



B #:	1195-13
Date:	July 26, 2013
To:	All Participants
Category:	Dividends
From:	Tax Reporting Service
Attention:	Managing Partner/Officer, Cashier, Dividend Mgr., Tax Mgr.
Subject:	Important Tax Information KKR Financial Holdings LLC CUSIP:48248A306

The Depository Trust Company received the attached correspondence containing Tax Information. If applicable, please consult your tax advisor to ensure proper treatment of this event.

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*

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Non-Confidential

VIA E-MAIL

July 23, 2013

To: American Stock Transfer
taxcompliance@amstock.com

The Depository Trust & Clearing Corporation
aogunmoyela@dtcc.com

Wall Street Concepts
wsc.tax@sungard.com

Broadridge Financial Solutions, Inc.
BSGIssuerServices@Broadridge.com

Re: KKR Financial Holdings LLC ("KFN")
CUSIP: 48248A306
Cash Distribution / Qualified Notice
Declaration Date: July 23, 2013
Record Date: August 6, 2013
Payment Date: August 20, 2013
Amount Per Share: \$0.21

Pursuant to U.S. Treasury Regulation §1.1446-4, please find attached a Qualified Notice with regard to the above cash distribution.

Should you have questions or require anything further, please contact me at (415) 315-3704 or Brian King at (415) 315-6569.

Sincerely,



Jeffrey B. Van Horn
Executive Vice President and Director of Tax

Attachment: Qualified Notice

KKR Financial Holdings LLC ("KFN")
CUSIP: 48248A306
Qualified Notice
Pursuant to U.S. Treasury Regulation §1.1446-4
Quarter Ended June 30, 2013

Notice Date: July 23, 2013
Declaration Date: July 23, 2013
Record Date: August 6, 2013
Payment Date: August 20, 2013
Distribution Per Share: \$0.21

The distribution's components are as follows:

Portfolio Interest Income (U.S.)	\$0.13
Interest Income (Non-U.S.)	0.02
Non-Qualified Dividend Income (U.S.)	0.01
Non-Qualified Dividend Income (Non-U.S.)	0.03
Royalty Income (U.S.)	0.01
Other Portfolio Income (U.S.)	0.01
<u>U.S. Effectively Connected Trade or Business Income ("ECI")</u>	<u>0.00</u>
<u>Distribution Per Share^{1, 2}</u>	<u>\$0.21</u>

¹ The taxable income items, including ECI, allocable to a holder of KFN common shares and reported on U.S. Schedule K-1, will differ from the distributed amounts reflected above.

² None of the above income items constitute ECI.