasons. Charts and graphs provided herein are for illustrative purposes only. The information in this presentation has been developed internally and/or obtained from sources believed to be reliable; however, neither KKR nor the speaker guarantees the accuracy, adequacy or completeness of such information. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision.

There can be no assurance that an investment strategy will be successful. Historic market trends are not reliable indicators of actual future market behavior or future performance of any particular investment which may differ materially, and should not be relied upon as such. Target allocations contained herein are subject to change. There is no assurance that the target allocations will be achieved, and actual allocations may be significantly different than that shown here. This presentation should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy.

The information in this presentation may contain projections or other forward-looking statements regarding future events, targets, forecasts or expectations regarding the strategies described herein, and is only current as of the date indicated. There is no assurance that such events or targets will be achieved, and may be significantly different from 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. Performance of all cited indices is calculated on a total return basis with dividends reinvested. The indices do not include any expenses, fees or charges and are unmanaged and should not be considered investments.

The investment strategy and themes discussed herein may be unsuitable for investors depending on their specific investment objectives and financial situation. Please note that changes in the rate of exchange of a currency may affect the value, price or income of an investment adversely.

Neither KKR nor the speaker assumes any duty to, nor undertakes to update forward looking statements. No representation or warranty, express or implied, is made or given by or on behalf of KKR, the speaker or any other person as to the accuracy and completeness or fairness of the information contained in this presentation, and no responsibility or liability is accepted for any such information. By accepting this presentation in its entirety, the recipient acknowledges its understanding and acceptance of the foregoing statement.

The MSCI sourced information in this presentation is the exclusive property of MSCI Inc. (MSCI). MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

KKR

Quarterly Takeaways

01 While we remain cautiously optimistic about global economic growth this year, we are tracking closely pockets of weakness especially in consumer segments across geos. A "soft-landing" remains the highest probability outcome in the US. But tariffs introduce more uncertainty.

02 We believe that the Fed's path of rates is highly uncertain, elevating the importance of duration management. Importantly, the transition to a new interest rate regime, ongoing developments in the geopolitical and political landscape as well as asynchronous global growth will keep interest rate volatility elevated, we believe.

03 President Trump's victory has pushed us to double down on our conviction of increased inflation volatility. Regardless of the path of U.S. rates, elevated *inflation* volatility is driving a higher correlation between stocks and bonds, compelling investors to find diversification elsewhere.

04 Against the current backdrop, we have increased our focus on collateral-based cash flows backed by hard assets, such as in Infrastructure, Real Estate, and Asset-Based Finance. These income streams, or the assets backing them, generally can keep pace with inflation, either contractually or via price escalators, which is one of the core drivers of the outperformance of many Real Assets in the new regime. Downside protection characteristics of Infrastructure become especially appealing.

05 Private Equity continues to be the asset class with the highest return potential – especially on a go forward basis amidst pressures on public equities driven by elevated valuations, higher inflation volatility, and higher rates. We have seen a solid acceleration in deployment activity and monetization amid an increase in overall activity across global capital markets. Importantly, given rate uncertainty, value creation and exposure to the critical secular trends have become even more important. We have high conviction in securitization, workforce productivity, and the high-end consumer.

Expect More Inflationary Pressures And Volatility Under President Trump

President Trump's Policies Pertaining To Tectonic Shifts Are On Net Inflationary

Accelerated Energy Transition

- Some pullback in federal funding for EVs, wind, and solar, however, energy requirements tend to be set on the state level
- More oil and gas permitting
- Bottom-line: The longer the energy transition takes, the more expensive it will be

Shift from "Benign Globalization" to "Great Power Competition"

- Potential 10% tariff on all US imports, 60% tariff on Chinese exports
- Onshoring will continue ("Made In America" sentiment)
- Realigning of diplomatic ties
- Bottom-line: Expect onshoring to continue, which may be inflationary in the near term

The Great Labor Rebalance

- More constraints on immigration
- Bottom-line: Expect more labor shortages and therefore more inflationary pressures

Transformative Technologies and the Age of AI

- Narrative on AI may become more negative, but no major policy changes
- Court decisions may be more consequential
- Bottom-line: Slowing down the green energy may be more impactful for AI industries than direct AI policy changes

KKR

The New Investing Environment

New Macro Regime

- Elevated Inflationary Bias And Higher Rates Vs Pre-Covid Average
- Geopolitically-driven Volatility
- Asynchronous Regional Cycle

Implications For Asset Allocation

- Lower Asset Class Returns
- Shifts In Asset Class Correlations
- Volatility Buffer

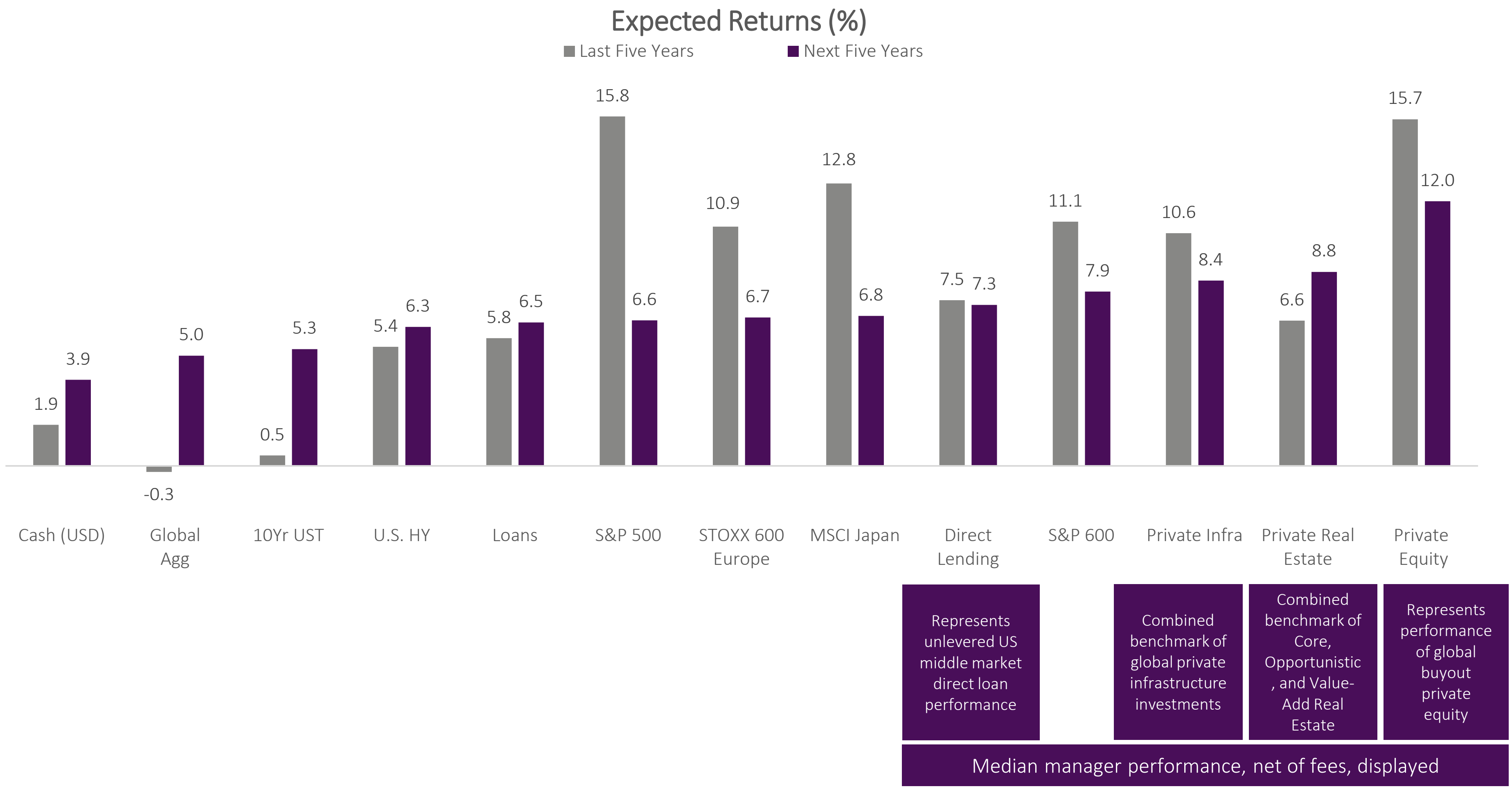
Opportunities In Private Assets

- Increased Importance Of Alternatives And The Illiquidity Premium
- Control-Equity/Real Assets Outperformance
- Regional Diversification

Based on KKR subjective views, and subject to change.

We Believe This Period Will Be An Opportune Time to Adjust Portfolio Construction And Lean into Private Markets

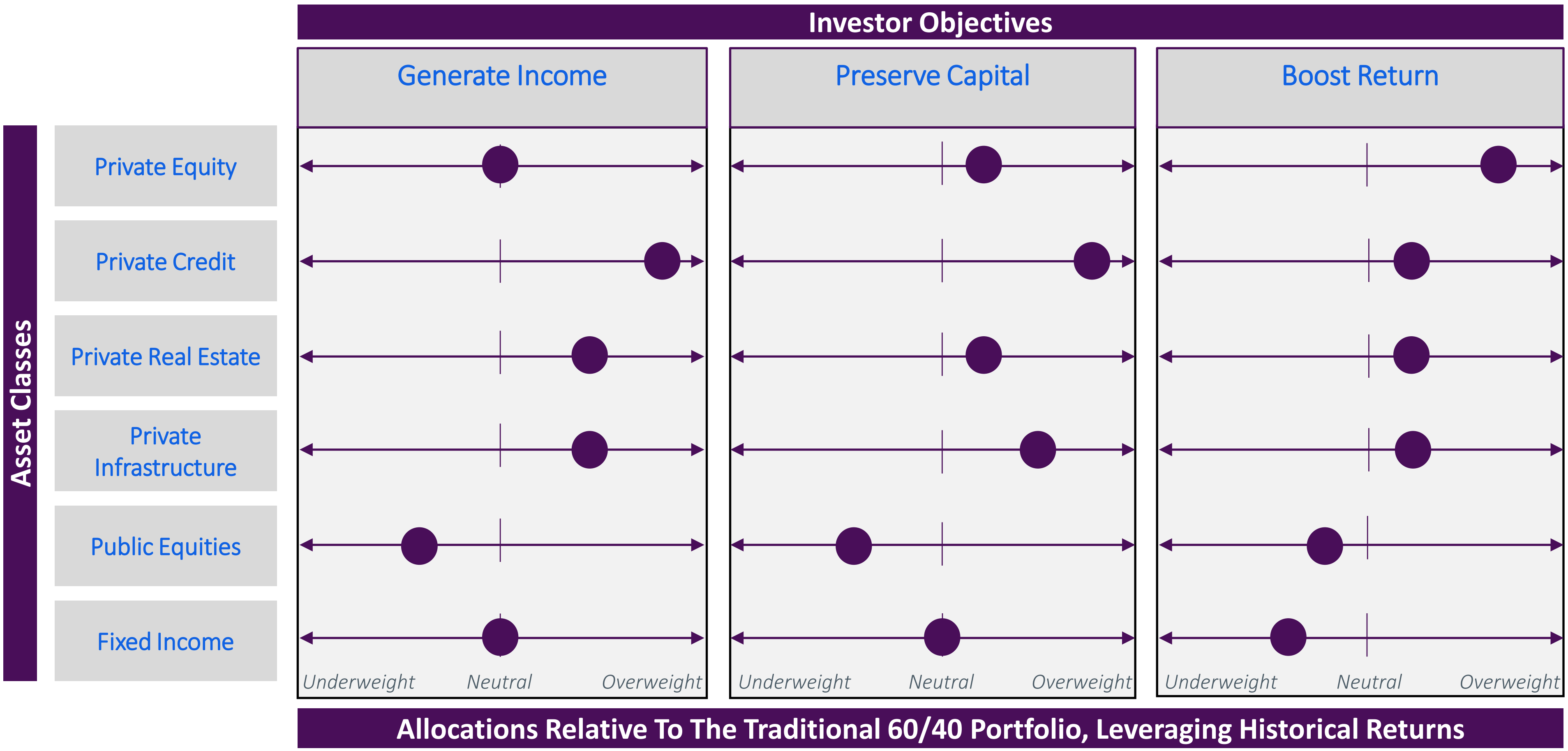
- Over the past 10 years, 60/40 portfolios returned an average of ~8%.
- To achieve close to that return over the next five years amid elevated inflation, higher borrowing costs, and slower real economic growth, investors may need to diversify into alternative asset classes.



Data as at 04/29/2024. Note: Capital markets assumptions are average across all quartiles annualized total returns. Forecasts represent five-year annualized total return expectations. For private asset classes (Private Credit, Private Infra, Private Real Estate, and Private Equity), returns are net of Fee/Carry. Note that we have altered our Private Credit methodology to exclude fund-level leverage, which has lowered total return on a go forward basis. Source: Cambridge Associates, Bloomberg, KKR Global Macro, Balance Sheet and Risk analysis. Compound Annual Growth Rate (CAGR) measures an investment's growth rate, assuming profits are reinvested at the end of each period. Private Real Estate modeled using the Cambridge Associates Real Estate Index. Private Infrastructure modeled using the Cambridge Associates Infrastructure Index. Private Equity modeled using the Cambridge Associates Private Equity Index. Private Credit modeled using the Cliffwater Direct Lending Index. No representation is made that the trends depicted or described above will continue.

Relative to the Traditional 60/40 Portfolio, Investors Can Tilt Asset Class Exposure To Increase Return And Reduce Vol

- The incorporation of investor preferences is an integral step in the strategic asset allocation process.
- To incorporate Alternatives into an existing traditional 60/40 portfolio, it is important to thoughtfully reduce allocations to equities and fixed income in a manner consistent with portfolio objectives (i.e. reducing fixed income more than equities when incorporating Alternatives into the 'Boost Return' objective) and to consider asset class performance, volatility, and correlations between asset classes.



Note: Allocation tilts shown are relative to an existing 60/40 Portfolio consisting of 60% Public Equities and 40% Fixed Income. Optimization analysis performed on data from 1990-2023, or since available, using the S&P 500 for Public Equities, the Bloomberg Global Aggregate for Fixed Income, the Cambridge Associates Benchmark for Private Equity, the Cliffwater Direct Lending Index for Private Credit, the Cambridge Associate Global Infrastructure Benchmark for Private Infrastructure, and the Cambridge Associates Real Estate Index for Private Real Estate.
Source: Cambridge, Bloomberg, KKR GBR analysis. Past performance does not guarantee future results. No specific KKR products referenced.

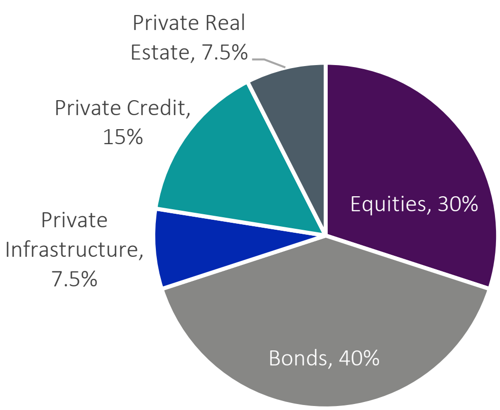
Alternative Asset Classes Have Historically Helped Investors Generate Income, Preserve Capital, And Boost Returns

- Today, many investor portfolios still resemble the traditional 60/40 portfolio, but investors are increasingly looking to enhance their portfolios with Alternatives to achieve their investment objectives in this new macroeconomic regime.
- Through optimization techniques applied to historical asset class returns, return volatility, and cross-correlations, we back tested the output confirming the incorporation of Alternatives, aligning with investor preferences, has historically enhanced the relevant objective.

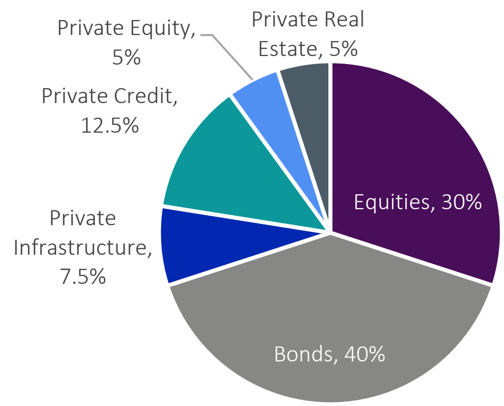
KKR Alts Enhanced Framework For Wealth

Objective: Increase income potential of portfolio while maintaining liquidity	Objective: Receive loss protection and inflation hedging benefits	Objective: Boost the return potential of the portfolio

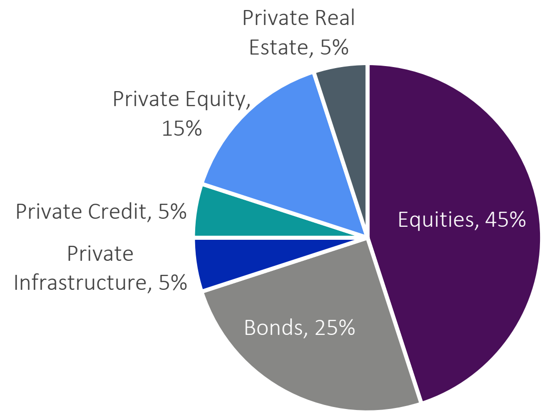
Alts Enhanced – Generate Income



Alts Enhanced – Preserve Capital



Alts Enhanced - Boost Return



Historical Performance vs 60 / 40:	• Income +1.6% • Liquidity ⬇	• Volatility -2.4% • Liquidity ⬇	• Return +1.1% • Liquidity ⬇
Traditional	• Reallocate from the Public Equity tranche to more yield, inflation protection and diversification in Alternatives. Maintain substantial Bond allocation	• Reduce portfolio volatility by tilting some Public Equities exposure to Alts. Maintain substantial Bond allocation given downside protection	• Increase the return potential of the portfolio by tilting Bond allocation towards Equities
Alts	• Increase Private Credit allocation given predictable and high streams of cash flow, followed by Infra & Private Real Estate (yield may emanate from RE Credit vs Equity) for both additional yield and diversification	• Increase allocation to Private Credit given potential for downside protection followed by Private Infrastructure which benefits from lower volatility and inflation-hedging attributes	• Overweight Private Equity to boost total return, followed by Real Assets

KKR

Source: KKR GBR analysis. **Note:** Optimization and historical analysis performed on data from 1990-2023, or since available, using the S&P 500 for Public Equities, the Bloomberg Global Aggregate for Fixed Income, the Cambridge Associates Benchmark for Private Equity, the Cliffwater Direct Lending Index for Private Credit, the Cambridge Associate Global Infrastructure Benchmark for Private Infrastructure, and the Cambridge Associates Real Estate Index for Private Real Estate. Income modeled for Public Equity using S&P 500 12M gross dividend yield, Private Equity proxied using S&P Small Cap 12M gross dividend yield, Private Infrastructure proxied using S&P Infrastructure 12M gross dividend yield from 2006 -2023 and 1990-2006 back filled using S&P Utilities, Public Credit based on Bloomberg US Agg yield to worst, Private Credit using Cliffwater Direct Lending Index Income Return, Private Real Estate based on Green Street All-sector Equal-weighted cap rate. Source: Cambridge, Bloomberg, KKR GBR analysis. No specific KKR products referenced.