NEW YORK UNIVERSITY

FOR INSTITUTIONAL USE ONLY

KENNEDY LEWIS INVESTMENT MANAGEMENT

Private Credit Portfolio Construction: Key Considerations & Macro Factors

NYU

April 22, 2025

PRESENTER

SYLVIA OWENS
Partner

Sylvia Owens joined Kennedy Lewis in 2021 and is a Partner focused on the Firm's business development and investor relations activities. Ms. Owens was formerly a Managing Director and Global Private Credit and Real Assets Strategist with Aksia, a specialty investment consultant. In her role at Aksia, she was responsible for overseeing the implementation of private credit and real assets portfolios across a global base of LPs, and advised investors with respect to portfolio construction, investment selection, pacing, risk and tactical plans. Ms. Owens has partnered with prominent industry organizations to increase awareness of private credit as an asset class, including spearheading the development of Institutional Limited Partners Association's (ILPA) Private Credit Specialist Series, where she was one of the lead instructors for the course. Prior to joining Aksia, Ms. Owens spent nearly a decade in the private markets space, working with both investors and GPs across private equity, real assets, and private credit selection and positioning. She began her career at Goldman Sachs in Chicago, where she oversaw the Midwest Convertibles business and then moved to New York to co-lead the institutional synthetics convertibles business. Ms. Owens graduated from the University of Southern California with a BA in Economics and East Asian Studies and holds an MBA in Finance from the University of Chicago Graduate School of Business.

DEFINING PRIVATE CREDIT: A DIVERSE LANDSCAPE

Direct Lending

U.S. Direct Lending
- Senior
- Opportunistic
- LMM (sponsored)
- LMM (non-sponsored)
- Private BDCs
- Industry Focused
- Revolvers

European Direct Lending
- Senior
- Opportunistic
- LMM
- Country-Specific Funds

Emerging Markets Lending
- Asian
- African
- CEE/Middle East
- Latin American
- Pan-EM

Global Direct Lending

Distressed Debt & Special Situations

Corporate Distressed
- Stress / Distressed Trading
- Influence / Control
- Diversified Distressed

Opportunistic Structured Credit
- 3rd Party CLO Equity
- Captive CLO Equity
- CLO Debt
- CLO Multi
- Consumer ABS
- CMBS/CRE
- Esoteric ABS
- European Structured Credit
- RMBS
- Structured Credit Multi-Sector

Real Estate Distressed

NPLs

Capital Solutions

PC Special Situations

PC Secondaries

Specialty Finance

Consumer & SME Lending
- Marketplace Finance
- Lender/Platform Finance

Rediscount Lending

Factoring & Receivables

Regulatory Capital Relief

Music/Film/Media Royalties

Oil & Gas Minerals Royalties

Metals Royalties

Healthcare Lending & Royalties
- Healthcare Lending
- Healthcare Royalties

Venture Lending

Technology Lending

Financial Services Credit

Insurance Linked Credit
- Diversified
- Life Insurance
- Non-Life

Litigation Finance
- Litigation Finance
- Merger Appraisal Rights

PE Portfolio Finance

Stretch ABL

Diversified Specialty Finance

Real Estate Credit

U.S. CRE Core Lending

U.S. CRE Transitional Lending
- Large Loan
- Middle Market
- Small Balance
- Opportunistic

U.S. CRE Bridge Lending
- Large Loan
- Middle Market
- Small Balance

European CRE Lending
- Bridge
- Transitional
- Core

Emerging Markets CRE Lending

CRE Structured Credit
- Agency CRE B-Piece
- Non-Agency CRE B-Piece

Residential Mortgages
- Residential NPLs
- Single Family Rental
- Mortgage Servicing Rights
- Residential Origination

Real Assets Credit

Infrastructure Lending
- Senior Focus
- Sub-IG Focus
- Mezz Focus

Energy Credit
- Energy Lending
- Energy Mezzanine Lending
- Opportunistic

Trade Finance

Metals & Mining Finance

Agricultural Credit

Transportation
- Aviation Lending
- Maritime Lending
- Road & Rail Lending
- Transportation Lending (Multi)

Mezzanine

U.S. Mezzanine
- Upper Middle Market
- Middle Market
- Lower Middle Market

European Mezzanine

Structured Equity

Source: Aksia Private Credit Strategy Map

PRIVATE CREDIT MARKET IS MUCH DEEPER THAN CORPORATE DIRECT LENDING

Demand for private credit is growing as a secular transition away from traditional banking continues amid recession fears and constrained commercial bank lending in advance of Basel III changes

-

~$1trn private credit market in 2020 has grown to ~$1.5trn at the start of 2024 and is expected to reach $2.8trn by 2028[1]

The Private Credit Market

Corporate
- Nonperforming Loans
- Franchise Finance
- Reg Cap
- Rescue Capital
- Performing middle market non sponsored and sponsored lending

Commercial Real Estate
- CRE Debt
- Infrastructure Debt
- Agricultural Lending
- Energy Efficient Finance

Residential Real Estate
- Residential Mortgages
- Home Improvement
- Homebuilder Finance

Consumer
- Auto Loans
- Consumer Finance
- Residential Solar

Specialty
- Digital Infrastructure Finance
- Music & Healthcare Royalties
- Railcar Leasing
- Equipment Finance
- Aviation Finance
- Litigation Finance
- Intellectual Property

Note: This is not an exhaustive summary of private credit sectors
1. Morgan Stanley. Understanding Private Credit, June 20, 2024.

WHY PRIVATE CREDIT?

Stable Risk Return Profile

- Potential for enhanced current income/returns vs. public bonds due to illiquidity premium
- Yield is typically floating rate based, which is a positive in this environment
- Limited reliance on EBITDA growth or price appreciation to achieve investment objectives

J-Curve Mitigation

- Management fee typically paid on invested capital
- Shorter term structure and typically faster deployment relative to private equity/VC
- Cash distributions on quarterly basis during investment period are typical

Diversification

- Performing and distressed
- Corporate, real estate, real assets and consumer collateral
- Idiosyncratic strategies and opportunistic themes within large asset classes

	Potential Benefits	Potential Drawbacks
Private Credit vs. Private Equity	• Current yield • Shorter Fund Life • Generally lower fees • Senior in the Capital structure • Portfolio diversification through wide array of underlying collateral (e.g. hard assets, esoteric return streams)	• Lower expected returns • Less operational control
Private Credit vs. High Yield Bonds	• Reduce duration (floating rate) • Generally higher capital structure position • Spread pick-up • Less price volatility (quarterly vs daily marks) • Covenant protection	• Generally higher fees • Less liquidity • Not immediately deployed (ramp period) • Less market transparency
Private Credit vs. Hedge Funds	• Suitable structure for less liquid assets • Preferred return or hard hurdle with back ended carry • Governance – LPAC voting rights • Improved transparency (often on a look through basis) • Reduced investor adjacency risk • Reduced cash performance drag • Less whipsaw risk	• Less liquidity • Generally long only asset class • Certain strategies can be highly correlated with equity or credit beta

1. For illustrative purposes only.

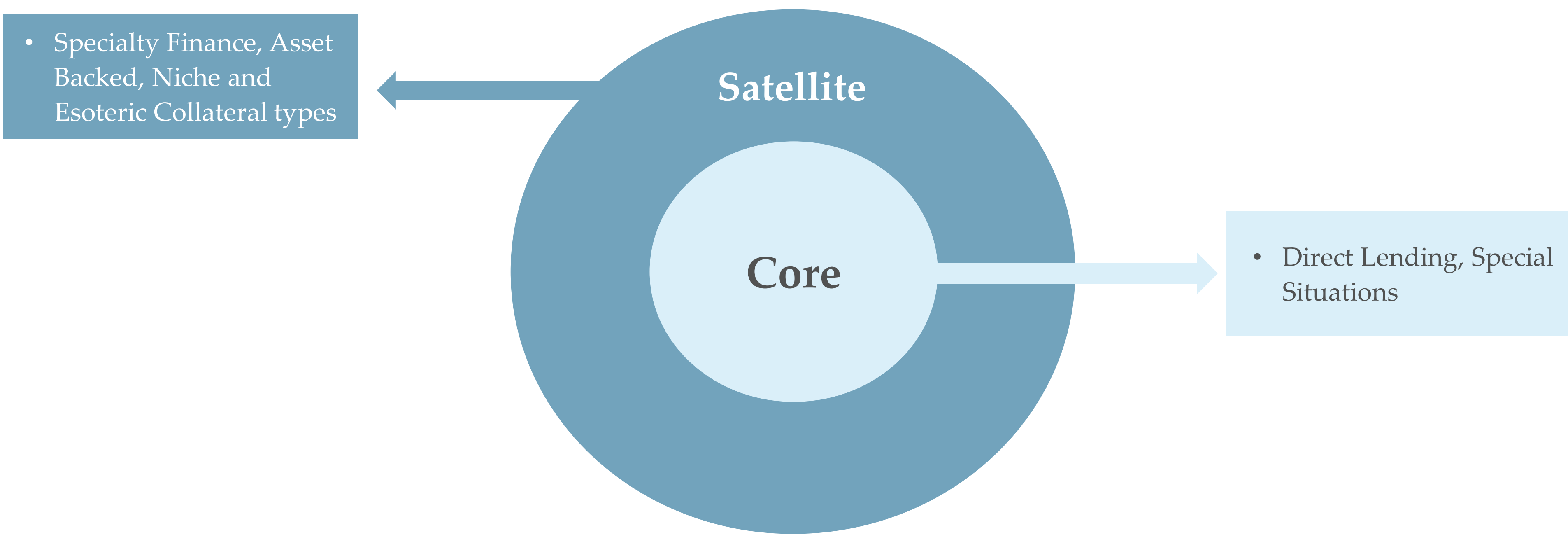
PRIVATE CREDIT STRATEGY: CONSIDERATIONS AND RISKS[1]

- ✓ Capital Structure Seniority
- ✓ Documentation and Control
- ✓ Complexity
- ✓ Scalability of Opportunity Set
- ✓ Competitive Moats
- ✓ Team Experience and Track Record
- ✓ Dependence on Leverage to Meet Target Returns
- ✓ Sourcing – Sponsor or Non-Sponsor, Specialized or Generalist

1. For illustrative purposes only. All opinions are those of Kennedy Lewis and do not represent investment advice.

PRIVATE CREDIT PORTFOLIO IMPLEMENTATION: KEY CONSIDERATIONS[1]

- ✓ **Source of Capital:** ***Fixed Income Substitute, Diversifier?***
- ✓ **Pacing Plan** ***Deployment per annum, # of line items?***
- ✓ **Dedicated asset class or parts of other asset classes?**
- ✓ **Target Returns**
- ✓ **Resourcing** ***Specialized team, Consultant?***
- ✓ **Correlation** ***Industry and Deal Overlap?***



1. Framework is for illustrative purposes only and characteristics of sponsored and non-sponsored deals are based on Kennedy Lewis' opinions, observations and experiences as an experienced participant in the direct lending market.

DIRECT LENDING: SPONSOR AND NON-SPONSOR FINANCING[1]

Sponsor

"Equity-Led Financing"

- Sponsor-backed deals are debt financings **arranged by private equity sponsors**
- Ownership is typically a control-oriented **private equity manager**
- Typically involve a transaction such as an **LBO or acquisition** as a catalyst
- As the driver of the deal, **the sponsor selects the industries and companies** in which to invest
- Debt provider **leverages equity sponsor relationships** to source deals, and accesses their diligence leading to a more streamlined underwriting process

Non-Sponsor

"Debt-Led Financing"

- Non-Sponsor deals are debt financings **arranged by the credit provider** to fund corporate objectives
- Ownership include publicly listed companies, founders, management teams, minority equity sponsors and families, but **not necessarily "control" oriented private equity managers.** They can range from small and medium sized enterprises to large corporations
- Funding needs are typically more bespoke **requiring industry expertise and creativity from the lender**
- **Lender proactively sources deals** allowing more agency in industry exposure
- Debt provider conducts **independent due diligence**

1. Framework is for illustrative purposes only and characteristics of sponsored and non-sponsored deals are based on Kennedy Lewis' opinions, observations and experiences as an experienced participant in the direct lending market. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

DIFFERENCES BETWEEN SPONSOR AND NON-SPONSOR UNDERWRITING[1]

	Sponsor	Non-Sponsor
Due Diligence	Lenders leverage sponsor analysis with limited management engagement	Lenders rely on independent due diligence around the borrower's financial health, cash flows, collateral, and business model viability
Lending Criteria	Lenders in sponsor transactions often place significant emphasis on the track record and reputation of the private equity sponsor, in addition to the creditworthiness of the underlying borrower	Without reliance on a private equity sponsor, the lender's focus is on the standalone creditworthiness and business performance of the company
Interest Rate	Competitive bidding processes among lenders can lead to lower interest rates.	The challenges and complexity of direct negotiations typically command a 100-200 bps premium over sponsor-backed deals.
Covenant Protections	Loans in sponsor-led deals may come with more flexible terms, given the preference of private equity managers. Often, these include covenant-lite structures, which have fewer restrictions on the borrower and offer more leniency on financial performance metrics.	Loans to companies in non-sponsor deals generally come with stricter covenants and terms, reflecting the lender's risk management practices. These might include financial maintenance covenants, which require the borrower to meet certain financial ratios and other governance rights such as Board Observation rights or formal Board representation.
Workout	In equity-driven deals, distressed exchanges are a common strategy used by sponsors to maintain control.	Tighter covenants and stronger governance generally lead to earlier hard defaults which can allow lenders to preserve value. Credit managers in these deals must have appropriate restructuring and workout expertise to achieve good outcomes.

1. Framework is for illustrative purposes only and characteristics of sponsored and non-sponsored deals are based on Kennedy Lewis' opinions, observations and experiences as an experienced participant in the direct lending market. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

PRIVATE CREDIT: KEY CONSIDERATIONS FOR MANAGER SELECTION[1]

Below is a checklist of items which LPs may want to consider when evaluating Private Credit managers:

1	**Deal Sourcing**	The manager should have senior investment professionals with deep roots into their focused sectors. In addition, where sponsor-backed strategies can often rely on sponsor relationships for repeat deal flow, non-sponsor managers need to prospect directly with borrowers requiring a deeper network with management teams
2	**Ability to Scale**	Managers need to have a sufficient number of well-experienced investment professionals to span a range of sectors and achieve diversification and scale
3	**Underwriting Capabilities**	Selectivity is a key component to investment success; thus, good managers will evaluate a much greater percentage of deals than they actually invest in, which require significant resources
4	**Creativity**	Complexity can command a higher yield, but also requires a creative solution. Managers with extensive lending experience who have had success structuring creative deals in unconventional situations are likely to generate greater deal flow as the "partner of choice" to potential borrowers and their respective management teams
5	**Operational Expertise**	At times, both equity-led and debt-led financings require the lender to take on operational responsibilities and oversight when the risk of capital loss arises. This operational skill set is distinct from finance, so it is important to understand a manager's capabilities and resourcing in this area

1. Framework is for illustrative purposes only and characteristics of sponsored and non-sponsored deals are based on Kennedy Lewis' opinions, observations and experiences as an experienced participant in the direct lending market.

ACCESSING PRIVATE CREDIT[1]

Private Credit

Commingled Funds

- Finite and Evergreen
- "PE Style"
- Perpetual BDC
- REIT

Secondaries

- Funds or one-off

Co-investment Vehicles

- Discretionary and Non-Discretionary

Customized Vehicles

- SMAs / Fund of One
- Flexible mandate
- More control
- Sizable minimum requirements

Other Considerations:

- Levered or unlevered
- Sub line facilities
- Hurdle
- Incentive calculation
- Income – Recycled or reinvested
- Tax domicile
- Hedged currency sleeves
- LPAC voting rights

1. For illustrative purposes only. All opinions are those of Kennedy Lewis and do not represent investment advice.

PRIVATE CREDIT RISK MANAGEMENT: SAMPLE MANAGER APPROACH

Senior Management

- Dedicated Chief Risk Officer
- Cultural focus on capital preservation
- Rigorous Investment Committee process with emphasis on downside risk

Deal Teams

- Deal Structuring
  - ✓ Tight Covenants – Ensure lender can exert control when performance does not meet expectations
  - ✓ Delayed Draws – Provide capital in tranches with milestone requirements for each to limit exposure before management proves ability to execute

Risk Management Team

- Portfolio Monitoring
  - ✓ Police portfolio exposures to ensure risks remain within target tolerance
    - ➢ Concentration
    - ➢ Downside Modeling
- **Macroeconomic View**
  - ✓ Private nature of investments means the critical risk management effort happens *before investment*
  - ✓ Strict focus on top-down portfolio construction
  - ✓ Align investment pipeline with macroeconomic expectations

Benefit of Non-Sponsor Approach

1. Framework for illustrative purposes only. It should not be assumed that investments made in the future will be profitable or will equal the performance of any prior investments.

PORTFOLIO CONSTRUCTION: SAMPLE MANAGER APPROACH

Portfolio Construction Principles

- Thematic economic view and opportunity set drive investment
- Vertical allocation is capped at max concentration of 25% and no predetermined allocation
- No internal competition for capital – single compensation pool
- Lean into and out of themes as dictated by market views

Expression Through Verticals:

Power & Energy Transition

- *Deglobalization*: Geopolitical frictions amplify energy transition challenges
- *Reshoring*: Shifting energy demand dynamics
- *Inflation Protection*: Non-discretionary spending
- *Sub-Themes*: Infrastructure; Power

Life Sciences & Healthcare

- *Demographic tailwind*: Aging baby boomers
- *Inflation Protection*: Non-discretionary spending.
- *Sub-Theme*: Medical devices

TMT

- *Supply chain disruption*: Content creation shortage through COVID and Writer strikes
- *Reshoring*: Surge in industrial investment creates opportunities in supporting Tech infrastructure

Opportunistic Cyclicals

Aerospace & Defense

- *Deglobalization*: Geopolitical friction adding to a sharp increase in defense spending
- *Demographics*: Aircraft demand driven by populous developing countries

Industrials

- *Reshoring*: Investment in US manufacturing is likely to have a dramatic impact in coming years

Tactical Opportunities / ABF

Consumer

- *Labor Shortage*: Signs of weakness in absolute levels of debt or delinquency are misleading as they miss the important component of dramatically higher notional income levels.

Homebuilder Finance

- *Demographic tailwind*: Millennials entering household formation age
- *Supply/Demand Imbalance*: Significant under-investment since 2008 crisis
- *Inflation Protection*: Real asset collateral (land)

1. There is no guarantee that the strategy will prove successful and protect from any downside. Investors may lose some or all of the investment.

MACROECONOMIC IMPACTS ON PRIVATE CREDIT - KEY TAKEAWAYS

Policy Changes
Tariffs
Immigration
Government Budget Cuts
Tax Cuts
Bank Deregulation

Potential Market Impacts / Risks
Higher Inflation
Persistent High Rates
Pressure on Europe vs. US
Increased Volatility
Slower Economic Growth
Have and Have Nots: Sector Dispersion

Private Credit Market

Positives

- Floating Rate Asset class
- Higher Absolute Yields
- Includes strategies with "hard asset" collateral – diversifier to corporate credit
- Ability to take advantage of dislocations

Risks

- Rising defaults due to deteriorating credit metrics
- EBITDA erosion from stubborn inflation
- Lower Interest Coverage ratios
- Bank Deregulation increasing Competition for Private Lending
- Covenant Lite structures reducing recoveries

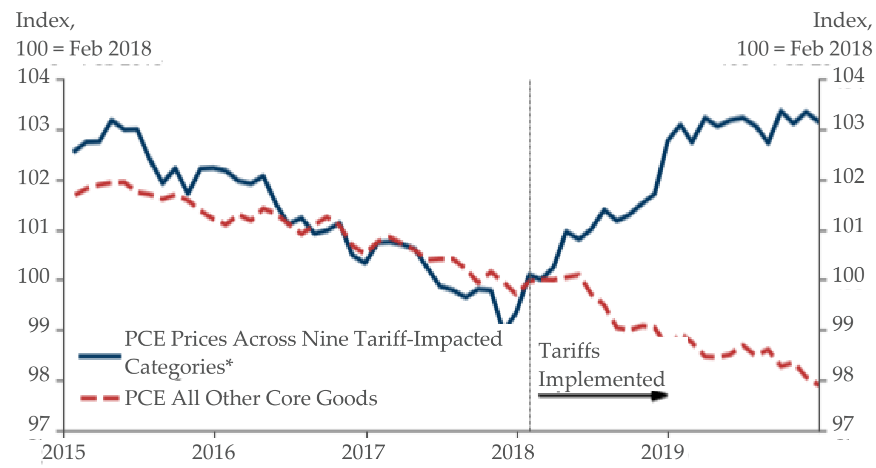
IMPACT EXAMPLE: TARIFFS

- Broad and severe tariffs **could cause widespread inflation**
  - 2018 tariffs were limited in scope, but ***inflation was evident*** in the impacted categories
  - Estimates of current tariff regime are roughly ***10x the impact of 2018***
  - Retaliatory measures would further disrupt supply chains and pressure global prices higher
- Low-income households would be disproportionately impacted
  - Discount retailers source heavily from China
- Political challenges are mounting
  - Inflation bigger concern than tariffs for voters
  - Fear is rising

Our expectation is that tariffs will have a negative impact on growth and put upward pressure on inflation to start. More severe consequences could follow depending on tenor of negotiations.

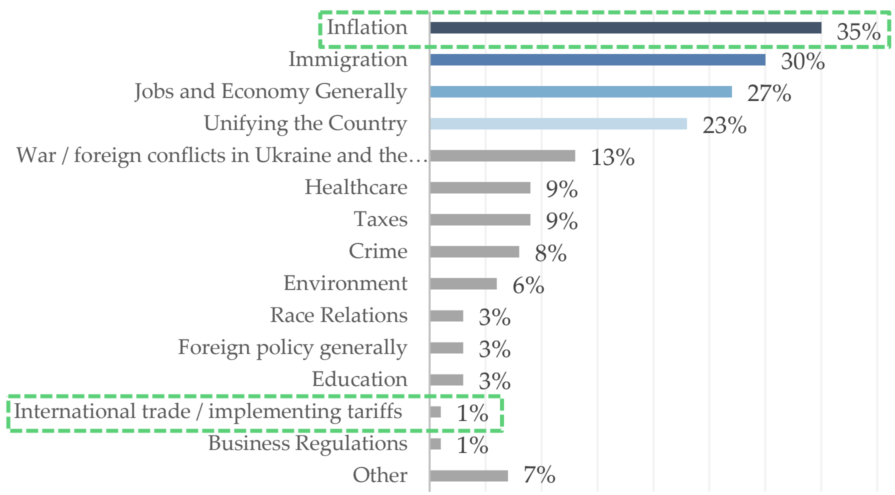
The 2018 Tariffs Created Significant Inflation in Impacted Categories[1]

Effect of 2018-19 Tariffs on Core Goods PCE Prices

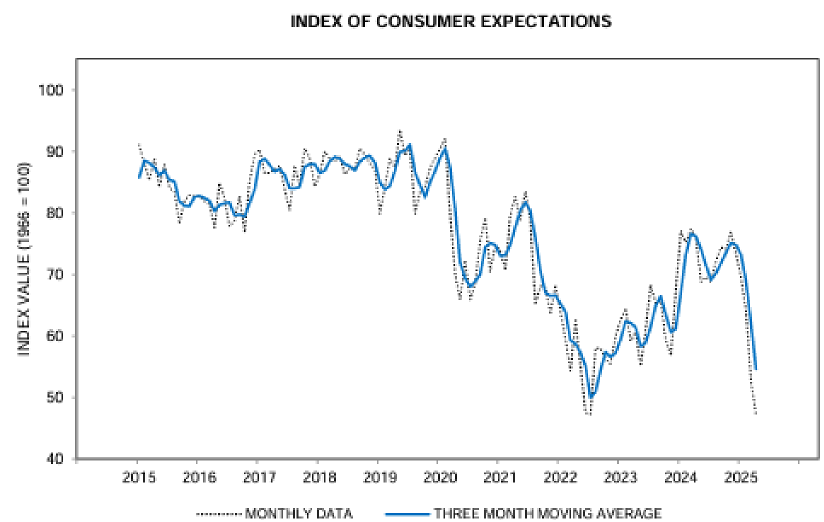


Voters Fear Inflation More than Trade Imbalance[2]

What issues do you want President Trump to focus on in his 100 days in office?



Sentiment Indicators Hitting All-Time Lows[3]



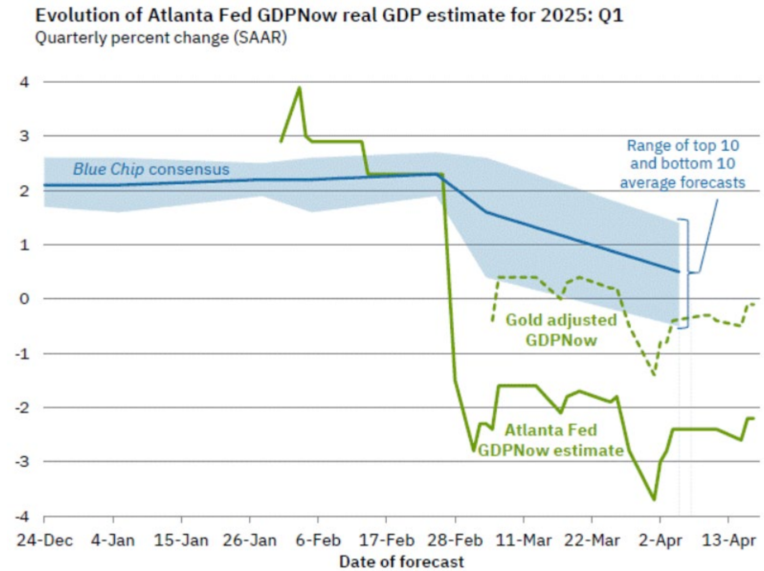
1. Goldman Sachs, "Macro Outlook 2025: Tailwinds (Probably) Trump Tariffs." November 14, 2024.
2. IPSOS, "How Americans feel about Trump's mass deportations." December 6, 2024.
3. https://www.sca.isr.umich.edu/charts.html

TARIFF POLICY RISKS

- Before the tariff announcements, *the economy was reasonably strong.*
- Liberation Day *tariff rates were far higher than anyone expected* leading to broad uncertainty
- Market volatility spiked, but importantly, *stocks and bonds both sharply declined*
  - Typically, when investors are worried, they buy *US Treasury bonds as a safe-haven asset*
  - A declining bond market signaled that tariff policy was creating *concerns about the safety of US bonds*
  - A high level of foreign investment in the US compounds the risks

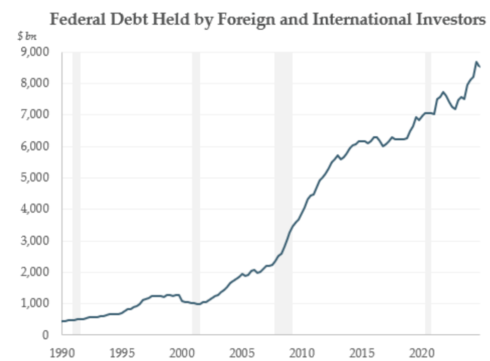
The bond market is key here. Bond yields represent the cost of government borrowing. If costs rise while deficits are high as they are now, government budgets become incredibly difficult to manage.

Growth Projections Are Falling[1]



Treasury Bond ETF (IEF) After Tariff Announcments[2]

Foreign Ownership of US Assets[3,4]



1. Federal Reserve Bank of Atlanta, "Evolution of Atlanta Fed GDP Now real GDP estimate for 2024 Q4. " January 2, 2025.
2. Sherwood News, "The US stock market has become the global market over the last 60 years. Will that continue?" March 24, 2025.
3. U.S. Department of the Treasury. Fiscal Service, Federal Debt Held by Foreign and International Investors [FDHBFIN], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/FDHBFIN, April 16, 2025.
4. Bloomberg, ECAN index, January 7, 2024

HOW IS PRIVATE CREDIT SUITED FOR THE CURRENT ENVIRONMENT?

- Ultimately, we believe that when the trade disputes are resolved, we will see an environment with:
  - Higher inflation
  - Higher interest rates
  - More volatile markets
  - Less liquidity due to uncertainty and a pull back of foreign capital

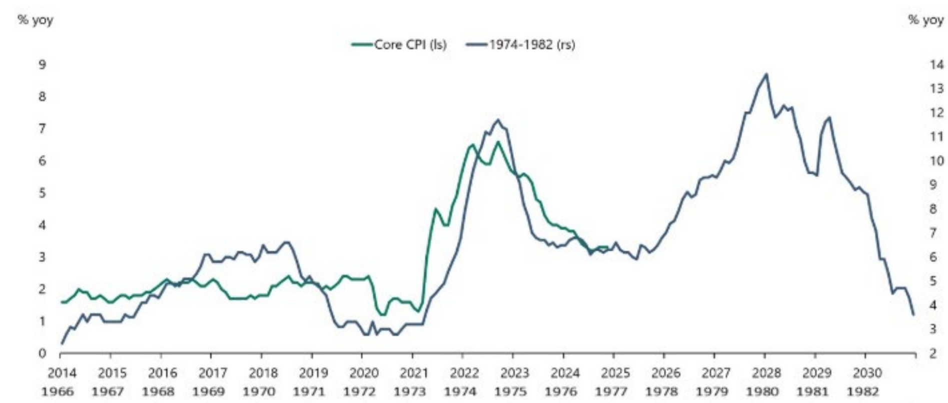
- In this environment, Private Credit has several advantages:
  - Higher yields from higher base rates
  - Low duration from floating rates
  - Insulation from volatility through capital structure seniority

- Additionally, a non-sponsor approach benefits from:
  - The ability to pursue investment themes since sponsors aren't required for deal flow
  - An additional layer of protection from volatility with stronger covenant protections
  - Strong diversification benefits in a broader portfolio as overlap with other managers is limited – "low beta"

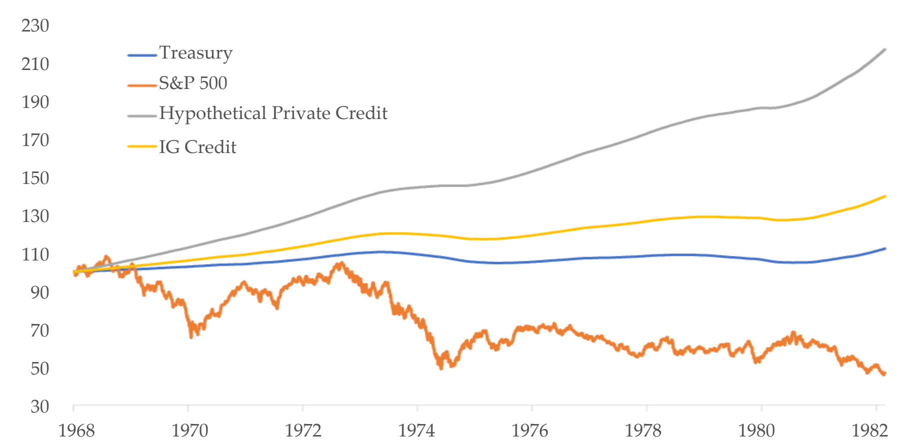
With the current period of economic history setting up similarly to high inflation periods of the past, the current income, capital structure seniority, and low beta of non-sponsor private credit are attractive features that could lead to outperformance for the asset class.

Comparison of Inflation Today vs 1970s[1]

Will we see a repeat of the 1970s?



Private Credit Theoretical Performance in 1970s[2]



1. Apollo, "Inflation Rising Again," December 15, 2024.
2. J.P. Morgan, "Market Volatility Commentary," February 21, 2024.

QUESTIONS?

GENERAL DISCLAIMERS

This confidential Presentation (this “Presentation”) is furnished on a confidential basis to a limited number of sophisticated prospective investors for the purpose of providing certain information in relation to a potential investment opportunity (the “Investment Opportunity”). If the Investment Opportunity materializes, investors will participate by subscribing for a limited partner interest (each, an “Interest” and collectively, the “Interests”) in an investment fund vehicle (the “Fund”) sponsored and managed by Kennedy Lewis Investment Management LLC and its affiliates (collectively, “Kennedy Lewis”).

This Presentation is not, and may not be relied on in any manner as, legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer to buy Interests in the Fund. Any such offer or solicitation shall only be made pursuant to the final confidential private placement memorandum relating to the Fund (as amended, restated or supplemented from time to time, the “Memorandum”), and the Fund’s subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering. The Memorandum qualifies in its entirety the information set forth herein and should be read carefully prior to investment in the Fund for a description of the merits and risks of an investment in the Fund. By accepting this Presentation, the recipient agrees that it will, and will cause its representative and advisors to, use the information only to evaluate its potential interest in the Fund and for no other purpose and will not, and cause its representatives and advisors not to, divulge any such information to any other party. Neither Kennedy Lewis nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of the Fund or any other entity.

The Investment Opportunity is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in such investment. Prospective investors must be prepared to bear such risks for an indefinite period of time. No assurance can be given that the investment objectives of the Fund will be achieved or that investors will receive a return of their investment.

This document contains a summary of terms relating to the Fund. The summary set forth in this document does not purport to be complete and is subject to and qualified in its entirety by reference to the limited partnership agreement of the Fund (the “Partnership Agreement”) and such other documents, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges and obligations of investors in the Fund. In the event that the descriptions in or terms of this Presentation are inconsistent with or contrary to the descriptions in or terms of the Partnership Agreement or such other documents, the Partnership Agreement and such other documents shall control. Kennedy Lewis reserves the right to modify the terms of the offering and Interests described in this Presentation and the Interests are offered subject to Kennedy Lewis’ ability to reject any subscription in whole or in part.

Only the Fund’s complete and final offering materials and the information contained therein or otherwise authorized thereby may be relied upon in connection with any offer of, sale of or decision to purchase any security related to the Fund. Recipients are strongly advised to carefully review the Fund’s complete and final offering materials before making any such investment decision, including all disclosures in such materials regarding “risk factors”.

The recipient acknowledges that, to the maximum extent permitted by law, each of Kennedy Lewis and its related parties or affiliates disclaims all liability to the recipient or to any other person for any expense, cost, loss or damage of any kind including direct, indirect or consequential loss or damage (however caused, including by negligence) incurred by any person arising from or relating to any information included or omitted from this Presentation, whether by reason of such information being inaccurate or incomplete or for any other reason. This Presentation does not constitute and should not be considered as any form of financial opinion or recommendation. The recipient should conduct its own inquiries as to the adequacy, accuracy, completeness and reliability of any information, whether such information is contained in this Presentation or not, relating to the Investment Opportunity.

In addition, certain information contained herein has been obtained from published and non-published sources prepared by other, which in certain cases have not been updated through the date hereof. While such information is believed to be reliable for the purpose used herein, none of Kennedy Lewis, any of its directors, officers, employees, Kennedy Lewis partners, shareholders or affiliates assume any responsibility for the accuracy of such information, and such information may not have been independently verified by.

Certain information contained in this document constitute “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” ‘forecast,” “intend,” “continue,” “target,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained in this document may be relied upon as a guarantee, promise, assurance or a representation as to the future. Except as otherwise indicated, the information provided in this Presentation is based on matters as of the dates indicated within the Presentation, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof.

GENERAL DISCLAIMERS (CONT'D)

The views expressed in this Presentation are subject to change based on market and other conditions.

Prospective investors should pay close attention to the assumptions underlying the analyses, forecasts and targets contained herein. The analyses, forecasts, illustrations and targets contained in this document are based on assumptions believed to be reasonable in light of the information presently available. Such assumptions (and the resulting analyses, forecasts, illustrations and targets) may require modification as additional information becomes available and as economic and market developments warrant. Any such modification could be either favorable or adverse. The forecasts, illustrations and targets have been prepared and are set out for illustrative purposes only, and no assurances can be made that they will materialize. No assurance, representation or warranty is made by any person that any of the forecasts and targets will be achieved and no investor should rely on the forecasts and the targets. Nothing contained in this document may be relied upon as a guarantee, promise, assurance or a representation as to the future. Except as otherwise indicated, the information provided in this presentation is based on matters as they exist as of the date specified in the Presentation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof. The views expressed in this Presentation are subject to change based on market and other conditions.

This presentation has been provided on a confidential basis for the sole use of the person to whom it is delivered by the Fund. This presentation may not be distributed, reproduced or used without the consent of Kennedy Lewis for any purpose other than the evaluation of the Fund by the person to whom this presentation is delivered. The recipient of this presentation agrees to keep the information contained herein confidential and not to disclose such information to any third party other than recipient's attorneys, accountants, consultants and financial advisors ("Representatives") on a need to know basis. The recipient will inform its Representatives of the confidential nature of this presentation and direct such Representatives to treat the information contained herein confidentially and to use such information solely for its intended purpose. Either upon a decision not to invest in the Fund, or at the request of Kennedy Lewis, each recipient shall return this presentation and/or delete all electronic copies in its possession.

The information contained herein has been prepared to assist the recipients in making their own evaluation of the Fund and does not purport to contain all information that the recipients may desire. In all cases, interested parties should conduct their own investigation and analysis of the Fund, its business, prospects, results of operations and financial condition. No party has made any kind of independent verification of any of the information set forth herein, including any statements with respect to projections or prospects of the Fund or the assumptions on which such statements are based, and does not undertake any obligation to do so. Kennedy Lewis makes no representation or warranty, express or implied, as to the accuracy or completeness of this presentation or of the information contained herein and shall have no liability for the information contained in, or any omissions from, this presentation, or for any of the written, electronic or oral communications transmitted to the recipient in the course of the recipient's own investigation and evaluation of the Fund. This presentation speaks as of the date hereof, except where otherwise indicated, and Kennedy Lewis undertakes no obligation to update the information contained herein.

This presentation may contain information either prepared by or obtained from independent third party sources having no ownership of or managerial affiliation with the Kennedy Lewis or the Fund. Any such information is believed to be reliable, but there can be no assurance as to the accuracy or completeness thereof. Although Kennedy Lewis believes in good faith that all information and data provided by third-party sources that is either referred to or provided herein is reliable, Kennedy Lewis has not independently verified or ascertained, nor undertakes to verify or ascertain, any such data or information or the underlying economic assumptions relied upon by such sources.

The securities of the Fund have not been, nor will they be, registered under the United States securities laws, and such securities may not be, except in a transaction which does not violate such laws and the Fund's governing documents, offered, sold, or transferred. Recipients are not to construe the contents of this presentation as legal, business or tax advice. Recipients must rely upon their own representatives, including legal counsel and accountants, as to any legal, tax, investment and other considerations.

Projected financial data for the investment opportunities discussed herein is based, in part, on assumptions made by the Kennedy Lewis team, which may not be borne out in the future. Projections assume realization events at various times, with exit values typically based on the application of assumed capitalization rates, in addition to certain other disposition assumptions. While the projected returns are based on assumptions which Kennedy Lewis currently believes to be reasonable under the circumstances, the actual return on the investments will depend on, among other factors, future operating results, market conditions and the value of the assets at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the projections are based. Accordingly, the actual returns on investments may differ materially from the projected returns indicated herein. Further, past performance is not indicative of future results.

Unless otherwise noted, all internal rates of return ("IRRs") are presented on a "gross" basis (i.e., they do not reflect any management fees, carried interest, taxes, transaction costs and other expenses to be borne by certain and/or all investors, which will reduce returns and, in the aggregate, are expected to be substantial). In considering the targeted performance information contained herein, prospective investors should bear in mind that forecasted or targeted performance is not necessarily indicative of future results, and there can be no assurance that comparable results will be achieved.

The distribution of this Presentation in certain jurisdictions may be restricted by law. This document does not constitute an offer to sell or the solicitation of an offer to buy in any state of the United States or other U.S. or non-U.S. jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction.

For Australian investors: Kennedy Lewis is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cth) in respect of the financial services provided to any person in Australia. Kennedy Lewis is regulated by the SEC under laws of the United States, which differ from Australian laws.

KENNEDY LEWIS
INVESTMENT MANAGEMENT

ir@klimllc.com

New York
225 Liberty Street
Suite 4210
New York, NY 10281

Miami
600 Brickell Avenue
Suite 1400
Miami, FL 33131

Geneva
Rue François Bellot 16
1206 Geneva
Switzerland

Scottsdale
6900 E. Camelback Road,
Suite 800
Scottsdale, AZ 85251
(KL Servicers LLC)