

Geopolitical Expertise For Smarter Investing

The KKR Global Institute (KGI) is an integral part of the KKR investment process, working in partnership with KKR industry teams and our limited partners. We enable smarter investing through a better understanding of the world and then help our portfolio companies grow.

Created in 2013 with General (Ret.) David Petraeus as chairman, KGI integrates geopolitical and global trends expertise, macroeconomic analyses of the Global Macro and Asset Allocation team, and the Global Public Affairs team’s work on environmental, social, and governance (ESG) issues and opportunities into our Firm’s investment process. KGI also guides our investments and portfolio companies on political, security, and regulatory issues to help them mitigate risk, develop appropriate strategies, and grow.

KGI: Integrating Global and Local Perspectives



PRIMARY AREAS OF FOCUS



Geopolitics and Governance

Country risk and opportunity, regulatory trends, and security issues



Macroeconomics

GDP trends, fiscal policy, monetary policy, and exchange rates



Social and Environmental Issues

Environmental protection, demographic shifts, and resource constraints



Technology-driven Shifts

Advances in information technology, energy, manufacturing, and the life sciences



Business' Relationship to Society

Best practices on environmental, social, and governance issues

How Does KGI Add Value?

KGI's experts leverage their differentiated knowledge, experiences, and relationships globally to collaborate Firmwide during all phases of the investment process.



KGI in Action Across the Globe

Three recent examples highlight the ability of KGI team members to apply their expertise in complex, fluid situations in ways that help create added value.

CASE STUDY

Advancing Cable Access: SBB/Telemach Group

KGI's geopolitical and Global Public Affairs experts collaborated with the KKR industry team during our investment in SBB/Telemach Group, a leading pay TV, telephony, and broadband operator in Southeastern Europe. KGI helped the company identify and cultivate growth opportunities in the Western Balkans, navigating a complex political environment. SBB/Telemach received support on expanding its operations while continuously mitigating risk and invigorating growth. KGI and Global Public Affairs also provided differentiated relationships with third-party stakeholders such as the U.S. government, host nation leaders, the European Union, and the European Bank for Reconstruction and Development, which helped the company accelerate alignment of its operations with European Union standards.

CASE STUDY

Leveraging Key Relationships: Monterra Energy

KGI's geopolitical experts worked with Monterra Energy, a midstream energy infrastructure firm, to identify opportunities resulting from the Mexican energy reform by offering insight into the complex regulatory and political framework. Together with the KKR energy and infrastructure team, KGI helped Monterra pursue investment opportunities by navigating the complexity of the local market, reinforcing business and competitive strategies, and leveraging key relationships.

CASE STUDY

Supporting Workers: Afriflora

Located in Ziway, Ethiopia, Afriflora cultivates and produces Fair Trade Certified, sustainably grown roses. KGI's expertise on geopolitics and the consideration of ESG issues have worked to promote Afriflora's deep commitment to economic and social advancement in Ethiopia. Afriflora has launched community development initiatives focused on health and education for its workers and their families. KGI engaged directly with senior government leadership to help support Afriflora's growth. In April 2015, the International Finance Corporation, a member of the World Bank Group, complemented KKR's commitment to the company through a loan of up to \$100 million to help with even greater expansion.

Important Information

This document is being made available regarding Kohlberg Kravis Roberts & Co. L.P. and its efforts on environmental, social, and governance performance. It does not constitute an offer to sell or a solicitation of an offer to purchase any security of any fund or any other investment vehicle or product sponsored or managed by KKR. No part of this constitutes investment, legal, tax, regulatory, accounting, or other advice of any kind. Unless specified, any views reflected herein are those solely of KKR and are subject to change without notice. Neither KKR nor any of its affiliates are under any obligation to update or keep current the information contained herein. Additionally, this report contains forward-looking statements. Actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. All information and data are as of June 1, 2016.