



## KKR Credit Opportunities Portfolio

Annual Report

October 31, 2021

---

## Table of Contents

---

Management Discussion of Fund Performance .....	1
Performance Information .....	6
Consolidated Schedule of Investments .....	7
Consolidated Statement of Assets and Liabilities .....	20
Consolidated Statement of Operations .....	21
Consolidated Statements of Changes in Net Assets .....	22
Consolidated Statement of Cash Flows .....	23
Financial Highlights .....	24
Notes to Consolidated Financial Statements .....	27
Report of Independent Registered Public Accounting Firm .....	39
Trustees and Officers .....	40
Dividend Reinvestment Plan .....	42
Additional Information .....	44
Privacy Notice .....	45

---

The KKR Credit Opportunities Portfolio (the “Fund”) files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the “Commission”) for the first and third quarters of each fiscal year on Form N-PORT within sixty days after the end of the period. The Fund’s Form N-PORT is available on the Commission’s website at <http://www.sec.gov>.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, as well as information relating to how a Fund voted proxies relating to portfolio securities during the most recent period ended June 30 will be available (i) without charge, upon request, by calling 855- 862-6092; and (ii) on the Commission’s website at <http://www.sec.gov>.

### INFORMATION ABOUT THE FUND’S TRUSTEES

The statement of additional information include information about the Fund’s Trustees and is available without charge, upon request, by calling 855-862-6092 and by visiting the Commission’s website at [www.sec.gov](http://www.sec.gov) or the Fund’s website at [kkrfunds.com/kcop](http://kkrfunds.com/kcop).

## Management Discussion of Fund Performance

### Looking Back on the Markets — October 31, 2021

In the third quarter, credit markets continued their positive run with bank loans & high yield assets within the U.S. contributing even as we witnessed a number of short bouts of volatility driven by fears of topping the U.S. debt ceiling, a market spooked by China's Evergrande Group debt crisis, and continued pressure on global supply chain and labor wages amidst an increasingly real inflationary backdrop. Both U.S. high yield and bank loans posted positive quarters delivering +0.9%<sup>1</sup> and +1.1%<sup>2</sup> respectively. Through October 31<sup>st</sup>, both markets have delivered positive returns year-to-date with high yield returning +4.7%<sup>1</sup> and bank loans returning +4.4%<sup>2</sup>.

The third quarter issuance continued with gusto as leveraged loan issuance is on pace to break historical issuance records. Total year-to-date U.S. institutional volume as of September 30, 2021 was \$487 billion<sup>3</sup>, which surpassed the prior three record volume quarters, and is within reach of breaking the all-time record full year record from 2017 of \$503 billion<sup>3</sup>. The wave of issuance has been across all major segments of the loan market. A good deal of the surge in activity in the loan market this year can also be attributed to the volume of primary Collateralized Loan Obligation ("CLO") issuance, which set a new record at \$46.7 billion<sup>3</sup> as of September 30, 2021. In fact, every quarter of 2021 saw a new CLO issuance record.

Turning to the high yield market, the precedent setting trends in high yield continued in the third quarter as funding costs remained low and the pace of issuance seemingly unbothered despite an increasingly hawkish tone from the Fed. Third quarter new issue volume in high yield was lighter compared to the first and second quarter of 2021 totaling \$107 billion. However, year-to-date new issuance reached \$394 billion<sup>4</sup> as of September 30, 2021, putting this year's volume 17% ahead of the comparable 2020 period total. The Fed has been signaling towards an upcoming start to a more meaningful taper as well as the forecast of rising rates, perpetuating the well-known interplay between balancing loans and bond exposure in investors' portfolios. Demand for high yield remained strong with \$393 billion<sup>4</sup> in new issue year-to-date with approximately 67% attributed to refinancing activity and approximately 22% to fueling M&A. Alongside the sustained volume of activity, we witnessed increased demand for pricing concessions amid inflationary headwinds, heavier fund outflows, and a hawkish Fed tone with 22<sup>4</sup> new issue deals pricing at the wide end of talk. High yield spreads did not move drastically as we experienced a number of short rate movements in the third quarter; however, with the prospect of rising rates the longer duration high quality paper, the leaders of the performance pack in 2020, ultimately will be impacted.

Over the past year, we have seen a decrease in default activity as the macro-economic and market backdrop has improved amid the reopening of the economy following the creation of the COVID-19 vaccine. The trailing twelve month leveraged loan default rate stands at less than 1% at 0.35%<sup>5</sup> as of September 24, 2021, which is a 9.5 year low. Within the high yield space, the issuer default rate has dropped to 2.3%<sup>6</sup> in September and is now at pre-COVID levels.

From a fund flows perspective, there has continued to be sustained investor interest in floating rate instruments amid rate volatility and rising rate expectations. U.S. loan funds saw an 11th consecutive inflow in October 2021, which totals a cumulative \$38.8 billion<sup>7</sup> year-to-date in 2021. U.S. high yield mutual funds reported an inflow in October 2021, the third consecutive inflow, yet only the fourth over the last 11 months. Year-to-date U.S. high yield mutual funds have seen \$11 billion<sup>7</sup> in net fund outflows.

### The Market in Numbers

*For the period of November 1, 2020 — October 31, 2021:*

- Returns: Over the twelve month period ending October 31, 2021, the high yield and leveraged loan markets returned 10.75% and 8.48% (as measured by the Bank of America Merrill Lynch High Yield Index and the S&P LSTA Leveraged Loan Index), respectively.
- Spreads: The option adjusted spread on the Bank of America Merrill Lynch High Yield Index ended the period at 315 basis points (October 31, 2021). The 3-year discounted spread on the S&P LSTA Leveraged Loan Index ended the period at LIBOR plus 416 basis points. (October 29, 2021).
- Volatility: As measured by the VIX index, over the last twelve months, the VIX peaked at 38.89 in early November and ended the period at 16.26 (October 29, 2021).

### Fund Background and Performance

KKR Credit Opportunities Portfolio (“KCOP” or, the “Fund”) is a diversified, closed-end management investment company that continuously offers its shares and is operated as an “interval fund.” The Fund’s investment objective is to seek to provide attractive risk-adjusted returns and high current income.

The Fund seeks to achieve its investment objectives by investing in a select portfolio with exposure to two primary credit strategies:

1. Opportunistic Credit, a conviction-based approach investing in a portfolio consisting primarily of publicly traded high yield bonds, first and second-lien secured bank loans and structured credit (e.g., CLO and mezzanine debt) and
2. Private Credit, which includes directly originated hard and financial asset-based lending, corporate mezzanine debt, as well as directly originated first-lien, second-lien and unitranche senior loans to upper middle-market companies.

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined below) in senior and subordinated corporate debt and debt related instruments, including bonds, secured bank loans, convertible securities, structured products, convertible debt securities, repurchase agreements, and municipal securities.

The Fund expects, under normal circumstances, to invest 70-80% of its Managed Assets in the Opportunistic Credit strategy and 20-30% of its Managed Assets in the Private Credit Strategy, though the Fund’s allocation in investments could vary from these guidelines at any time in the Fund’s discretion. On at least a quarterly basis, the Fund’s Investment Committee will meet to, among other things, review and establish the allocation percentage between the Opportunistic Credit Strategy and Private Credit Strategy for the ensuing period. The Investment Committee will consider factors such as KKR’s macro-economic and market outlooks, assessment of the relative risk and return of each strategy, and other factors in making its determination. “Managed Assets” means the total assets of the Fund (including any assets attributable to borrowings for investment purposes) minus the sum of the Fund’s accrued liabilities (other than liabilities representing borrowings for investment purposes).

As of October 31, 2021, the Fund held 66.7% of its net assets in first and second-lien leveraged loans, 62.2% of its net assets in high-yield corporate debt, 3.0% of its net assets in CLO's, 0.9% of its net assets in common stock, and 0.1% of its net assets in preferred stock. KCOP's investments represented obligations and equity interests in 203 positions across a diverse group of industries. The top ten issuers represented 38.3% of the Fund's net assets while the top five industry groups represented 49.0% of the Fund's net assets. The Fund's Securities and Exchange Commission 30-day yield for Class I was 5.3% and 4.5% for both Class T and Class U.

<sup>1</sup> Source: ICE BofAML data as of October 31, 2021

<sup>2</sup> Source: S&P LSTA data as of October 31, 2021

<sup>3</sup> Source: S&P LCD and KKR Credit Analysis. Data as of September 30, 2021

<sup>4</sup> Source: S&P LCD, ICE BofAML, and KKR Credit Analysis. Data as of September 30, 2021

<sup>5</sup> Source: S&P LCD and KKR Credit Analysis. Data as of September 30, 2021

<sup>6</sup> Source: Credit Suisse Credit Research and KKR Credit Analysis. Data as of September 30, 2021

<sup>7</sup> Source: JPMorgan Research and S&P LCD. Data as of October 31, 2021

## Business Updates

We thank you for your partnership and continued investment in KCOP. We look forward to continued communications and will keep you apprised of the progress of KCOP specifically and the leveraged finance market place generally. Fund information is available on our website at [kkrfunds.com/kcop](http://kkrfunds.com/kcop).

## *Disclosures*

*The Bank of America Merrill Lynch US Corporate Index is an unmanaged index comprised of U.S. dollar denomination investment grade corporate debt securities publicly issued in the U.S. domestic market with at least one year remaining term to final maturity.*

*The Bank of America Merrill Lynch High Yield Master II Index is a market-value weighted index of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. "Yankee" bonds (debt of foreign issuers issued in the U.S. domestic market) are included in the Bank of America Merrill Lynch High Yield Master II Index provided that the issuer is domiciled in a country having investment grade foreign currency long-term debt rating. Qualifying bonds must have maturities of one year or more, a fixed coupon schedule and minimum outstanding of US\$100.0 million. In addition, issues having a credit rating lower than BBB3, but not in default, are also included.*

*The Chicago Board Options Exchange (CBOE) Volatility Index (VIX) reflects the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. The VIX reflects the market's estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes. The first and second month expirations are used until 8 days from expiration, then the second and third are used.*

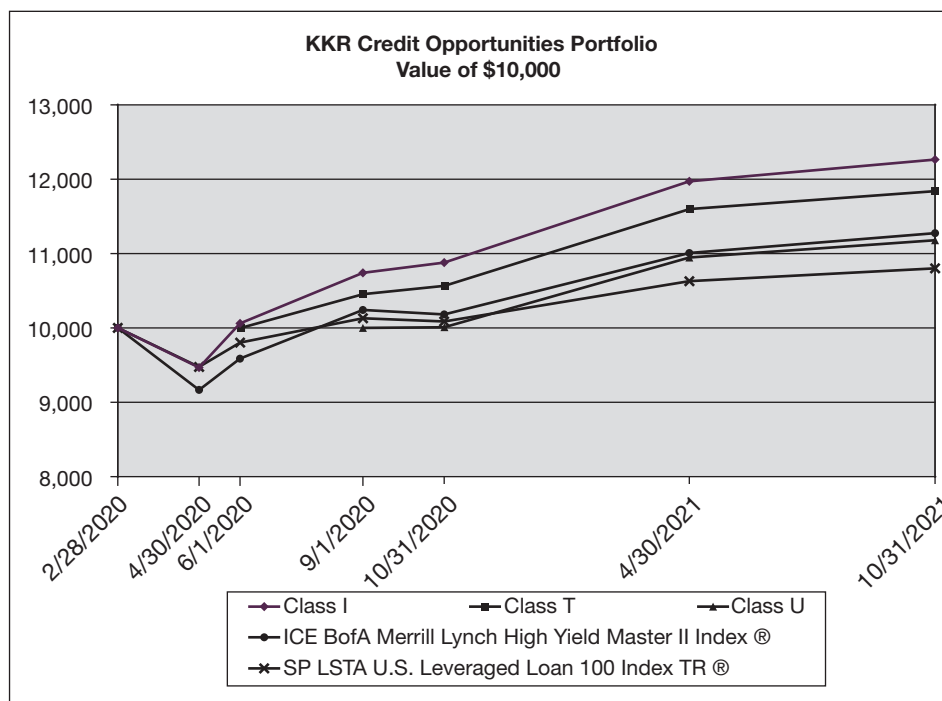
*The S&P/LSTA Leveraged Loan Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. The Index was rolled out in 2000 and it was back-loaded with four years of data dating to 1997.*

*It is not possible to invest directly in an index.*

*Past performance is not an indication of future results. Returns represent past performance and reflect changes in share prices, the reinvestment of all dividends and capital gains, expense limitations and the effects of compounding. The prospectus contains more complete information on the investment objectives, risks, charges and expenses of the investment company, which investors should read and consider carefully before investing. The returns shown do not reflect taxes a shareholder would pay on distributions or redemptions. Total investment return and principal value of your investment will fluctuate, and your shares, when sold, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. An investment in the Fund involves risk, including the risk of loss of principal. For a discussion of the Fund's risks, see Risk Considerations, Note 3 to the financial statements. Call 855-330-3927 or visit <https://www.kkrfunds.com/KCOP> for performance results current to the most recent calendar quarter-end.*

*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.*



Average Annual Total Returns Year Ended October 31, 2021	One Year	Since Inception	Value of \$10,000 10/31/2021
KKR Credit Opportunities Portfolio — NAV Return			
Class I (02/28/2020)	12.81%	12.96%	\$12,263
Class T share class inception (06/01/2020)	12.03%	12.65%	11,838
Class U share class inception (09/01/2020)	11.69%	10.00%	11,173
ICE BofA Merrill Lynch High Yield Master II Index®	10.74%	7.41%	11,271
SP LSTA U.S. Leveraged Loan 100 Index TR	7.08%	4.70%	10,799

## Consolidated Schedule of Investments

	Part	Value
<b>Leveraged Loans - 66.7%</b>		
<b>Aerospace &amp; Defense - 3.5%</b>		
EaglePicher Technologies, LLC, TL 2L 02/18		
7.337% (1 Month US LIBOR + 7.250%), 03/08/2026 (a)	2,506,459	\$ 2,457,909
Sequa Corp. TL, 2L 07/20		
11.750% (3 Month US LIBOR + 10.750%), 04/28/2024 (a)(i)	4,642,245	4,642,245
Sequa Corp. TL, 1L B 06/20 Add-on		
7.750% (3 Month US LIBOR + 6.750%), 07/31/2025 (a)(d)(e)(i)	396,887	412,692
Sequa Corp. TL, 1L 07/20		
7.750% (3 Month US LIBOR + 6.750%), 11/28/2023 (a)(i)	7,908,353	7,987,476
		<u>15,500,322</u>
<b>Auto Components - 1.8%</b>		
American Tire Distributors, Inc., TL 1L B 10/21		
7.000% (1 Month US LIBOR + 6.250%), 10/08/2028 (a)(i)	1,090,210	1,097,024
BBB Industries, LLC, TL 1L 06/18		
4.587% (1 Month US LIBOR + 4.500%), 08/01/2025 (a)(i)	4,955,584	4,958,160
Innovative XCcessories & Services LLC, TL 1L 02/20		
5.000% (3 Month US LIBOR + 4.250%), 03/05/2027 (a)(i)	1,242,183	1,233,258
Rough Country, LLC, TL 2L 07/21		
7.500% (3 Month US LIBOR + 6.750%), 07/30/2029 (a)(i)	861,230	863,383
		<u>8,151,825</u>
<b>Building Products - 0.9%</b>		
VC GB Holdings, Inc. (Visual Comfort), TL 2L 06/21		
7.250% (3 Month US LIBOR + 6.750%), 06/30/2029 (a)	4,110,401	4,122,403
<b>Chemicals - 5.5%</b>		
Aruba Investments, Inc., TL 2L 10/20		
8.500% (6 Month US LIBOR + 7.750%), 11/24/2028 (a)(i)	465,220	470,261
Flint Group GmbH, TL 1L B4 11/15		
5.000% (3 Month EURIBOR + 4.250%), 09/21/2023 (a)(b)(h)	EUR 907,266	1,051,052
Flint Group GmbH, TL 1L B5 02/17		
5.000% (3 Month EURIBOR + 4.250%), 09/21/2023 (a)(b)(h)	EUR 665,502	770,973
Flint Group GmbH, TL 1L B 04/14		
5.000% (3 Month EURIBOR + 4.250%), 09/21/2023 (a)(b)(h)	EUR 5,109,643	5,919,430
Flint Group GmbH, TL 1L 01/17		
5.250% (1 Month US LIBOR + 4.250%), 09/21/2023 (a)(b)(h)	1,705,071	1,705,497
Flint Group GmbH, TL 1L C 04/14		
5.250% (1 Month US LIBOR + 4.250%), 09/21/2023 (a)(b)(h)	283,071	283,141
Flint Group GmbH, TL 1L B3 05/15		
5.000% (3 Month EURIBOR + 4.250%), 09/21/2023 (a)(b)(h)	EUR 104,774	121,379
Flint Group GmbH, TL 1L B6 03/17		
5.000% (3 Month EURIBOR + 4.250%), 09/21/2023 (a)(b)(h)	EUR 52,296	60,584

See accompanying notes to consolidated financial statements.

Flint Group GmbH, TL 1L B7 04/14			
5.000% (3 Month EURIBOR + 4.250%), 09/21/2023 (a)(b)(h)	EUR	116,014	\$ 134,401
Vantage Specialty Chemicals, Inc., TL 2L 10/17			
9.250% (3 Month US LIBOR + 8.250%), 10/27/2025 (a)(c)(d)(i)		894,450	870,090
Vantage Specialty Chemicals, Inc., TL 1L B 10/17			
4.500% (3 Month US LIBOR + 3.500%), 10/26/2024 (a)(c)(d)(i)		13,213,948	12,999,220
			<u>24,386,028</u>
Commercial Services & Supplies - 2.0%			
Access CIG, LLC, TL 2L 02/18			
7.832% (1 Month US LIBOR + 7.750%), 02/27/2026 (a)(c)(d)(i)		143,000	143,089
Monitronics International, Inc., TL 1L EXIT 08/19			
7.750% (3 Month US LIBOR + 6.500%), 03/29/2024 (a)(i)		519,479	508,659
Multi-Color Corp., TL 1L B 10/21 USD			
5.500% (1 Month US LIBOR + 5.000%), 10/22/2028 (a)(i)		2,675,500	2,662,551
Ritchie Bros Auctioneers Inc Bridge Loan Unsec DD 09/21			
4.632%, 08/10/2022 (k)		12,884,410	—
VFS Global Services Pvt Ltd., TL 1L B 06/17			
4.058% ((6 Month US LIBOR + 4.000%), 07/29/2024 (a)(b)(i)	GBP	1,360,050	1,841,521
Viad Corp., TL 1L B 07/21			
5.500% (3 Month US LIBOR + 5.000%), 07/27/2028 (a)(i)		3,569,340	3,591,648
			<u>8,747,468</u>
Construction & Engineering - 3.4%			
Brand Energy & Infrastructure Services, Inc., TL 1L 05/17			
5.250% (3 Month US LIBOR + 4.250%), 06/21/2024 (a)(i)		1,067,048	1,059,760
Total Safety US, Inc., TL 1L B 07/19			
7.000% (3 Month LIBOR USD + 6.000%), 08/16/2025 (a)(i)		5,444,520	5,418,141
USIC Holdings, Inc., TL 2L 05/21			
7.250%, (1 Month US LIBOR + 6.500%), 05/07/2029 (a)(i)		2,682,939	2,727,382
Yak Access, LLC, TL 1L B 05/18			
5.121% (3 Month US LIBOR + 5.000%), 07/11/2025 (a)(i)		7,009,350	5,949,186
			<u>15,154,469</u>
Diversified Consumer Services - 2.6%			
Jostens, Inc., TL 1L 12/18			
5.662% (3 Month US LIBOR + 5.500%), 12/19/2025 (a)(i)		8,359,784	8,418,971
KinderCare Education LLC, TL 1L B 09/18			
4.750% (3 Month US LIBOR + 3.750%), 02/21/2025 (a)(i)		1,703,062	1,690,399
Learning Care Group, Inc., TL 1L B 05/20			
9.500% (6 Month US LIBOR + 8.500%), 03/13/2025 (a)(i)		278,337	281,120
Learning Care Group, Inc., TL 2L 03/18			
8.500% (6 Month US LIBOR + 7.500%), 03/13/2026 (a)(i)		194,997	194,510
SavATree, LLC, TL 1L DD 10/21			
6.250%, 10/12/2028 (a)(c)(d)(e)(k)		193,399	(1,450)
SavATree, LLC, Revolver 1L 10/21			
6.250%, 10/12/2028 (a)(c)(d)(e)(k)		128,932	(967)

See accompanying notes to consolidated financial statements.

SavATree, LLC, TL 1L 10/21		
5.500%, 10/12/2028 (a)(c)(d)(e)	812,274	\$ 806,181
		<u>11,388,764</u>
Diversified Telecommunication Services - 1.8%		
Segra, TL 1L B 08/21		
5.250% (1 Month US LIBOR + 4.500%), 08/23/2028 (a)	8,397,930	<u>8,177,484</u>
Electronic Equipment, Instruments & Components - 0.8%		
Excelitas Technologies Corp., TL 2L 10/17		
8.500% (3 Month US LIBOR + 7.500%), 12/01/2025 (a)(i)	3,690,005	<u>3,700,614</u>
Energy Equipment & Services - 0.6%		
Caprock Midstream, LLC, TL 1L B 10/18		
4.837% (1 Month US LIBOR + 4.750%), 11/03/2025 (a)(i)	2,422,643	2,425,671
ChampionX Corp., TL 1L B 05/20		
6.000% (6 Month US LIBOR + 5.000%), 06/03/2027 (a)(i)	373,753	<u>380,177</u>
		<u>2,805,848</u>
Entertainment - 0.2%		
Cast & Crew Entertainment Services LLC, TL 1L 01/19		
3.632% (1 Month US LIBOR + 3.750%), 02/09/2026 (a)(i)	1,049,209	<u>1,047,992</u>
Health Care Equipment & Supplies - 3.1%		
Drive DeVilbiss Healthcare, LLC, TL 1L 03/21		
10.500% (3 Month US LIBOR + 9.500%), 06/01/2025 (a)	6,084,671	5,962,978
Orchid Orthopedic Solutions, LLC, TL 1L 02/19		
4.632% (3 Month US LIBOR + 4.500%), 03/05/2026 (a)(i)	7,001,903	6,593,482
PartsSource, Inc., TL 1L 10/21		
6.500%, 06/30/2027 (a)(c)(d)(e)(i)	1,335,616	1,320,590
PartsSource, Inc., TL 1L DD 08/21		
6.500%, 06/30/2027 (a)(c)(d)(e)(k)	464,562	(10,453)
PartsSource, Inc., Revolver 1L 10/21		
0.000%, 08/30/2026 (a)(c)(d)(e)(k)	87,104	<u>(980)</u>
		<u>13,865,617</u>
Health Care Providers & Services - 0.8%		
Affordable Care, Inc., TL 1L 08/21		
6.250%, 08/02/2028 (a)(c)(d)(e)(i)	1,603,947	1,600,510
Affordable Care, Inc., TL 1L DD 08/21		
0.000%, 08/02/2028 (a)(c)(d)(e)(k)	599,463	(1,286)
Affordable Care, Inc., Revolver 1L 08/21		
0.500%, 08/02/2027 (a)(c)(d)(e)(k)	177,081	(380)
American Vision Partners, Revolver 1L 09/21		
0.500%, 09/30/2026 (a)(c)(d)(e)(k)	158,140	(1,483)

See accompanying notes to consolidated financial statements.

American Vision Partners, TL 1L DD 09/21		
1.000%, 09/30/2027 (a)(c)(d)(e)(k)	790,690	\$ (7,415)
American Vision Partners, TL 1L 09/21		
6.500%, 09/30/2027 (a)(c)(d)(e)	1,929,290	1,911,195
Paradigm Acquisition Corp., TL 2L 10/18 LC		
7.632% (3 Month LIBOR USD + 7.500%), 10/26/2026 (a)(i)	11,538	11,279
		<u>3,512,420</u>
Hotels, Restaurants & Leisure - 2.1%		
ASM Global, TL 1L 01/20		
2.617% (1 Month US LIBOR + 2.500%), 01/23/2025 (a)(i)	82,233	80,691
B&B Hotels SAS, TL 1L B4 03/21		
5.500% (6 Month EURIBOR + 5.500%), 07/30/2026 (a)(b)(i)	EUR 337,480	388,177
B&B Hotels SAS, TL 1L B3A 01/20		
3.875% (6 Month EURIBOR + 3.875%), 07/31/2026 (a)(b)	EUR 1,886,660	2,110,385
ClubCorp Club Operations, Inc., TL 1L B 08/17		
2.882% (3 Month US LIBOR + 2.750%), 09/18/2024 (a)(i)	1,013,033	958,264
Piolin BidCo SAU, TL 1L B 05/20		
7.500% (3 Month EURIBOR + 7.500%), 09/16/2026 (a)(b)(i)	EUR 539,891	629,383
United PF Holdings, LLC, TL 1L 06/20		
9.500% (3 Month US LIBOR + 8.500%), 12/30/2026 (a)(i)	56,415	56,697
United PF Holdings, LLC, TL 1L 01/20		
4.132% (3 Month US LIBOR + 4.000%), 12/30/2026 (a)(i)	5,082,881	4,966,941
		<u>9,190,538</u>
Household Products - 3.8%		
Polyconcept North America, Inc., TL 1L B 08/16		
5.500% (6 Month US LIBOR + 4.500%), 08/16/2023 (a)(i)	16,916,131	16,854,810
Insurance - 1.0%		
Alera Group Intermediate Holdings, Inc., TL 1L 09/21		
6.250% (1 Month US LIBOR + 5.500%), 10/02/2028 (a)(c)(d)(e)(i)	663,530	656,723
Alera Group Intermediate Holdings, Inc., TL 1L DD 09/21		
1.000% (1 Month US LIBOR + 5.500%), 10/02/2028 (a)(c)(d)(e)	188,500	28,226
Foundation Risk Partners Corp., TL 1L 10/21		
6.500%, 10/29/2028 (a)(c)(d)(e)(i)	1,342,420	1,322,284
Foundation Risk Partners Corp., TL 1L DD 10/21		
6.500%, 10/29/2028 (a)(c)(d)(e)(k)	291,830	(4,377)
Foundation Risk Partners Corp., Revolver 1L 10/21		
6.500%, 10/29/2027 (a)(c)(d)(e)(k)	141,750	(2,126)
Galway Partners Holdings, LLC, Revolver 1L 09/21		
0.500%, 09/30/2027 (a)(d)(e)(k)	205,492	(3,571)
Galway Partners Holdings, LLC, TL 1L DD 09/21		
6.500%, 09/29/2028 (a)(d)(e)(k)	549,842	(9,554)

See accompanying notes to consolidated financial statements.

Galway Partners Holdings, LLC, TL 1L 09/21			
6.000%, (3 Month US LIBOR + 5.250%), 09/29/2028 (a)(d)(e)(i)	2,391,813	\$	2,350,252
			4,337,857
IT Services - 1.4%			
PSAV, Inc., TL 1L B3 12/20			
15.000%, 10/15/2026 (a)(h)(i)	582,446		691,620
PSAV, Inc., TL 2L 02/18			
8.250% (3 Month US LIBOR + 7.250%), 09/01/2025 (a)(d)(i)	1,403,630		1,129,922
PSAV, Inc., TL 1L B1 12/20			
4.500% (6 Month US LIBOR + 3.250%), 03/03/2025 (a)(h)(i)	4,998,286		4,540,318
			6,361,860
Leisure Products - 2.9%			
Areas Worldwide SASU, TL 1L B1 06/19			
4.750% (6 Month EURIBOR + 4.750%), 07/01/2026 (a)(b)	EUR	12,328,214	13,068,576
Life Sciences Tools & Services - 1.3%			
PAREXEL International Corp., TL 2L 07/21			
7.000% (3 Month US LIBOR + 6.500%), 07/27/2029 (a)(d)(e)	5,766,010		5,691,423
Machinery - 3.2%			
Accuride Corp., TL 1L B 10/17			
6.250% (3 Month US LIBOR + 5.250%), 11/17/2023 (a)(i)	8,496,507		8,192,034
CPM Holdings, Inc., TL 2L 10/18			
8.332% (1 Month US LIBOR + 8.250%), 11/16/2026 (a)(i)	371,172		367,925
Distributed Power, TL 1L B 09/18			
2.874% (3 Month US LIBOR + 2.750%), 10/31/2025 (a)(b)	54,939		54,115
Engineered Machinery Holdings, Inc., TL 2L 08/21			
6.750% (3 Month US LIBOR + 6.000%), 05/21/2029 (a)(i)	297,640		300,616
WireCo WorldGroup, Inc., TL 1L 07/16			
6.000% (6 Month US LIBOR + 5.000%), 09/29/2023 (a)(i)	5,403,234		5,414,635
			14,329,325
Media - 4.2%			
NEP Broadcasting, LLC, TL 1L 05/20			
9.250% (3 Month US LIBOR + 0.000%), 06/01/2025 (a)(d)(e)(i)	152,308		162,769
NEP Broadcasting, LLC, TL 2L 09/18			
7.087% (1 Month US LIBOR + 7.000%), 10/19/2026 (a)(i)	1,577,593		1,532,631
NEP Broadcasting, LLC, TL 1L B 09/18			
3.337% (1 Month US LIBOR + 3.250%), 10/20/2025 (a)(i)	17,356,395		16,887,252
			18,582,652
Metals & Mining - 0.0%			
Foresight Energy, LLC, TL 1L A 06/20 (Exit)			
9.500% (1 Month US LIBOR + 8.000%), 06/30/2027 (a)(c)(d)(e)(i)	123,770		123,770

See accompanying notes to consolidated financial statements.

## Multiline Retail - 0.2%

Belk, Inc., TL 1L EXIT 02/21 PIK Toggle (FLSO)		
11.000%, 07/31/2025 (c)(d)(h)(i)	919,365	\$ 702,547
Belk, Inc., TL 1L 02/21 (FLFO)		
8.500% (3 Month US LIBOR + 7.500%), 07/31/2025 (a)(c)(d)(i)	53,180	53,357
		<u>755,904</u>

## Personal Products - 0.2%

Pretium Packaging, LLC, TL 2L 09/21		
7.250% (3 Month US LIBOR + 6.750%), 09/22/2029 (a)(d)(e)	810,470	809,101
Pretium Packaging, LLC, TL 1L 09/21		
4.500% (6 Month US LIBOR + 4.000%), 09/22/2028 (a)(i)	65,870	66,126
		<u>875,227</u>

## Professional Services - 1.9%

Insight Global, LLC, TL 1L 09/21		
6.750%, 09/22/2028 (a)(c)(d)(e)(i)	5,455,983	5,395,967
Insight Global, LLC, Revolver 1L 09/21		
0.500%, 09/22/2027 (a)(c)(d)(e)(k)	427,591	(4,704)
Oxford Global Resources, LLC, TL 1L 08/21		
6.127%, 06/30/2026 (a)(d)(e)(i)	1,494,341	1,484,444
Oxford Global Resources, LLC, TL 1L DD 08/21		
6.127%, 06/30/2022 (a)(d)(e)(k)	257,645	(1,706)
Oxford Global Resources, LLC, Revolver 1L 08/21		
1.028%, 08/17/2027 (a)(d)(e)(k)	128,823	19,758
SIRVA Worldwide, Inc., TL 2L 07/18		
9.627% (3 Month US LIBOR + 9.500%), 08/03/2026 (a)(d)(i)	59,000	52,411
SIRVA Worldwide, Inc., TL 1L 07/18		
5.599% (3 Month US LIBOR + 5.500%), 08/04/2025 (a)(i)	929,426	862,043
TMF Group Holding BV, TL 2L 12/17		
6.875% (3 Month EURIBOR + 6.875%), 05/04/2026 (a)(b)(i)	EUR 693,210	807,363
		<u>8,615,576</u>

## Real Estate Management &amp; Development - 1.1%

Opendoor Labs, Inc., TL 2L DD 10/21		
10.000%, 04/01/2026 (c)(d)(e)	4,886,391	4,886,391
10.000%, 04/01/2026, (c)(d)(e)(l)	6,113,609	—
		<u>4,886,391</u>

## Road &amp; Rail - 0.6%

Kenan Advantage Group, Inc./The, TL 2L 08/21		
8.000% (1 Month US LIBOR + 7.250%), 08/17/2029 (a)	2,498,320	2,488,951
Transplace, TL 2L 09/17		
9.750% (6 Month US LIBOR + 8.750%), 10/06/2025 (a)(i)	180,000	180,225
		<u>2,669,176</u>

## Software - 10.7%

Applied Systems, Inc., TL 2L 02/21 (Reprice)		
6.250% (1 Month US LIBOR + 5.500%), 09/19/2025 (a)(i)	1,533,408	1,557,782

See accompanying notes to consolidated financial statements.

Follett Software Co., TL 1L 08/21		
6.500%, 08/31/2028 (a)(d)(e)(i)	1,553,601	\$ 1,540,608
Follett Software Co., Revolver 1L 08/21		
6.500%, 08/31/2027 (a)(d)(e)(k)	136,050	57,190
Med-Metrix, TL 1L 09/21		
7.000%, 09/15/2027 (a)(c)(d)(e)(i)	1,270,623	1,256,712
Med-Metrix, TL 1L DD 09/21		
1.000%, 09/15/2027 (a)(c)(d)(e)(k)	635,312	(6,956)
Med-Metrix, Revolver 1L 09/21		
0.500%, 09/15/2027 (a)(c)(d)(e)(k)	158,828	(1,739)
Misys Ltd., TL 2L 04/17		
8.250% (6 Month US LIBOR + 7.250%), 06/13/2025 (a)(c)(d)	9,735,446	9,761,634
Misys Ltd., TL 1L 04/17		
4.500% (6 Month US LIBOR + 3.500%), 06/13/2024 (a)(c)(d)(i)	6,516,288	6,492,406
SAMBA Safety, Inc., TL 1L 09/21		
6.750%, 09/01/2027 (a)(c)(d)(e)(i)	470,320	465,441
SAMBA Safety, Inc., Revolver 1L 09/21		
0.500%, 09/01/2027 (a)(c)(d)(e)(k)	41,810	(434)
SAMBA Safety, Inc., TL 1L DD 09/21		
0.000%, 09/01/2027 (a)(c)(d)(e)(k)	104,520	(1,084)
Solera, LLC, TL 2L 06/21		
9.000% (6 Month US LIBOR + 8.000%), 06/04/2029 (a)(i)	16,105,314	16,467,684
TIBCO Software, Inc., TL 2L 02/20		
7.340% (1 Month US LIBOR + 7.250%), 03/03/2028 (a)(i)	9,856,732	9,909,712
		<u>47,498,956</u>
Specialty Retail - 0.0%		
Talbots, Inc., TL 1L B 11/18		
7.132% (3 Month US LIBOR + 7.000%), 11/28/2022 (a)(c)(d)(i)	208,535	<u>200,194</u>
Textiles, Apparel & Luxury Goods - 3.7%		
Varsity Brands, Inc., TL 1L 11/17		
4.500% (3 Month US LIBOR + 3.500%), 12/16/2024 (a)	16,496,631	<u>16,316,241</u>
Trading Companies & Distributors - 0.2%		
FleetPride Corporation, TL 1L 12/18		
4.587% (1 Month US LIBOR + 4.500%), 02/04/2026 (a)(i)	722,521	<u>723,562</u>
Transportation Infrastructure - 1.2%		
Direct ChassisLink, Inc., TL 2L B 04/19		
6.874% (3 Month US LIBOR + 7.000%), 04/10/2026 (a)(i)	5,418,720	<u>5,495,476</u>
<b>TOTAL LEVERAGED LOANS (amortized cost \$288,059,470)</b>		<u><b>297,138,768</b></u>

See accompanying notes to consolidated financial statements.

### High Yield Securities - 62.2%

#### Auto Components - 3.0%

##### BBB Industries, LLC

9.250%, 08/01/2025 (f)(i)	3,456,000	\$	3,722,406
---------------------------	-----------	----	-----------

##### Wheel Pros, Inc.

6.500%, 05/15/2029 (f)(i)	9,741,000		9,501,712
---------------------------	-----------	--	-----------

			13,224,118
--	--	--	------------

#### Biotechnology - 0.7%

##### Intercept Pharmaceuticals, Inc.

3.250%, 07/01/2023 (i)	189,000		177,701
------------------------	---------	--	---------

##### Radius Health, Inc.

3.000%, 09/01/2024 (i)	2,953,000		2,903,334
------------------------	-----------	--	-----------

			3,081,035
--	--	--	-----------

#### Building Products - 7.9%

##### Acproducts, Inc. (aka Cabinetworks)

6.375%, 05/15/2029 (f)(i)	9,347,000		8,802,117
---------------------------	-----------	--	-----------

##### LBM Borrower, LLC

7.750%, 04/01/2027 (f)(i)	9,806,000		9,368,996
---------------------------	-----------	--	-----------

6.250%, 01/15/2029 (f)(i)	9,763,000		9,496,421
---------------------------	-----------	--	-----------

##### PrimeSource Building Products, Inc.

6.750%, 08/01/2029 (f)(i)	4,303,000		4,223,760
---------------------------	-----------	--	-----------

5.625%, 02/01/2029 (f)(i)	3,576,000		3,341,110
---------------------------	-----------	--	-----------

			35,232,404
--	--	--	------------

#### Chemicals - 2.9%

##### Cornerstone Chemical Co.

6.750%, 08/15/2024 (f)(i)	8,764,000		7,908,503
---------------------------	-----------	--	-----------

##### SI Group, Inc.

6.750%, 05/15/2026 (d)(f)(i)	4,943,000		4,930,123
------------------------------	-----------	--	-----------

			12,838,626
--	--	--	------------

#### Commercial Services & Supplies - 1.5%

##### Multi-Color Corp.

10.500%, 07/15/2027 (f)(i)	4,947,000		5,238,378
----------------------------	-----------	--	-----------

5.875%, 11/01/2028 (f)(i)	1,497,000		1,508,714
---------------------------	-----------	--	-----------

			6,747,092
--	--	--	-----------

#### Construction & Engineering - 0.4%

##### Maxim Crane Works LP / Maxim Finance Corp.

10.125%, 08/01/2024 (f)(i)	1,826,000		1,880,780
----------------------------	-----------	--	-----------

#### Construction Materials - 0.1%

##### Cemex Materials, LLC

7.700%, 07/21/2025 (f)(i)	554,000		632,253
---------------------------	---------	--	---------

See accompanying notes to consolidated financial statements.

## Diversified Telecommunication Services - 0.8%

## Zayo Group, LLC

6.125%, 03/01/2028 (f)(i)	3,507,000	\$ 3,428,093
---------------------------	-----------	--------------

## Electronic Equipment, Instruments &amp; Components - 3.1%

## CommScope, Inc.

8.250%, 03/01/2027 (f)(i)	577,000	588,742
7.125%, 07/01/2028 (f)(i)	6,833,000	6,749,740
6.000%, 06/15/2025 (f)(i)	6,582,000	6,526,810
		<u>13,865,292</u>

## Health Care Equipment &amp; Supplies - 0.6%

## Haemonetics Corp.

0.000%, 03/01/2026 (f)(g)(i)	3,264,000	<u>2,866,036</u>
------------------------------	-----------	------------------

## Health Care Providers &amp; Services - 4.4%

## AHP Health Partners, Inc.

5.750%, 07/15/2029 (f)(i)	165,000	166,031
---------------------------	---------	---------

## CHS/Community Health Systems, Inc.

6.875%, 04/15/2029 (f)(i)	599,000	617,129
6.875%, 04/01/2028 (f)(i)	3,254,000	3,085,784
6.125%, 04/01/2030 (f)(i)	2,234,000	2,199,150

## LifePoint Hospitals, Inc.

5.375%, 01/15/2029 (f)(i)	6,718,000	6,592,038
---------------------------	-----------	-----------

## Radiology Partners, Inc.

9.250%, 02/01/2028 (f)(i)	6,498,000	6,898,731
		<u>19,558,863</u>

## Hotels, Restaurants &amp; Leisure - 12.1%

## Carnival Corp.

6.000%, 05/01/2029 (f)(i)	4,425,000	4,430,531
5.750%, 03/01/2027 (f)(i)	12,506,000	12,740,488

## ClubCorp Club Operations, Inc.

8.500%, 09/15/2025 (f)(i)	4,022,000	3,877,892
---------------------------	-----------	-----------

## Merlin Entertainments PLC

6.625%, 11/15/2027 (b)(f)(i)	1,267,000	1,272,404
5.750%, 06/15/2026 (b)(f)(i)	469,000	486,315

## NCL Corp Ltd.

6.125%, 03/15/2028 (f)(i)	6,703,000	6,770,030
---------------------------	-----------	-----------

## Royal Caribbean Cruises Ltd.

5.500%, 04/01/2028 (f)(i)	12,840,000	13,080,750
---------------------------	------------	------------

## Viking Cruises Ltd.

7.000%, 02/15/2029 (f)(i)	11,227,000	11,301,491
		<u>53,959,901</u>

See accompanying notes to consolidated financial statements.

### Industrial Conglomerates - 1.2%

#### Unifrax I LLC / Unifrax Holding Co.

7.500%, 09/30/2029 (c)(d)(f)(i)	1,674,000	\$	1,666,241
5.250%, 09/30/2028 (c)(d)(f)(i)	3,573,000		3,568,534
			<u>5,234,775</u>

### Insurance - 4.9%

#### Alliant Holdings I, Inc.

5.875%, 11/01/2029 (f)(i)	2,014,000		2,026,386
---------------------------	-----------	--	-----------

#### Aspen Insurance Holdings Ltd.

7.625%, 10/15/2025 (f)(h)(i)	3,028,730		3,212,180
------------------------------	-----------	--	-----------

#### National Financial Partners Corp.

6.875%, 08/15/2028 (f)(i)	16,186,000		16,468,903
			<u>21,707,469</u>

### IT Services - 2.9%

#### West Corp.

8.500%, 10/15/2025 (f)(i)	6,528,000		6,441,047
---------------------------	-----------	--	-----------

#### Xerox Business Services /Conduent

6.000%, 11/01/2029 (f)(i)	6,482,000		6,468,712
			<u>12,909,759</u>

### Media - 1.4%

#### CSC Holdings, LLC (Altice USA)

5.750%, 01/15/2030 (f)(i)	2,096,000		2,070,743
5.000%, 11/15/2031 (f)(i)	754,000		701,145

#### Spotify USA, Inc.

0.000%, 03/15/2026 (f)(g)(i)	3,597,000		3,428,337
			<u>6,200,225</u>

### Oil, Gas & Consumable Fuels - 5.6%

#### Chesapeake Energy Corp.

6.750%, 04/15/2029 (f)(i)	11,170,000		12,007,750
---------------------------	------------	--	------------

#### Genesis Energy

6.500%, 10/01/2025 (i)	5,284,000		5,216,972
5.625%, 06/15/2024 (i)	6,472,000		6,455,821

#### Global Partners LP / GLP Finance Corp.

7.000%, 08/01/2027 (i)	415,000		433,156
6.875%, 01/15/2029 (i)	613,000		636,417

#### Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.

6.000%, 12/31/2030 (f)(i)	273,000		273,402
6.000%, 03/01/2027 (f)(i)	67,000		69,513
			<u>25,093,031</u>

See accompanying notes to consolidated financial statements.

### Specialty Retail - 6.1%

#### Douglas Holding AG

9.000%, 10/01/2026 (b)(f)(i)	EUR	6,597,665	\$	7,306,717
6.000%, 04/08/2026 (b)(f)(h)(i)	EUR	8,654,000		9,971,672

#### Mavis Discount Tire, Inc.

6.500%, 05/15/2029 (f)(i)		9,949,000		9,864,583
				<u>27,142,972</u>

### Textiles, Apparel & Luxury Goods - 0.5%

#### Varsity Brands, Inc.

9.000% (3 Month US LIBOR + 8.000%), 12/22/2024, 144A (a)(f)(g)(i)		2,387,000		<u>2,388,886</u>
---	--	-----------	--	------------------

### Trading Companies & Distributors - 2.0%

#### TruckPro, LLC

11.000%, 10/15/2024 (f)(i)		3,746,000		4,084,919
----------------------------	--	-----------	--	-----------

#### White Cap Construction Supply Inc

8.250%, 03/15/2026 (f)(i)		2,302,000		2,330,798
6.875%, 10/15/2028 (f)(i)		2,443,000		2,525,451
				<u>8,941,168</u>

### TOTAL HIGH YIELD SECURITIES (amortized cost \$279,820,686)

276,932,778

### Collateralized Loan Obligations - 3.0%

#### Diversified Financial Services - 3.0%

##### ALM Loan Funding Ltd, ALM 2020-1A D

6.124% (3 Month US LIBOR + 6.000%), 10/15/2029 (a)(e)(f)		865,360		863,157
--	--	---------	--	---------

##### Ballyrock CLO Ltd., BALLY 2019-1A DR

6.874% (3 Month US LIBOR + 6.750%), 07/15/2032 (a)(e)(f)		431,180		430,176
--	--	---------	--	---------

##### Battalion CLO Ltd., BATLN 2021-22A E Mtge

7.069% (3 Month US LIBOR + 6.950%), 01/20/2035 (a)(e)(f)		383,168		383,152
--	--	---------	--	---------

##### CarVal CLO, CARVL 2021-1A E

6.738% (3 Month US LIBOR + 6.600%), 07/20/2034 (a)(e)(f)		2,000,000		1,999,870
--	--	-----------	--	-----------

##### Carlyle Global Market Strategies, CGMS 2021-8A E

6.632% (3 Month US LIBOR + 6.500%), 10/15/2034 (a)(e)(f)		370,690		370,591
--	--	---------	--	---------

##### Carlyle Global Market Strategies, CGMS 2021-9A E Mtge

6.884% (3 Month US LIBOR + 6.630%), 10/20/2034 (a)(e)(f)		819,560		819,613
--	--	---------	--	---------

##### CIFC Funding Ltd., CIFC 2021-7A E

0.000% (3 Month US LIBOR + 6.350%), 01/23/2035 (a)(e)(f)(j)		644,186		644,186
---	--	---------	--	---------

##### Dryden Senior Loan Fund, DRSLF 2021-92A E

6.632% (3 Month US LIBOR + 6.500%), 11/20/2034 (a)(e)(f)		463,342		463,178
--	--	---------	--	---------

##### Elmwood CLO, ELMW5 2020-2A ER

6.232% (3 Month US LIBOR + 6.100%), 10/20/2034 (a)(e)(f)		1,000,000		997,934
--	--	-----------	--	---------

##### Elmwood CLO, ELMW6 2020-3A ER

6.624% (3 Month US LIBOR + 6.500%), 10/20/2034 (a)(e)(f)		558,701		558,691
--	--	---------	--	---------

##### Gulf Stream Meridian, GSM 2021-6A D

0.000% (3 Month US LIBOR + 6.360%), 01/15/2037 (a)(e)(f)(j)		536,393		531,029
---	--	---------	--	---------

See accompanying notes to consolidated financial statements.

Octagon Investment Partners Ltd., OCT56 2021-1A E 6.652% (3 Month US LIBOR + 6.530%), 10/15/2034 (a)(e)(f)	383,000	\$	381,170
Octagon Investment Partners Ltd., OCT48 2020-3A E 7.792% (3 Month US LIBOR + 7.660%), 10/20/2031 (a)(e)(f)	53,100		53,269
Pikes Peak CLO, PIPK 2021-9A E 0.000% (3 Month US LIBOR + 6.580%), 10/27/2034 (a)(e)(f)(g)(j)	405,000		404,977
Palmer Square CLO Ltd., PFI XD 2019-1A E 7.108%, 04/20/2037 (d)(e)(f)	930,641		909,277
Post CLO, POST 2021-1A E 6.566% (3 Month US LIBOR + 6.450%), 10/15/2034 (a)(e)(f)	250,000		249,834
PPM CLO 4 Ltd., PPMC 2020-4A ER 6.622% (3 Month US LIBOR + 6.500%), 10/18/2034 (a)(e)(f)	332,741		332,735
Regatta Funding Ltd., REG21 2021-3A E 6.879% (3 Month US LIBOR + 6.750%), 10/20/2034 (a)(e)(f)	321,680		321,604
Regatta Funding Ltd., REG20 2021-2A E 6.366% (3 Month US LIBOR + 6.250%), 10/15/2034 (a)(e)(f)	208,000		207,973
Sand Trust 2001-1, SAND 2021-1A E 0.000% (3 Month US LIBOR + 6.800%), 10/15/2034 (a)(e)(f)(g)(j)	643,000		640,750
Sound Point CLO Ltd., SNDPT 2021-1A E 6.974% (3 Month US LIBOR + 6.850%), 04/25/2034 (a)(e)(f)	290,000		290,073
Symphony CLO Ltd., SYMP 2020-22A E 6.372% (3 Month US LIBOR + 6.250%), 04/18/2033 (a)(e)(f)	598,680		602,165
TICP CLO Ltd., TICP 2017-9A E 5.732% (3 Month US LIBOR + 5.600%), 01/20/2031 (a)(e)(f)	738,460		726,617
			13,182,021
<b>TOTAL COLLATERALIZED LOAN OBLIGATIONS (\$13,088,688)</b>			<b>13,182,021</b>
<b>Common Stocks - 0.9%</b>			
<b>Health Care Providers &amp; Services - 0.0%</b>			
American Vision Partners (c)(d)(e)	49,770		49,671
Quorum Health Corp. (c)(d)(e)	212,000		22,466
			72,137
<b>Hotels, Restaurants &amp; Leisure - 0.8%</b>			
Hilton Grand Vacations, Inc.	75,777		3,810,068
<b>Metals &amp; Mining - 0.1%</b>			
Foresight Energy, LLC (c)(d)(e)	17,979		231,462
<b>Software - 0.0%</b>			
Med-Matrix (c)(d)(e)	597		62,142
<b>TOTAL COMMON STOCKS (cost \$3,704,344)</b>			<b>4,175,809</b>
<b>Preferred Stocks - 0.1%</b>			
<b>Health Care Providers &amp; Services - 0.1%</b>			
Affordable Care Inc. 11.750%, 12/31/2069 (c)(d)(e)(h)	677,000		683,442
<b>TOTAL PREFERRED STOCKS (cost \$663,528)</b>			<b>683,442</b>
<b>TOTAL INVESTMENTS (cost \$585,336,716) - 132.9%</b>			<b>592,112,818</b>
<b>LIABILITIES EXCEEDING OTHER ASSETS, NET - (32.9)%</b>			<b>(146,549,146)</b>
<b>NET ASSETS - 100.0%</b>		\$	<b>445,563,672</b>

See accompanying notes to consolidated financial statements.

† In U.S. Dollars unless otherwise indicated.

EUR Par is denominated in Euro.

GBP Par is denominated in the British pound.

TL Term Loan

DD Delayed Draw

(a) Variable rate security, the coupon rate shown is the effective rate as of October 31, 2021.

(b) Non-U.S. security.

(c) Security considered restricted due to the Adviser's knowledge of material non-public information. The total value of these securities as of October 31, 2021 was \$57.0 million and represented 12.8% of net assets.

(d) Security considered illiquid, as defined by the Securities and Exchange Commission. The total value of these securities as of October 31, 2021 was \$76.8 million and represented 17.2% of net assets.

(e) Value determined using significant unobservable inputs.

(f) Securities exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may only be resold to qualified institutional buyers in transactions exempt from registration. The total value of these securities as of October 31, 2021 was \$274.3 million and represented 61.6% of net assets.

(g) Non-income producing security.

(h) Represents a payment-in-kind ("PIK") security which may pay interest/dividend in additional par/shares.

(i) All or a portion is held as collateral for the Fund's credit facility.

(j) Effective rate will be established when trade is settled.

(k) Investment is an unfunded or partially unfunded commitment.

(l) Investment is partially funded as of October 31, 2021.

The following table represents the Fund's investments categorized by country of risk as of October 31, 2021:

Country:	% of Net Assets
United States	122.2%
Germany	6.1%
France	3.5%
Sweden	0.4%
United Kingdom	0.4%
Netherlands	0.2%
Spain	0.1%
	132.9%
Liabilities Exceeding Other Assets, Net	(32.9)%
	100.0%

See accompanying notes to consolidated financial statements.

**Consolidated Statement of Assets and Liabilities  
As of October 31, 2021**
**Assets**

Investments, at value (cost \$585,336,716)	\$	592,112,818
Cash and cash equivalents		11,575,598
Receivable for shares issued		12,710,975
Dividends and interest receivable		6,284,428
Due from Adviser		192,059
Receivable for investments sold		36,337,429
Prepaid expenses		40,515
<b>Total assets</b>		<b>659,253,822</b>

**Liabilities**

Credit Facility (net of deferred financing costs of \$1,255,549)		147,429,390
Payable for investments purchased		56,436,093
Distribution payable		8,332,699
Investment advisory fees		296,624
Distribution fees		82,362
Shareholder service fees		40,403
Trustees' fees		179,341
Other accrued expenses		893,238
<b>Total liabilities</b>		<b>213,690,150</b>
<b>Net assets</b>	<b>\$</b>	<b>445,563,672</b>

**Net Assets**

Paid-in capital — (unlimited shares authorized — \$0.001 par value)	\$	438,897,871
Accumulated distributable earnings		6,665,801
<b>Net assets</b>	<b>\$</b>	<b>445,563,672</b>

**Class I:**

Net asset value	\$	211,181,237
Price per share (7,702,456 shares)	\$	27.42

**Class T:**

Net asset value	\$	26,120,609
Price per share (961,460 shares)	\$	27.17

**Class U:**

Net asset value	\$	208,261,826
Price per share (7,955,164 shares)	\$	26.18

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Operations For the Year Ended October 31, 2021

<b>Investment income</b>	
Interest income	\$ 22,813,572
Dividend income	124,189
Other income	192,709
<b>Total investment income</b>	<u>23,130,470</u>
<b>Expenses</b>	
Investment advisory fees	2,799,427
Credit facility interest expense	1,697,162
Distribution fees	631,622
Legal fees	615,542
Shareholder service fees	315,811
Offering costs	277,543
Administration fees	179,672
Transfer agent fees	142,413
Term loan fees	138,505
Audit and tax fees	130,884
Trustees' fees	109,951
Shareholder reporting expense	81,015
Custodian fees	27,284
Other expenses	335,255
<b>Total expenses prior to expense reimbursement</b>	<u>7,482,086</u>
Expense reimbursement	(678,834)
<b>Net expenses</b>	<u>6,803,252</u>
<b>Net investment income</b>	<u>16,327,218</u>
<b>Realized and unrealized gains (losses)</b>	
<b>Net realized gains on</b>	
Investments	8,242,667
Foreign currency transactions	1,122,985
<b>Net realized gains</b>	<u>9,365,652</u>
<b>Net change in unrealized depreciation on</b>	
Investments	(475,215)
Foreign currency translation	(1,061,256)
Deferred Trustees' fees	(16,185)
<b>Net change in unrealized depreciation</b>	<u>(1,552,656)</u>
<b>Net realized and unrealized gains</b>	<u>7,812,996</u>
<b>Net increase in net assets resulting from operations</b>	<u>\$ 24,140,214</u>

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Changes in Net Assets

	Year Ended October 31, 2021	Period Ended October 31, 2020 <sup>(1)</sup>
<b>Increase in net assets resulting from operations</b>		
Net investment income	\$ 16,327,218	\$ 4,080,569
Net realized gains	9,365,652	2,282,066
Net change in unrealized (depreciation) appreciation	(1,552,656)	2,151,030
<b>Net increase in net assets resulting from operations</b>	<b>24,140,214</b>	<b>8,513,665</b>
<b>Dividends to shareholders from</b>		
Net dividend and distributions — Class I	(12,044,654)	(4,076,334)
Net dividend and distributions — Class T	(1,396,601)	(70,458)
Net dividend and distributions — Class U	(8,485,656)	—
<b>Total distributions</b>	<b>(21,926,911)</b>	<b>(4,146,792)</b>
<b>Shareholder transactions</b>		
<b>Class I</b>		
Subscriptions (3,553,107 shares)	\$ 98,660,406	\$ 102,640,250
Issued to shareholder in reinvestment of distributions (73,430 shares)	2,046,345	769
Shares redeemed (25,318 shares)	(708,400)	—
	<b>\$ 99,998,351</b>	<b>\$ 102,641,019</b>
<b>Class T</b>		
Subscriptions (623,693 shares)	\$ 17,075,904	\$ 8,164,260
Issued to shareholder in reinvestment of distributions (27,742 shares)	762,845	32,833
Shares redeemed (9,055 shares)	(249,395)	—
	<b>\$ 17,589,354</b>	<b>\$ 8,197,093</b>
<b>Class U</b>		
Subscriptions (7,564,677 shares)	\$ 200,649,530	\$ 7,421,000
Issued to shareholder in reinvestment of distributions (143,890 shares)	3,830,480	—
Shares redeemed (50,243 shares)	(1,343,331)	—
	<b>\$ 203,136,679</b>	<b>\$ 7,421,000</b>
<b>Net increase in net assets</b>	<b>322,937,687</b>	<b>122,625,985</b>
<b>Net assets</b>		
Beginning of year/period (4,717,157 shares)	122,625,985	—
End of year/period (16,619,080 shares)	<b>\$ 445,563,672</b>	<b>\$ 122,625,985</b>

<sup>(1)</sup> The Fund commenced operations on February 28, 2020.

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Cash Flows

	Year Ended October 31, 2021
<b>Cash Flows from Operating Activities:</b>	
Net increase in net assets resulting from operations	\$ 24,140,214
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Purchases of investments	(740,728,975)
Proceeds from sales of investments	276,980,690
Net realized gains from investments	(8,242,667)
Net change in unrealized depreciation on foreign currency translation	1,061,256
Net accretion of premiums and discounts	(795,066)
Net change in unrealized depreciation of investments	475,215
Amortization of deferred offering costs	277,543
Amortization of deferred financing costs	254,536
Net realized gains on investments (foreign currency related)	(243,876)
Net change in unrealized depreciation on Deferred Trustees' fees	16,185
Changes in assets and liabilities:	
Increase in payable for investments purchased	49,592,278
Increase in receivable for investments sold	(36,325,112)
Increase in dividends and interest receivable	(4,824,369)
Increase in investment advisory fees payable	232,118
Increase in due from Adviser	(83,817)
Increase in distribution fees	82,362
Increase in Trustees' fees payable	81,826
Increase in other accrued expenses	44,630
Increase in prepaid expenses	(40,515)
Increase in shareholder service fees	40,403
Net cash used in operating activities	(438,005,141)
<b>Cash Flows from Financing Activities</b>	
Subscriptions for shares	313,656,865
Proceeds from credit facility	280,001,983
Paydown of credit facility	(136,492,117)
Cash dividends paid to shareholders	(7,609,140)
Shares repurchased	(2,301,126)
Payment of financing costs	(1,000,000)
Net cash provided by financing activities	446,256,465
Effect of exchange rate changes on cash	(9,639)
<b>Net increase in cash and cash equivalents</b>	<b>8,241,685</b>
<b>Cash and Cash Equivalents</b>	
Beginning balance	3,333,913
Ending balance	\$ 11,575,598
<b>Supplemental Disclosure of cash flow information and non-cash financing activities:</b>	
Cash paid for interest expense	\$ 1,026,587
Reinvestment of distributions	\$ 6,639,670

See accompanying notes to consolidated financial statements.

## Financial Highlights

	Year Ended October 31, 2021	Period from Commencement of Operations to October 31, 2020 <sup>***</sup>
<b>Class I</b>		
<b>Per share operating performance</b>		
Net asset value, beginning of year/period	\$ 26.08	\$ 25.00
Income from operations		
Net investment income <sup>(1)</sup>	1.67	1.01
Net realized and unrealized gains	1.69	1.10
Total income from operations	3.36	2.11
Dividends from		
Net investment income	(1.66)	(1.03)
Realized gains	(0.36)	—
Total dividends	(2.02)	(1.03)
Net Asset Value, end of year/period	\$ 27.42	\$ 26.08
<b>Total return<sup>†</sup></b>	<b>12.81%</b>	<b>8.71%<sup>(2)</sup></b>
<b>Ratios to average net assets</b>		
Expenses, before waiver	2.32%	3.84%**
Expenses, after waiver	2.02%	1.68%**
Net investment income, before waiver	5.73%	3.91%**
Net investment income, after waiver	6.03%	6.06%**
<b>Supplemental data</b>		
Net assets, end of year/period (000's)	\$211,181	\$ 106,962
Portfolio turnover rate*	78.20%	66.19% <sup>(2)</sup>

<sup>(1)</sup> Per share calculations were performed using average shares.

<sup>(2)</sup> Total return and Portfolio turnover rate are for the period indicated and have not been annualized.

<sup>†</sup> Total return assumes a purchase of common stock at the net asset value on the first day and a sale at the net asset value on the last day of each period reported on the table. Total return assumes reinvestment of dividends and distributions at prices obtained pursuant to the Fund's dividend reinvestment plan.

\* Portfolio turnover is calculated on the basis of the Fund as a whole.

\*\* Annualized.

\*\*\* The date of commencement of operations for Class I shares was February 28, 2020.

See accompanying notes to consolidated financial statements.

## Financial Highlights

	Year Ended October 31, 2021	Period from Commencement of Operations to October 31, 2020 <sup>***</sup>
<b>Class T</b>		
<b>Per share operating performance</b>		
Net asset value, beginning of year/period	\$ 25.83	\$ 25.00
Income from operations		
Net investment income <sup>(1)</sup>	1.45	0.61
Net realized and unrealized gains	1.68	0.83
Total income from operations	3.13	1.44
Dividends from		
Net investment income	(1.43)	(0.61)
Realized gains	(0.36)	—
Total dividends	(1.79)	(0.61)
Net Asset Value, end of year/period	\$ 27.17	\$ 25.83
<b>Total return<sup>†</sup></b>	<b>12.03%</b>	<b>6.65%<sup>(2)</sup></b>
<b>Ratios to average net assets</b>		
Expenses, before waiver	3.04%	3.54%**
Expenses, after waiver	2.78%	2.49%**
Net investment income, before waiver	5.00%	4.65%**
Net investment income, after waiver	5.27%	5.70%**
<b>Supplemental data</b>		
Net assets, end of year/period (000's)	\$ 26,121	\$ 8,243
Portfolio turnover rate*	78.20%	66.19% <sup>(2)</sup>

<sup>(1)</sup> Per share calculations were performed using average shares.

<sup>(2)</sup> Total return and Portfolio turnover rate are for the period indicated and have not been annualized.

<sup>†</sup> Total return assumes a purchase of common stock at the net asset value on the first day and a sale at the net asset value on the last day of each period reported on the table. Total return assumes reinvestment of dividends and distributions at prices obtained pursuant to the Fund's dividend reinvestment plan.

\* Portfolio turnover is calculated on the basis of the Fund as a whole.

\*\* Annualized.

\*\*\* The date of commencement of operations for Class T shares was June 1, 2020.

See accompanying notes to consolidated financial statements.

## Financial Highlights

	Year Ended October 31, 2021	Period from Commencement of Operations to October 31, 2020***
<b>Class U</b>		
<b>Per share operating performance</b>		
Net asset value, beginning of year/period	\$ 25.00	\$ 25.00
Income from operations		
Net investment income <sup>(1)</sup>	1.44	—
Net realized and unrealized gains	1.52	—
Total income from operations	2.96	—
Dividends from		
Net investment income	(1.42)	—
Realized gains	(0.36)	—
Total dividends	(1.78)	—
Net Asset Value, end of year/period	\$ 26.18	\$ 25.00
Total return <sup>†</sup>	11.69%	0.00% <sup>(2)</sup>
<b>Ratios to average net assets</b>		
Expenses, before waiver	3.01%	0.00%**
Expenses, after waiver	2.87%	0.00%**
Net investment income, before waiver	5.29%	0.00%**
Net investment income, after waiver	5.43%	0.00%**
<b>Supplemental data</b>		
Net assets, end of year/period (000's)	\$208,262	\$ 7,421
Portfolio turnover rate*	78.20%	66.19% <sup>(2)</sup>

<sup>(1)</sup> Per share calculations were performed using average shares.

<sup>(2)</sup> Total return and Portfolio turnover rate are for the period indicated and have not been annualized.

<sup>†</sup> Total return assumes a purchase of common stock at the net asset value on the first day and a sale at the net asset value on the last day of each period reported on the table. Total return assumes reinvestment of dividends and distributions at prices obtained pursuant to the Fund's dividend reinvestment plan.

\* Portfolio turnover is calculated on the basis of the Fund as a whole.

\*\* Annualized.

\*\*\* The date of commencement of operations for Class U shares was September 1, 2020.

See accompanying notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

### 1. Organization

KKR Credit Opportunities Portfolio (the “Fund”) was organized on September 5, 2019 as a statutory trust under the laws of the state of Delaware. The Fund is a closed-end registered management investment company, which commenced operations on February 28, 2020 and continuously offers its shares and operates as an interval fund. The Fund seeks to provide attractive risk-adjusted returns and generate current income. The Fund is diversified for purposes of the Investment Company Act of 1940, as amended (the “1940 Act”). KKR Credit Advisors (US) LLC serves as the Fund’s investment adviser (the “Adviser”).

As of October 31, 2021, an affiliate of the Adviser owned 24.07% of the outstanding shares of the Fund.

### 2. Summary of Significant Accounting Policies

*Basis of Presentation* — The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and are stated in United States (“U.S.”) dollars. The Fund is an investment company following accounting and reporting guidance in Financial Accounting Standards Board Accounting Standards Codification Topic 946, *Financial Services — Investment Companies*. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in these consolidated financial statements. Actual results could differ from those estimates.

*Basis of Consolidation* — The Fund’s Consolidated Financial Statements include balances of both the Fund and its wholly owned subsidiary. All interfund transactions have been eliminated upon consolidation.

*Valuation of Investments* — The Board of Trustees (the “Board”) of the Fund has adopted valuation policies and procedures to ensure investments are valued in a manner consistent with GAAP as required by the 1940 Act. The Board has delegated primary responsibility in ensuring these valuation policies and procedures are followed, including those relating to fair valuation, to the Adviser.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments’ complexity for disclosure purposes.

Assets and liabilities recorded at fair value on the Consolidated Statement of Assets and Liabilities are categorized based upon the level of judgment associated with the inputs used to measure their value. Hierarchical levels, as defined under GAAP, are directly related to the amount of subjectivity associated with the inputs to fair valuations of these assets and liabilities, and are as follows:

*Level 1* — Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

The types of assets generally included in this category are common stocks listed in active markets.

*Level 2* — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets, and inputs other than quoted prices that are observable for the asset or liability.

The types of assets and liabilities generally included in this category are high yield securities and certain leveraged loans.

*Level 3* — Inputs are unobservable for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The types of assets generally included in this category are certain collateralized loan obligations, leveraged loans, common stocks not actively traded and preferred stocks not actively traded.

A significant decrease in the volume and level of activity for the asset or liability is an indication that transactions or quoted prices may not be representative of fair value because in such market conditions there may be increased instances of transactions that are not orderly. In those circumstances, further analysis of transactions or quoted prices is needed, and a significant adjustment to the transactions or quoted prices may be necessary to estimate fair value.

The availability of observable inputs can vary depending on the financial asset or liability and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new, whether the product is traded on an active exchange or in the secondary market, and the current market condition. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the asset. The variability of the observable inputs affected by the factors described above may cause transfers between Levels 1, 2 and/or 3, which the Fund recognizes at the beginning of the period the inputs change.

Many financial assets and liabilities have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the Fund and others are willing to pay for an asset. Ask prices represent the lowest price that the Fund and others are willing to accept for an asset. For financial assets and liabilities whose inputs are based on bid-ask prices, the Fund does not require that fair value always be a predetermined point in the bid-ask range. The Fund's policy is to allow for mid-market pricing and adjust to the point within the bid-ask range that meets the Fund's best estimate of fair value.

Depending on the relative liquidity in the markets for certain assets, the Fund may transfer assets to Level 3 if it determines that observable quoted prices, obtained directly or indirectly, are not available.

Investments are generally valued based on quotations from third party pricing services, unless such a quotation is unavailable or is determined to be unreliable or inadequately representing the fair value of the particular assets. In that case, valuations are based on either valuation data obtained from one or more other third party pricing sources, including broker dealers selected by the Adviser, or will reflect the Valuation Committee's good faith determination of fair value based on other factors considered relevant. For assets classified as Level 3, valuations are based on various factors including financial and operating data of the company, company specific developments, market valuations of comparable companies and model projections.

Certain unfunded investments in delayed draw term loans and revolving lines of credit may at times be priced at less than par value resulting in a financial liability in the Consolidated Schedule of Investments. These values are temporary and the funding of the commitment will result in these investments valued as financial assets.

For the year ended October 31, 2021, there have been no significant changes to the Fund's fair value methodologies.

*Investment Transactions* — Investment transactions are accounted for on the trade date, the date the order to buy or sell is executed. Amortization and accretion is calculated using the effective interest method over the holding period of the investment. Realized gains and losses are calculated on the specific identified cost basis.

*Cash and Cash Equivalents* — Cash and cash equivalents includes cash on hand, cash held in banks and highly liquid investments with original maturities of three or fewer months. Cash equivalents consist solely of money market funds with financial institutions. As of October 31, 2021, the Fund was invested in the U.S. Bank Money Market Deposit Account.

*Foreign Currency Transactions* — The books and records of the Fund are maintained in U.S. Dollars. All investments denominated in foreign currency are converted to the U.S. dollar using prevailing exchange rates at the end of the reporting period. Income, expenses, gains and losses on investments denominated in foreign currency are converted to the U.S. dollar using the prevailing exchange rates on the dates when the transactions occurred.

The Fund bifurcates that portion of the results of operations resulting from changes in foreign exchange rates on investments and interest from the fluctuations arising from changes in market prices of securities held.

*Distributions to Shareholders* — Distributions are accrued and declared daily and paid monthly, and distributable net realized capital gains, if any, are declared and distributed at least annually.

*Term Loan Income* — Term Loan Income consists of transaction fees including, but not limited to, assignment, transfer, administration and amendment fees. Fee and other income is recorded when earned, and is recognized in Other income on the Consolidated Statement of Operations.

*Income Taxes* — The Fund has elected to be treated and has qualified, and intends to continue to qualify in each taxable year, as a “regulated investment company” under Subchapter M of the Internal Revenue Code of 1986, as amended, and in conformity with the Regulated Investment Company Modernization Act of 2010. The Fund will not be subject to federal income tax to the extent the Fund satisfies the requirements under Section 851 of the Internal Revenue Code, including distributing all of its gross investment company taxable income and capital gains to its shareholders based on the Fund’s fiscal year end of October 31.

To avoid imposition of a 4% excise tax on undistributed income applicable to regulated investment companies, the Fund intends to declare each year as dividends in each calendar year at least 98.0% of its net investment income (earned during the calendar year) and 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts, if any, from prior years.

The Fund evaluates tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether it is “more-likely-than-not” (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management has analyzed the Fund’s tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions for the open tax years (2020). However, management’s conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities, on-going analysis of and changes to tax laws, regulations and interpretations thereof.

As of October 31, 2021, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Consolidated Statement of Operations. During the year ended October 31, 2021, the Fund did not incur any interest or penalties.

*Repurchase Offers* — The Fund operates as an interval fund pursuant to Rule 23c-3 under the 1940 Act and, as such, has adopted a fundamental policy to make quarterly repurchase offers, at NAV, of no less than 10% and no more than 25% of the Fund’s shares outstanding on the Repurchase Request Deadline (as defined below). There is no guarantee that shareholders will be able to sell all of the shares they desire to sell in a quarterly repurchase offer, although each shareholder will have the right to require the Fund to purchase at least 10% of such shareholder’s shares in each quarterly repurchase. Liquidity will be provided to shareholders only through the Fund’s quarterly repurchases. Shareholders will be notified in writing of each quarterly repurchase offer and the date the repurchase offer ends (the “Repurchase Request Deadline”).

*Recently Adopted Accounting Pronouncements* — In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 contains practical expedients for reference rate reform-related activities that impact debt, leases, derivatives, and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. Management of the Fund has elected to adopt this accounting standard and apply it to contracts that are modified for the sole purpose of reference rate reform. The adoption of this standard did not have a material impact to these consolidated financial statements.

### 3. Risk Considerations

The Fund invests mainly in leveraged loans, high yield securities, common stocks not actively traded and preferred stocks. These investments may involve certain risks, including, but not limited to, those described below:

*COVID-19 and Global Economic and Market Conditions* — The novel strain of coronavirus (“COVID-19”) has caused, and continues to cause, severe disruptions to the U.S. and global economies. The outbreak of COVID-19 and the actions taken in response have had far reaching impact on the U.S. and global economies, contributing to significant volatility in the financial markets, resulting in increased volatility in equity prices and lower interest rates, and causing furloughs and layoffs in the labor market. Although a number of vaccines for COVID-19 have been developed and are in the process of being deployed in certain countries, including the United States, the timing for widespread vaccination and immunity is uncertain, and these vaccines may be less effective against any new mutated strains of the virus that have started to spread globally.

Given the ongoing nature of the pandemic, at this time management cannot reasonably predict the magnitude of the ultimate impact that COVID-19 will have on the Fund’s business, financial performance and operating results. Management believes COVID-19’s adverse impact on the Fund’s business, financial performance and operating results will be significantly driven by a number of factors that management is unable to predict or control, including, for example: the severity and duration of the pandemic; the pandemic’s impact on the U.S. and global economies; the timing, scope and effectiveness of additional governmental responses to the pandemic; the timing and speed of economic recovery, including the availability and distribution of treatments and vaccines for COVID-19; and the negative impact on investors, vendors and other business partners that may indirectly adversely affect the Fund.

*Market Discount Risk* — The price of the Fund’s common shares of beneficial interest will fluctuate with market conditions and other factors. Shares of closed-end management investment companies frequently trade at a discount from their net asset value, which may increase the risk of loss.

*Leverage Risk* — Leverage is a speculative technique that may expose the Fund to greater risk and increased costs. When leverage is used, the net asset value and market price of the Fund’s shares and the Fund’s investment return will likely be more volatile.

*Market Risk* — Bond markets rise and fall daily. As with any investment with performance tied to these markets, the value of an investment in the Fund will fluctuate, which means that shareholders could lose money.

*Interest Rate Risk* — Interest rates will rise and fall over time. During periods when interest rates are low, the Fund’s yield and total return also may be low. Changes in interest rates also may affect the Fund’s share price and a sharp rise in interest rates could cause the Fund’s share price to fall. The longer the Fund’s duration, the more sensitive to interest rate movements its share price is likely to be.

*Credit Risk* — The Fund is subject to the risk that a decline in the credit quality of an investment could cause the Fund to lose money or underperform. The Fund could lose money if the issuer or guarantor of an investment fails to make timely principal or interest payments or otherwise honor its obligations. The Fund will be subject to credit risk with respect to the counterparties of derivative contracts (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of over-the-counter instruments) and other instruments entered into directly by the Fund.

*Liquidity Risk* — A particular investment may be difficult to purchase or sell. The Fund may be unable to sell illiquid securities at an advantageous time or price.

*Prepayment and Extension Risk* — The Fund's investments are subject to the risk that the investments may be paid off earlier or later than expected. Either situation could cause the Fund to hold investments paying lower than market rates of interest, which could hurt the Fund's yield or share price.

*High Yield Risk* — High yield securities and unrated securities of similar credit quality (sometimes called junk bonds) that the Fund may invest in are subject to greater levels of credit and liquidity risks. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments.

*Foreign Investment Risk* — The Fund's investments in securities of foreign issuers may involve certain risks that are greater than those associated with investments in securities of U.S. issuers. These include risks of adverse changes in foreign economic, political, regulatory and other conditions, changes in currency exchange rates (the currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, the U.S. dollar will decline in value relative to the currency being hedged) or exchange control regulations (including limitations on currency movements and exchanges), differing accounting, auditing, financial reporting and legal standards and practices, differing securities market structures, and higher transaction costs. These risks may be heightened in connection with investments in emerging markets.

*Issuer Risk* — The value of securities may decline for a number of reasons that directly relate to the issuer, such as its financial strength, management performance, financial leverage and reduced demand for the issuer's goods and services, as well as the historical and prospective earnings of the issuer and the value of its assets.

#### 4. Agreements

*Investment Advisory Agreement* — The Adviser provides day-to-day portfolio management services to the Fund and has discretion to purchase and sell investments in accordance with the Fund's objectives, policies, and restrictions. For the services it provides to the Fund, the Adviser receives an annual fee, payable monthly by the Fund, in an amount equal to 1.30% of the Fund's average daily Managed Assets (the "Investment Advisory Fee"). The Adviser has voluntarily agreed to temporarily reduce its Investment Advisory Fee to an annual rate of 0.65% of the Fund's average daily Managed Assets from March 1, 2020, until June 30, 2021, and to an annual rate of 1.00% from July 1, 2021 until March 31, 2022. Effective April 1, 2022, the Adviser's agreement to temporarily reduce its Investment Advisory Fee will terminate and the Adviser will receive an Investment Advisory Fee at an annual rate of 1.30% of the Fund's average daily Managed Assets. "Managed Assets" means the total assets of the Fund (including any assets attributable to borrowings for investment purposes) minus the sum of the Fund's accrued liabilities (other than liabilities representing borrowings for investment purposes).

During periods when the Fund is using leverage, the Investment Advisory Fee paid to the Adviser will be higher than if the Fund does not use leverage because the Investment Advisory Fee paid is calculated based on the Fund's Managed Assets, which includes the assets purchased through leverage.

During the year ended October 31, 2021, the Adviser earned an Investment Advisory Fee of \$2.8 million.

The Fund has entered into an Expense Limitation and Reimbursement Agreement (the "Expense Limitation Agreement") with the Adviser pursuant to which the Adviser will agree to waive its monthly fee and pay, absorb or reimburse some or all the Fund's "Specified Expenses" (as defined below), an "Expense Limitation Payment," for each month during the Limitation Period (as defined below) to the extent necessary so that, for any fiscal year, the Fund's Specified Expenses do not exceed 0.40% of the average daily value of the Fund's net assets. "Specified Expenses" of the Fund means all expenses incurred in the business of the Fund, including organizational and operating expenses, with the exception of: (i) the Management Fee (as defined in the Fund's prospectus), (ii) the Service Fee (as defined in the Fund's prospectus), (iii) the Distribution Fee (as defined in the Fund's prospectus), (iv) brokerage costs, (v) dividend/interest payments (including any dividend payments, interest expenses, commitment fees, or other expenses related to any leverage incurred by the Fund), (vi) taxes, and

(vii) extraordinary expenses (as determined in the sole discretion of the Adviser). The “Limitation Period” commenced on February 28, 2020 and ends on December 31, 2022. The Fund will agree to repay these amounts (“Reimbursement Payment”) on a monthly basis, but only if and to the extent that Specified Expenses plus the Reimbursement Payment are less than 0.40% of the average daily value of the Fund’s net assets during the fiscal year (or, if a lower expense limit is then in effect, such lower limit). The Fund’s obligation to make Reimbursement Payments expires three years from the end of the fiscal year in which such fees are foregone or expense is incurred by the Adviser.

The Expense Limitation Agreement terminates at the end of the Limitation Period, but may be renewed by the mutual agreement of the Adviser and the Fund for successive terms.

As of October 31, 2021, the amount of Expense Limitation Payments since the inception of the Fund provided by the Adviser is \$2.1 million.

The following table reflects the Expense Limitation Payments that may become subject to reimbursement:

For the period ended	Amount of Expense Limitation Payment	Eligible for Reimbursement Payment through
October 31, 2020	\$1,295,072	October 31, 2023
October 31, 2021	832,625	October 31, 2024
	<u>\$2,127,697</u>	

KKR Capital Markets LLC (the “Distributor”), an affiliate of the Adviser, is the principal underwriter and distributor of the shares and serves in that capacity on a best effort basis, subject to various conditions. Shares will be offered through other brokers, dealers and other financial intermediaries (referred to as “selling agents”) that have entered into selling agreements with the Distributor. Selling agents typically receive the sales load with respect to Class T shares purchased by their clients. The Distributor does not retain any portion of the sales load. Class T shares are sold subject to a maximum sales load of up to 2.00% of the offering price. However, purchases of Class T shares may be eligible for a sales load discount. The selling agents may, in their sole discretion, reduce or waive the sales load on a non-scheduled basis in individual cases. Class I shares and Class U shares are not subject to a sales load; however, investors could be required to pay brokerage commissions on purchases and sales of Class I shares and Class U shares to their selling agents.

The Fund pays the Distributor an ongoing fee (the “Shareholder Servicing Fee”) that is calculated and accrued monthly at an annualized rate of 0.25% of the net assets of the Fund attributable to Class T shares and Class U shares. The Shareholder Servicing Fee is for personal services provided to Shareholders and/or the maintenance of Shareholder accounts services and to reimburse the Distributor for related expenses incurred. The Distributor will generally pay all or a portion of the Shareholder Servicing Fee to the selling agents that sell Class T shares and Class U shares. Payment of the Shareholder Servicing Fee is governed by the Fund’s Distribution and Service Plan. During the year ended October 31, 2021, the Fund incurred shareholder servicing fees of \$0.3 million.

In addition, the Fund pays the Distributor an ongoing distribution fee (the “Distribution Fee”) that is calculated and accrued monthly at an annualized rate of 0.50% of the net assets of the Fund attributable to Class T shares and Class U shares. The Distribution Fee is for the sale and marketing of the Class T shares and Class U shares and to reimburse the Distributor for related expenses incurred. The Distributor will generally pay all or a portion of the Distribution Fee to the selling agents that sell Class T shares and Class U shares. During the year ended October 31, 2021, the Fund incurred distribution fees of \$0.6 million.

Payment of the Distribution Fee is governed by the Fund’s Distribution and Service Plan.

Class I shares do not incur a Shareholder Servicing Fee or Distribution Fee.

*Administrator, Custodian and Transfer Agent* — U.S. Bancorp Fund Services, LLC (“Fund Services” or “Administrator”), doing business as U.S. Bank Global Fund Services, serves as the Fund’s administrator pursuant to an administration agreement under which the Administrator provides administrative and accounting services.

U.S. Bank N.A. (the “Custodian”) serves as the Fund’s custodian pursuant to a custody agreement. The Custodian is an affiliate of Fund Services.

Fund Services serves as the Fund’s transfer agent pursuant to a transfer agency agreement.

*Deferred Trustees’ Compensation* — The Fund has a Deferred Trustees’ Compensation plan (the “Plan”) that allows the Independent Trustees to defer compensation to a future payment period. The compensation is invested in shares of the Fund. The value of a participating Independent Trustee’s deferral account is based on the shares of deferred amounts as designated by the participating Independent Trustees. Changes in the value of the Independent Trustees’ deferral account are included in the Consolidated Statement of Operations. The accrued obligations under the Plan, including unrealized appreciation (depreciation), are included on the Consolidated Statement of Assets and Liabilities.

*Other* — Certain officers of the Fund are also officers of the Adviser. Such officers are paid no fees by the Fund for serving as officers of the Fund.

## 5. Fair Value

The following table presents information about the Fund’s assets measured at fair value on a recurring basis as of October 31, 2021, and indicates the fair value hierarchy of the inputs utilized by the Fund to determine such fair value:

Investments in securities	Level 1	Level 2	Level 3	Total
Leveraged loans	\$ —	\$ 264,897,206	\$ 32,241,562	\$ 297,138,768
High yield securities	—	276,932,778	—	276,932,778
Collateralized loan obligations	—	—	13,182,021	13,182,021
Common stocks	3,810,068	—	365,741	4,175,809
Preferred Stocks	—	—	683,442	683,442
Cash equivalents	191,185	—	—	191,185
Total investments in securities and cash equivalents	\$ 4,001,253	\$ 541,829,984	\$ 46,472,766	\$ 592,304,003

The following are the details of the restricted securities held by the Fund:

Issuer <sup>(1)</sup>	Par/Share	Acquisition Date	Amortized Cost	Value	% of Net Assets
<b>Leveraged Loans</b>					
Access CIG LLC	143,000	02/28/2020	142,726	143,089	0.0%
Affordable Care Inc	1,603,947	08/2/2021	1,582,697	1,598,845	0.4%
Alera Group Intermediate Holdings Inc	693,690	09/30/2021	685,276	684,948	0.2%
American Vision Partners	1,929,290	09/30/2021	1,902,487	1,902,298	0.4%
Belk Inc	974,058	02/24/2021	506,030	757,060	0.2%
Foresight Energy LLC	123,770	06/30/2021	123,770	123,770	0.0%
Foundation Risk Partners Corp	1,342,420	10/29/2021	1,315,812	1,315,780	0.3%

Issuer <sup>(1)</sup>	Par/Share	Acquisition Date	Amortized Cost	Value	% of Net Assets
Insight Global LLC	5,455,983	09/22/2021	5,402,277	5,391,264	1.2%
Med-Metrix	1,270,623	09/15/2021	1,251,973	1,248,017	0.3%
Misys Ltd	16,251,734	02/28/2020 - 10/22/2021	16,196,880	16,254,040	3.6%
Opendoor Labs Inc	4,886,391	10/1/2021	4,886,391	4,886,391	1.1%
PartsSource Inc	1,335,616	10/18/2021	1,309,267	1,309,158	0.3%
SAMBA Safety Inc	470,320	09/1/2021	464,325	463,923	0.1%
SavATree LLC	812,274	10/12/2021	803,831	803,764	0.2%
Vantage Specialty Chemicals Inc	14,108,398	02/28/2020 - 10/15/2021	13,671,385	13,869,311	3.1%
<b>High Yield Securities</b>					
Unifrax I LLC / Unifrax Holding Co	5,247,000	09/15/2021	5,247,000	5,234,775	1.2%
<b>Common Stocks</b>					
American Vision Partners	49,770	09/30/2021	49,770	49,670	0.0%
Foresight Energy LLC	17,979	06/30/20 - 08/28/2020	200,230	231,463	0.1%
Med-Metrix	597	09/15/2021	59,724	62,142	0.0%
Quorum Health Corp	212,000	02/28/2020	90,722	22,466	0.0%
<b>Preferred Stocks</b>					
Affordable Care Inc	677,000	08/2/2021	663,528	683,442	0.2%
			<u>\$56,556,100</u>	<u>\$57,035,616</u>	

(1) Refer to the Consolidated Schedule of Investments for more details on securities listed.

The following is a reconciliation of the investments in which significant unobservable inputs (Level 3) were used in determining value:

	Leveraged Loans	Collateralized Loan Obligation	Common Stock	Preferred Stock
Balance at October 31, 2020	\$ 683,566	\$ 1,365,802	\$305,554	\$ —
Purchases	58,401,482	12,398,259	109,494	663,528
Sales and paydowns	(26,813,287)	(693,640)	(14,624)	—
Settlements	3,563	30,389	5,576	—
Net change in appreciation (depreciation)	(34,150)	7,199	41,402	19,914
Net realized gains (losses)	388	74,011	(81,661)	—
Balance as of October 31, 2021	<u>\$ 32,241,562</u>	<u>\$13,182,021</u>	<u>\$365,741</u>	<u>\$683,442</u>
Net change in appreciation (depreciation) on investments held at October 31, 2021	<u>\$ (34,150)</u>	<u>\$ 7,199</u>	<u>\$ 41,402</u>	<u>\$ 19,914</u>

No securities were transferred into or out of the Level 3 hierarchy during the year ended October 31, 2021.

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 as of October 31, 2021:

Financial Asset	Fair Value	Valuation Technique <sup>(1)</sup>	Unobservable Inputs <sup>(2)</sup>	Range (Weighted Average) <sup>(3)</sup>
Leveraged Loans <sup>(4)</sup>	\$32,241,562	Yield Analysis	Yield	7% - 9% (8%)
			Discount Margin	1% - 3% (2%)
			EBITDA Multiple	3.7x - 17.5x (14.5x)
			Net Leverage	1.0x - 11.3x (6.4x)
CLO Notes <sup>(5)</sup>	\$13,182,021	Yield analysis	Discount margin	6% - 8% (7%)
		Discounted cash flows	Probability of default	2%
			Constant prepayment rate	20%
Common Stocks <sup>(6)</sup>	\$ 365,741	Market comparables	LTM EBITDA Multiple	16.0x
			FWD EBITDA Multiple	3.7x
			Illiquidity Discount	10% - 15% (11%)
		Discounted Cash Flows	WACC	25%
Preferred Stocks	\$ 683,442	Market comparables	LTM EBITDA Multiple	17.5x

- (1) For the assets that have more than one valuation technique, the Fund may rely on the techniques individually or in aggregate based on a weight ascribed to each one ranging from 0-100%. When determining the weighting ascribed to each valuation methodology, the Fund considers, among other factors, the availability of direct market comparables, the applicability of a discounted cash flow analysis and the expected hold period and manner of realization for the investment. These factors can result in different weightings among the investments and in certain instances, may result in up to a 100% weighting to a single methodology.
- (2) The significant unobservable inputs used in the fair value measurement of the Fund's assets and liabilities may include the last twelve months ("LTM") EBITDA multiple, weighted average cost of capital, discount margin, probability of default, loss severity and constant prepayment rate. In determining certain of these inputs, management evaluates a variety of factors including economic, industry and market trends and developments, market valuations of comparable companies, and company specific developments including potential exit strategies and realization opportunities. Significant increases or decreases in any of these inputs in isolation could result in significantly lower or higher fair value measurement.
- (3) Weighted average amounts are based on the estimated fair values.
- (4) Of the total \$32.2 million of leveraged loans, \$3.4 million and \$28.8 million were valued solely on an appraisal based on transactional cost and yield analysis, respectively.
- (5) Of the total \$13.2 million of collateralized loan obligations, \$0.5 million were valued solely on an appraisal based on transactional cost.
- (6) Of the total \$0.4 million of common stocks, \$0.3 million and less than \$0.1 million were valued solely on an appraisal based on market comparables and discounted cash flow analysis, respectively.

## 6. Investment Transactions

The cost of investments purchased and the proceeds from the sale of investments, other than short-term investments, for the year ended October 31, 2021 were as follows:

Purchases	\$740,728,975
Sales	\$276,980,690

There were no purchases or sales of U.S. Government securities.

## 7. Repurchase Offers

As a fundamental policy, which may not be changed without shareholder approval, the Fund offers shareholders the opportunity to request the repurchase of their shares on a quarterly basis. The Fund is required to offer to repurchase not less than 10% of its outstanding shares with each repurchase offer and under normal market conditions, the Board expects to authorize a 10% offer ("Repurchase Offer"). The Fund may not offer to repurchase more than 25% of its outstanding shares during any offer. Quarterly repurchases will occur in the months of January, April, July and October.

The time and dates by which Repurchase Offers must be received in good order ("Repurchase Request Deadline") are generally 4:00 p.m. Eastern time on the first Friday of the month in which the repurchase occurs. The repurchase price will be the Fund's NAV determined on the repurchase pricing date, which will be a date not more than 14 calendar days following the Repurchase Request Deadline ("Repurchase Pricing Date"). Payment for all shares repurchased pursuant to these offers will be made not later than seven calendar days after the Repurchase Pricing Date ("Repurchase Payment Deadline"). Under normal circumstances, it is expected that the Repurchase Request Deadline will be the same date as the Repurchase Pricing Date. If the tendered shares have been purchased immediately prior to the tender, the Fund will not release repurchase proceeds until payment for the tendered shares has settled.

If more shares are tendered for repurchase than the Fund has offered to repurchase, the Board may, but is not obligated to, increase the number of shares to be repurchased by up to 2% of the shares outstanding on the Repurchase Request Deadline. If there are still more shares tendered than are offered for repurchase, shares will be repurchased on a pro rata basis.

During the year ended October 31, 2021, the Fund completed four quarterly repurchase offers. In these offers, the Fund offered to repurchase no less than 10% of the number of its outstanding shares as of the Repurchase Pricing Dates. The result of the repurchase offers were as follows:

Repurchase Request Deadline	Percentage of Outstanding Share the Fund Offered to Repurchase <sup>(1)</sup>	Repurchase Pricing Date	Pricing Date NAV	Amount Repurchased	Number of Shares Repurchased (all classes)	Percentage of Outstanding Shares Repurchased
15-Jan-21	10%	18-Jan-21	\$27.42	\$ —	—	0.00%
9-Apr-21	10%	12-Apr-21	\$27.43	\$ 186,228	6,762.035	0.07%
9-Jul-21	10%	12-Jul-21	\$27.48	\$1,369,424	50,280.185	0.38%
8-Oct-21	10%	11-Oct-21	\$27.19	\$ 793,644	29,292.479	0.18%

(1) If total repurchase request exceeds 5% of the Fund's outstanding shares, the Fund may increase the number of shares that it is offering to repurchase by up to an additional 2% of its total outstanding shares.

## 8. Commitments and Contingencies

The Fund may enter into certain credit agreements, of which all or a portion may be unfunded. As of October 31, 2021, unfunded commitments on these credit agreements were \$24.8 million. The Fund will maintain sufficient liquidity to fund these commitments at the borrower's discretion.

Under the Fund's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnifications. The Fund's maximum liability exposure under these arrangements is unknown, as future claims that have not yet occurred may be made against the Fund. However, based on experience, management expects the risk of loss to be remote.

## 9. Federal Income Taxes

The timing and characterization of certain income, capital gains, and return of capital distributions are determined annually in accordance with federal tax regulations, which may differ from GAAP. As a result, the net investment income (loss) and net realized gains (losses) on investment transactions for a reporting period may differ significantly from distributions during such period. These book to tax differences may be temporary or permanent in nature. To the extent these differences are permanent, they are charged or credited to paid-in capital, accumulated net investment income (loss) or accumulated net realized gains (losses), as appropriate, in the period in which the differences arise.

As of October 31, 2021, the following permanent differences have been reclassified (to)/from the following accounts:

Undistributed Net Investment Income	Accumulated Net Realized Losses	Paid-in Capital
\$1,282,621	\$(1,196,996)	\$(85,625)

The tax character of distributions declared for the year ended October 31, 2021 and 2020 were as follows:

	Ordinary Income	Realized Gains	Total
October 31, 2020	\$ 4,146,792	\$ —	\$ 4,146,792
October 31, 2021*	\$21,044,567	\$882,344	\$21,926,911

\* The final tax character of any distribution declared in 2021 will be determined in January 2022 and reported to shareholders on IRS Form 1099-Div in accordance with federal income tax regulations.

As of October 31, 2021, the components of accumulated distributable earnings on a tax basis for the Fund are as follows:

Undistributed Ordinary Income	Net Unrealized Appreciation	Undistributed Long Term Gains	Other Temporary Differences	Total Accumulated Gains
\$13,961,127	\$393,335	\$774,038	\$(8,462,699)	\$6,665,801

Net capital losses earned may be carried forward indefinitely and must retain the character of the original loss. As of October 31, 2021, the Fund did not have non-expiring capital loss carry-forwards.

As of October 31, 2021, the total cost of securities for federal income tax purposes and the aggregate gross unrealized appreciation and depreciation for securities held by the Fund are as follows:

Federal Tax Cost	Aggregate Gross Unrealized Appreciation	Aggregate Gross Unrealized Depreciation	Net Unrealized Appreciation
\$592,178,506	\$7,964,942	\$(7,571,607)	\$393,335

## 10. Credit Facility

In June 2020, the Fund entered into a credit agreement (the “BNP Paribas Credit Facility”) with BNP Paribas SA, New York Branch. The BNP Paribas Credit Facility provided for loans to be made in U.S. dollars and certain foreign currencies to an aggregate amount of \$150.0 million. Borrowings on the BNP Paribas Credit Facility accrued interest based on the London Interbank Offered Rate (“LIBOR”), or with respect to borrowings in foreign currencies, on a base rate applicable to such currency borrowing, plus a spread of 1.95%. The BNP Paribas Credit Facility was terminated with the proceeds from the JPM Credit Facility (as defined below).

On August 23, 2021, KCOP Funding LLC, a wholly owned subsidiary of the Fund, entered into a new multi-currency credit facility agreement (the “JPM Credit Facility”) with JPMorgan Chase Bank, National Association to borrow up to an aggregate amount of \$200.0 million, with options to increase the financing commitment up to \$500.0 million. The JPM Credit Facility’s initial term ends on August 23, 2023, with options to extend the term up to August 23, 2025. Borrowings accrue interest based on the LIBOR, or at a base rate applicable to each currency’s borrowing, plus a spread of 1.60%, or 1.72% for borrowings denominated in the British pound. Commitment fees on the JPM Credit Facility accrue at a rate of 0.35% or 0.65% depending on the utilization levels. The JPM Credit Facility contains certain financial and operating covenants that require the maintenance of ratios and benchmarks throughout the borrowing period. As of October 31, 2021, the Fund is in compliance with these covenants.

The components of interest expense, average interest rates (i.e., base interest rate in effect plus the spread) and average outstanding balances for the Fund’s credit facilities for the year ended October 31, 2021 were as follows:

Stated interest expense	\$ 1,065,410
Unused commitment fees	377,216
Amortization of deferred financing costs	<u>254,536</u>
Total interest expense	<u>\$ 1,697,162</u>
Weighted average interest rate	1.88%
Average borrowings	\$ 56,597,628

## 11. Subsequent Events

On November 4, 2021, KCOP Funding LLC increased the commitment on the JPM Credit Facility by an amount equal to \$50.0 million, for a total outstanding commitment of \$250.0 million.



**Deloitte & Touche LLP**  
555 Mission Street  
Suite 1400  
San Francisco, CA 94105  
USA

Tel: +1 415 783 4000  
[www.deloitte.com](http://www.deloitte.com)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trustees of KKR Credit Opportunities Portfolio

### Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying consolidated statement of assets and liabilities of KKR Credit Opportunities Portfolio and its subsidiary (the "Fund"), including the consolidated schedule of investments, as of October 31, 2021, the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for the year ended October 31, 2021 and the period from February 28, 2020 (commencement of operations) to October 31, 2020, the financial highlights for the year ended October 31, 2021 and the period from February 28, 2020 (commencement of operations) to October 31, 2020, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of October 31, 2021, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for the year ended October 31, 2021 and the period from February 28, 2020 (commencement of operations) to October 31, 2020, and the financial highlights for the year ended October 31, 2021 and the period from February 28, 2020 (commencement of operations) to October 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of October 31, 2021, by correspondence with the custodians, loan agents, and brokers; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

December 22, 2021

We have served as the auditor of the Fund since 2019.

### Trustees and Officers

Name, Age and Address	Position(s) Held with the Fund	Term of Office and Length of Service	Principal Occupation(s) During Past Five Years and Other Relevant Experience	Number of Portfolios in Fund Complex Overseen by Trustee <sup>(2)</sup>	Other Directorships Held by Trustee <sup>(3)</sup>
<b><i>Interested Trustees<sup>(1)</sup></i></b>					
Eric Mogelof (46) KKR Credit Advisors (US) LLC 555 California Street 50th Floor San Francisco, CA 94104	Trustee, Chair and President	Since December 2020	Global head of KKR's Client and Partner Group and Member of KKR (Since 2020); Head of U.S. Global Wealth Management (2017-2020) and Head of Asia Pacific (2014-2017), PIMCO.	2	None.
<b><i>Independent Trustees<sup>(1)</sup></i></b>					
Tobin V. Levy (76) KKR Credit Advisors (US) LLC 555 California Street 50th Floor San Francisco, CA 94104	Trustee	Since Inception	Executive Vice President & Chief Financial Officer, Local Initiatives Support Corporation (non-profit support and resources) (2011-2014).	2	None.
Jeffrey L. Zlot (49) KKR Credit Advisors (US) LLC 555 California Street 50th Floor San Francisco, CA 94104	Trustee	Since Inception	Managing Director, Tiedemann Advisors (formerly, Tiedemann Wealth Management) (investment consultant and investment banking) (since 1997).	2	None.
Michael E. Cahill (70) KKR Credit Advisors (US) LLC 555 California Street 50th Floor San Francisco, CA 94104	Trustee	Since Inception	Executive Vice President (2008-2013) and Managing Director and General Counsel (1991-2013), The TCW Group, Inc. and Trust Company of the West (financial services firm).	2	None.
Catherine Sidamon-Eristoff (57) KKR Credit Advisors (US) LLC 555 California Street 50th Floor San Francisco, CA	Trustee	Since Inception	Treasurer and Board Member, C-Change Conversations (non-profit organization) (Since 2017) Board Member, FlexPaths LLC (workplace strategy and consulting firm) (Since 2008) Managing Director, Constellation Wealth Advisors (financial services firm) (2007-2015).	2	None.

- (1) “Independent Trustees” are those trustees who are not “interested persons” (as defined in Section 2(a)(19) of the 1940 Act) of the Fund, and “Interested Trustees” are those trustees who are interested persons of the Fund. Mr. Mogelof is an Interested Trustee because he is a Member of KKR, the parent company of the Adviser.
- (2) The Fund Complex is comprised of the Fund and KKR Income Opportunities Fund.
- (3) This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (i.e., “public companies”) or other investment companies registered under the 1940 Act.

Name and Age	Position(s) Held with Fund	Term of Office and Length of Service	Principal Occupation(s) During Past Five Years and Other Relevant Experience
<b><i>Principal Officers who are not Trustees</i></b>			
Thomas Murphy (54)	Treasurer, Chief Financial Officer and Chief Accounting Officer	Since Inception	Chief Financial Officer, KKR Financial Holdings LLC (since 2015); Director (Finance & Accounting), KKR Credit Advisors (US) LLC (since 2012); Chief Accounting Officer, KKR Financial Holdings LLC (since 2009); Managing Director, KKR Credit Advisors (US) LLC (since 2021).
Annette O'Donnell-Butner (52)	Chief Compliance Officer	Since Inception	Chief Compliance Officer, Corporate Capital Trust, Inc. (2017-2018); Managing Director and Chief Compliance Officer, KKR Credit Advisors (US) LLC (since 2009).
Michael Nguyen (38)	Secretary and Vice President	Since Inception	Principal, KKR Credit Advisors (US) LLC (2013-present).

## Dividend Reinvestment Plan (Unaudited)

KKR Credit Opportunities Portfolio, a Delaware statutory trust (the “Fund”), hereby adopts the following Dividend Reinvestment Plan (the “Plan”) with respect to distributions declared by its board of trustees (the “Board”) on its shares of beneficial interest (the “Shares”):

1. **Participation; Agent.** The Fund’s Plan is available to shareholders of record of the Shares. [U.S. Bancorp Fund Services, LLC] (“Plan Administrator”) acting as agent for each participant in the Plan, will apply income dividends or capital gains or other distributions (each, a “Distribution” and collectively, “Distributions”), net of any applicable U.S. withholding tax, that become payable to such participant on Shares (including shares held in the participant’s name and shares accumulated under the Plan), to the purchase of additional whole and fractional Shares for such participant.
2. **Eligibility and Election to Participate.** Participation in the Plan is limited to registered owners of Shares. The Fund’s Board reserves the right to amend or terminate the Plan. Shareholders automatically participate in the Plan, unless and until an election is made to withdraw from the Plan on behalf of such participating shareholder. If participating in the Plan, a shareholder is required to include all of the Shares owned by such shareholder in the Plan.
3. **Share Purchases.** When the Fund declares a Distribution, the Plan Administrator, on the shareholder’s behalf, will receive additional authorized shares from the Fund either newly issued or repurchased from shareholders by the Fund and held as treasury stock. The number of shares to be received when Distributions are reinvested will be determined by dividing the amount of the Distribution by the Fund’s net asset value per share. There will be no sales load charged on Shares issued to a shareholder under the Plan. All shares purchased under the Plan will be held in the name of each participant. In the case of shareholders, such as banks, brokers or nominees, that hold shares for others who are beneficial owners participating under the Plan, the Plan Administrator will administer the Plan on the basis of the number of shares certified from time to time by the record shareholder as representing the total amount of shares registered in the shareholder’s name and held for the account of beneficial owners participating under the Plan.
4. **Timing of Purchases.** The Fund expects to issue Shares pursuant to the Plan, immediately following each Distribution payment date, and the Plan Administrator will make every reasonable effort to reinvest all Distributions on the day the Distribution is paid (except where necessary to comply with applicable securities laws) by the Fund. If, for any reason beyond the control of the Plan Administrator, reinvestment of the Distributions cannot be completed within 30 days after the applicable Distribution payment date, funds held by the Plan Administrator on behalf of a participant will be distributed to that participant.
5. **Account Statements.** The Plan Administrator will maintain all shareholder accounts and furnish written confirmations of all transactions in the accounts, including information needed by shareholders for personal and tax records. The Plan Administrator will hold shares in the account of the shareholders in non-certificated form in the name of the participant, and each shareholder’s proxy, if any, will include those shares purchased pursuant to the Plan. The Plan Administrator will confirm to each participant each acquisition made pursuant to the Plan as soon as practicable but not later than 10 business days after the date thereof. No less frequently than quarterly, the Plan Administrator will provide to each participant an account statement showing the Distribution, the number of shares purchased with the Distribution, and the year-to-date and cumulative Distributions paid.
6. **Expenses.** There will be no direct expenses to participants for the administration of the Plan. There is no direct service charge to participants with regard to purchases under the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. All fees associated with the Plan will be paid by the Fund.

7. Taxation of Distributions. The reinvestment of Distributions does not relieve the participant of any taxes which may be payable on such Distributions.
8. Voting of Shares. Shares issued pursuant to the Plan will have the same voting rights as the Shares issued pursuant to the Fund's public offering.
9. Absence of Liability. Neither the Fund nor the Plan Administrator shall have any responsibility or liability beyond the exercise of ordinary care for any action taken or omitted pursuant to the Plan, nor shall they have any duties, responsibilities or liabilities except such as expressly set forth herein. Neither the Fund nor the Plan Administrator shall be liable for any act done in good faith or for any good faith omission to act, including, without limitation, any claims of liability: (a) arising out of the failure to terminate a participant's account prior to receipt of written notice of such participant's death, or (b) with respect to prices at which shares are purchased or sold for the participant's account and the terms on which such purchases and sales are made. NOTWITHSTANDING THE FOREGOING, LIABILITY UNDER THE U.S. FEDERAL SECURITIES LAWS CANNOT BE WAIVED.
10. Termination of Participation. A shareholder who does not wish to have Distributions automatically reinvested may terminate participation in the Plan at any time by written instructions to that effect to the Plan Administrator. Such written instructions must be received by the Plan Administrator three (3) days prior to the record date of the Distribution or the shareholder will receive such Distribution in Shares through the Plan.
11. Amendment, Supplement, Termination, and Suspension of Plan. This Plan may be amended, supplemented, or terminated by the Fund at any time in its sole and absolute discretion. The amendment or supplement shall be filed with the Securities and Exchange Commission as an exhibit to a subsequent appropriate filing made by the Fund and shall be deemed to be accepted by each participant unless, prior to its effective date thereof, the Plan Administrator receives written notice of termination of the participant's account. Amendment may include an appointment by the Fund or the Plan Administrator, with the approval of the Fund, of a successor agent, in which event such successor shall have all of the rights and obligations of the Plan Administrator under this Plan. The Fund may suspend the Plan at any time without notice to the participants.
12. Governing Law. This Plan and the authorization form signed by the participant (which is deemed a part of this Plan) and the participant's account shall be governed by and construed in accordance with the laws of the State of New York.

## Additional Information

### FEDERAL TAX INFORMATION (Unaudited)

For the fiscal year ended October 31, 2021, certain dividends paid by the Fund may be subject to a maximum rate of 20%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was 0.0%.

For corporate shareholders, the percent of ordinary income distributions qualifying for corporate dividends received deduction for the fiscal year ended October 31, 2021 was 0.0%.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871 (k)(2)(C) for fiscal year ended October 31, 2021 was 23.4%.

The percentage of taxable ordinary income distributions that are designated as interest related dividends under Internal Revenue Section 871 (k)(1)(C) for fiscal year ended October 31, 2021 was 65.8%.

Pursuant to Section 853 of the Internal Revenue Code, the Fund did not designate any amounts as foreign taxes paid for the fiscal year ended October 31, 2021. Foreign taxes paid for purposes of Section 853 may be less than actual foreign taxes paid for financial statement purposes.

## Privacy Notice

### Protection and Security of Your Personal Information

Kohlberg Kravis Roberts & Co. L.P. (“KKR”) respects our investors’ right to privacy. All financial companies choose how they share personal information. Consumers have the right under U.S. federal law to limit some, but not all, sharing of personal information. U.S. federal law also requires us to inform you how we collect, share and protect your personal information. Investors may also have additional limiting rights under their respective State’s law. This notice is provided by KKR, its affiliates, and funds (“KKR”, “we”, or “us”). Please read this notice carefully to understand what we do, and call us at (212) 750-8300 if you have any questions.

#### The Personal Information We Collect and How We Collect It

We collect the following types of personal information about individuals who are our investors:

- Information we receive from investors in subscription agreements, questionnaires and in other forms, such as name, address, account information, social security number, the types and amounts of investments, statements of net worth, telephone number, and other contact information;
- Information we receive from investors, affiliates and other companies about investors’ transactions with us, our affiliates, or other financial institutions with which we have relationships; and
- Information we receive from third parties such as demographic information and information collected to comply with law and regulation.

When you are no longer an investor with us, we continue to share your information as described in this notice.

#### How and Why We Share Personal Information

This section lists reasons why financial companies can share their customers’ personal information. With respect to each reason, we explain whether KKR chooses to share for this reason and, if we do share, whether you can limit this sharing.

- **For everyday business purposes:** KKR shares personal information for everyday business purposes, such as to
  - process your transactions;
  - provide financial products or services to you;
  - maintain your investment(s);
  - secure business services, including printing, mailing, and processing or analyzing data;
  - secure professional services, including accounting and legal services; or
  - respond to court orders and legal investigations.

You cannot limit sharing by KKR for everyday business purposes.

- **For our marketing purposes:** KKR shares personal information for our marketing purposes so that we can offer products and services to you. You cannot limit sharing by KKR for this reason.
- **For joint marketing with other financial companies:** KKR does not share personal information for joint marketing with other financial companies.
- **For use by affiliates in providing products and services to you:** KKR shares personal information for our affiliates’ use in providing you with products and services that meet your financial services needs. You cannot limit sharing by KKR for this reason.

- **For the everyday business purposes of affiliates:** KKR does not share personal information, including information about your credit worthiness, with our affiliates for their everyday business purposes.
- **For use by affiliates to market to you:** KKR does not share personal information with affiliates so that they can market to you.
- **For use by non-affiliates to market to you:** KKR does not share personal information with non-affiliates so that they can market to you.

U.S. Federal law gives you the right to limit sharing of your personal information only for use (i) by affiliates everyday business purposes (information about your creditworthiness), (ii) by affiliates to market to you, and (iii) by non-affiliates to market to you. U.S. State laws and individual companies may give you additional rights to limit sharing.

#### How We Protect Your Personal Information

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

#### Definitions

**Affiliates:** Companies related by common ownership or control. They can be financial and nonfinancial companies. KKR does not share with our affiliates, except to provide you products and services that meet your financial needs.

**Non-affiliates:** Companies not related by common ownership or control. They can be financial and nonfinancial companies. KKR does not share with non-affiliates so they can market to you.

**Joint Marketing:** A formal agreement between nonaffiliated financial companies that together market financial products and services to you. KKR does not jointly market.