

## Retirement Security and Responsible Investment

*KKR understands the importance of a healthy global economy. Our long-term approach seeks to bring investment returns and other societal benefits to our fund investment partners, our portfolio companies, and our shared communities.*

### Strengthening Retirement Security

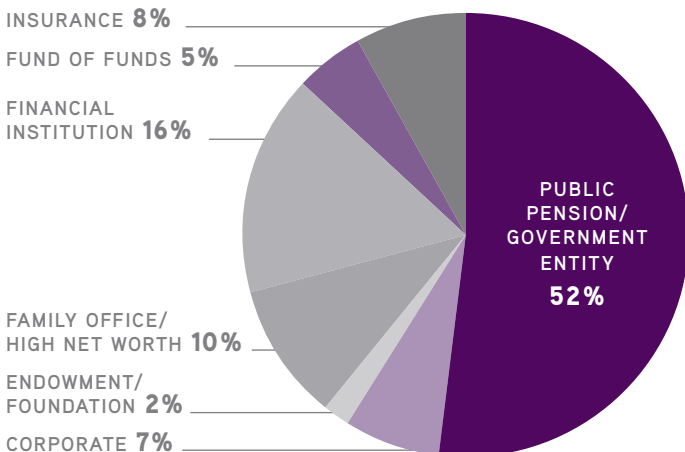
In the United States, we are working to strengthen the retirement security of American families. In addition to driving investment performance, we are seeking to help forge public policy solutions.

We have partnered with the Georgetown University Center for Retirement Initiatives to help develop and promote bipartisan state policy, legislation, and administrative models that can strengthen retirement security. Among other solutions, we support policies that provide greater access to pooled and professionally managed funds, which we believe will expand the availability and effectiveness of retirement solutions.

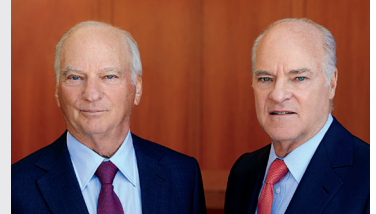
### The Beneficiaries of Our Investments

Pension funds made up 44 percent<sup>1</sup> of all private equity investments across the industry in 2015, according to statistics from the American Investment Council. At KKR, that figure is even higher, with public pension plans and government entities accounting for 52 percent of the assets managed by KKR and its affiliates. We appreciate that these pension funds are investing on behalf of teachers, firefighters, and other public or private retirees. In fact, 40 million retirees and pensioners have exposure to our investments.

#### KKR Investors<sup>2</sup>



George R. Roberts and  
Henry R. Kravis  
Co-Chairmen and Co-CEOs



“  
We know that we have a fiduciary duty – and a personal sense of obligation – to excel on behalf of retirees and pensioners with exposure to our investments.  
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### A Strong Platform for Responsible Investment

Given the myriad challenges facing companies today, many businesses need capital, a long-term investment horizon, and management expertise. We invest in companies that are poised for growth, are undervalued, or are underperforming, and work with them to increase their value.

Our private equity model provides a strong platform on which to work with these companies to improve their performance. While we have expanded into additional asset classes, our private equity model remains the foundation of our business. In particular, the private equity model offers three distinct advantages for responsible investment:

- Because private equity has a long-term investment horizon, we can focus on making long-term, sustainable improvements in our portfolio companies.
- By aligning our interests with company management teams, we are able to focus on mutually agreed upon objectives.
- As active investors in our portfolio companies, we provide strategic advice, a global network of partners, industry expertise, and the resources that help our portfolio companies succeed.

