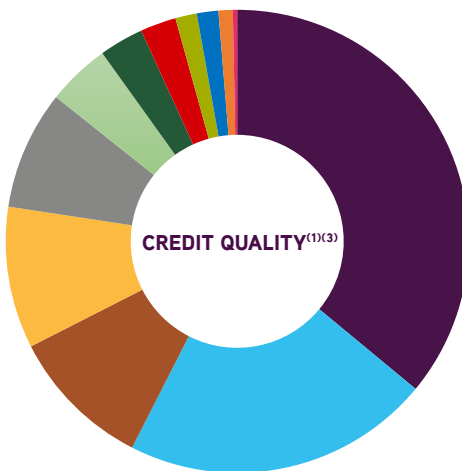


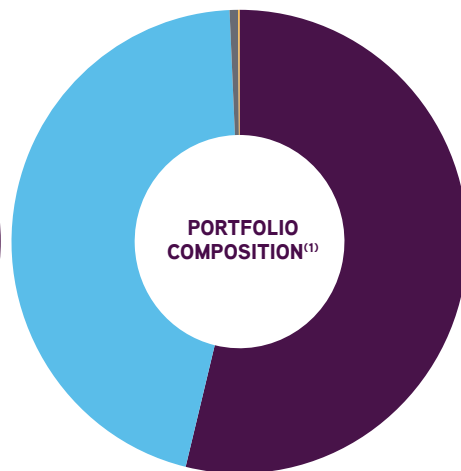
OBJECTIVE AND STRATEGY

KKR Income Opportunities Fund (the “Fund”) is a diversified, closed-end management investment company. The Fund’s primary investment objective is to seek a high level of current income with a secondary objective of capital appreciation. There can be no assurance that the Fund will achieve its investment objectives or be able to structure its investment portfolio as anticipated.

The Fund seeks to achieve its investment objectives by employing a dynamic strategy of investing in a targeted portfolio of loans and fixed-income instruments of U.S. and non-U.S. issuers and implementing hedging strategies in order to seek to achieve attractive risk-adjusted returns. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined herein) in loans and fixed-income instruments or other instruments, including derivative instruments, with similar economic characteristics (the “80% Policy”). The Fund expects to invest primarily in first- and second lien secured loans, unsecured loans and high-yield corporate debt instruments of varying maturities. The instruments in which the Fund invests may be rated investment grade or below investment grade by a nationally recognized statistical rating organization, or unrated. The Fund’s investments in below investment grade loans, below investment grade fixed-income instruments and debt instruments of financially troubled companies are considered speculative with respect to the issuer’s capacity to pay interest and repay principal. These investments are commonly referred to as “high-yield” or “junk” instruments. The Fund seeks to tactically and dynamically allocate capital across companies’ capital structures where KKR Credit Advisors (US) LLC (the “Adviser”) believes its due diligence process has identified compelling investment opportunities, including where the Adviser has identified issuer distress, event-driven misvaluations of securities or capital market inefficiencies.



■ 36.0% CCC+	■ 3.1% BB
■ 21.5% B-	■ 2.5% B+
■ 10.0% CCC-	■ 1.5% BB-
■ 9.9% CCC	■ 1.5% BB+
■ 8.3% B	■ 1.0% BBB-
■ 4.4% D	■ 0.3% CC



■ 53.7% Leveraged Loan
■ 45.1% High Yield Security
■ 1.1% Common Stock
■ 0.1% Preferred Stock

FUND FACTS AND DATA

SYMBOL	KIO
NAV SYMBOL	XKIOX
INCEPTION DATE	7/25/2013
CLOSING MARKET PRICE AS OF 12/31/20	\$14.43
CLOSING NAV AS OF 12/31/20	\$16.10
PREMIUM (DISCOUNT)	-10.37%
CURRENT MONTHLY DIVIDEND (PER SHARE)	\$0.10
52 WEEK HIGH/LOW SHARE CLOSING MARKET PRICE	\$16.34/\$9.06
52 WEEK HIGH/LOW NAV	\$16.27/\$10.98
AVERAGE POSITION SIZE	\$2,757,403.30
NUMBER OF POSITIONS	185
DURATION (YEARS)	1.59
AVERAGE COUPON RATE (%)	11.60%
AVERAGE YIELD TO MATURITY (%)	12.33%
AVERAGE LIFE TO MATURITY (YEARS)	5.13

CAPITAL STRUCTURE

TOTAL MANAGED ASSETS	\$516,026,052
NET ASSET VALUE	\$327,538,025.25
PREFERRED SHARES⁽⁴⁾	\$50,000,000
SHARES OUTSTANDING⁽⁴⁾	20,340,315
LEVERAGE DOLLAR % OF LEVERAGE⁽²⁾	\$138,488,027 26.84%

MANAGEMENT TEAM

CHRIS SHELDON

1. Portfolio data shown as a percentage of fair value as of December 31, 2020.

2. The Fund has entered into a financing facility with a major financial institution. Under the terms of the leverage facility, the Fund has access to committed financing of up to \$160 million. While the use of leverage can result in greater returns in a rising market as well as increased income generation, its use can also generate greater losses in a declining market as well as pressure income levels in an environment of higher borrowing costs. The Fund is required to maintain prescribed asset coverage for its borrowings, and may be required to reduce its leverage at an inopportune time if Fund asset values decline.

3. Ratings are based on Fitch, Moody’s or S&P, as applicable. Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer’s creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P’s measures. Ratings of BBB or higher by Standard and Poor’s (Baa or higher by Moody’s) are considered to be investment grade quality. Does not include unrated securities.

4. The Fund has issued 2,000,000 shares of a new series of preferred shares, \$.001 par value per share with a liquidation preference of \$25 per share, for an aggregate purchase price of \$50,000,000 designated as “Series A Mandatory Redeemable Preferred Shares” (the MRP Shares).

KKR KKR Income Opportunities Fund (KIO)

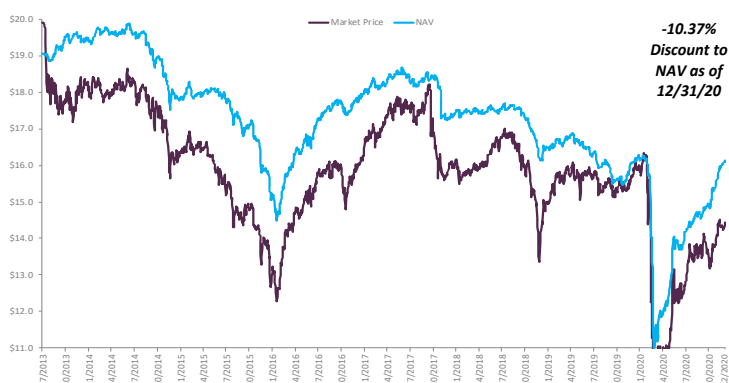
TOP 5 INDUSTRIES* (as of 12/31/20)

HOTELS, RESTAURANTS & LEISURE	16.1%
SOFTWARE	9.2%
AEROSPACE & DEFENSE	5.7%
ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS	4.9%
MACHINERY	4.9%
TOTAL	40.8%

TOP 10 ISSUERS** (as of 12/31/20)

Sequa Corp.	4.2%
Diamond Resorts International, Inc.	4.2%
The Kenan Advantage Group, Inc.	3.6%
Misys Ltd.	3.0%
Cemex Materials LLC	2.9%
ClubCorp Club Operations, Inc.	2.9%
Varsity Brands Holdings Co., Inc.	2.7%
CommScope, Inc.	2.7%
Life Time Fitness, Inc.	2.4%
Excelitas Technologies Corp.	2.2%
TOTAL	30.8%

KKR INCOME OPPORTUNITIES FUND (NYSE: KIO)



GEOGRAPHY

United States	91.4%
European Union	3.9%
Cayman Islands	1.6%
Netherlands	1.3%
United Kingdom	1.2%
Luxembourg	0.3%
Sweden	0.3%

* The industry classifications reported are from widely recognized market indexes or rating group indexes, and/or as defined by Fund management, with the primary source being GICS.

** Holdings are subject to change and are provided for informational purposes only. This list does not constitute a recommendation to buy, sell or hold a security.

ABOUT KKR

KKR Credit Advisors (US) LLC serves as the Fund's investment adviser. Launched in 2004, the Adviser is a subsidiary of KKR & Co. Inc. (together with the Adviser and its other affiliates, "KKR"), a leading global investment firm with more than a 40-year history of leadership, innovation and investment excellence. The Adviser's investment teams, which are organized by industry, invest across the capital structure with the goal of protecting capital and achieving attractive risk-adjusted returns.

INVESTMENT PRODUCTS: NOT FDIC OR SIPC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Past performance is no guarantee of future results. Both the market price for Fund shares and their NAV will fluctuate with market conditions. Current performance may be higher or lower than the performance shown.

About Risk: An imbalance in supply and demand in the income market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non-payment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. Borrowing to increase investments (leverage) will exaggerate the effect of any increase or decrease in the value of Fund investments. Investments rated below investment grade (typically referred to as "junk") are generally subject to greater price volatility and illiquidity than higher rated investments. As interest rates rise, the value of certain income investments is likely to decline. Senior loans are subject to prepayment risk. Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical or other conditions. Changes in the value of investments entered for hedging purposes may not match those of the position being hedged. The Fund may engage in other investment practices that may involve additional risks.

Common shares of the Fund are only available for purchase and sale at current market price on a stock exchange.

An investment in the Fund is not appropriate for all investors and is not intended to be a complete investment program. An investment in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or even all of your investment. Therefore, prospective investors should consider carefully the Fund's investment objectives, risks, charges and expenses and should consult with a tax, legal or financial advisor before making any investment decision. Shares of closed-end investment companies frequently trade at a discount from their net asset value.

The information on this sheet is for U.S. residents only and does not constitute an offer to sell, or a solicitation of an offer to purchase, securities in any jurisdiction to any person to whom it is not lawful to make such an offer.

KKR