



B #:	0629-15
Date:	March 30, 2015
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: 48248A603 Record Date: 04/08/15 Payable Date: 04/15/15

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.

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Non-Confidential

VIA E-MAIL

March 30 2015

To: American Stock Transfer
taxcompliance@amstock.com

The Depository Trust & Clearing Corporation
aogunmoyela@dtcc.com

Wall Street Concepts
wsc.tax@sungard.com

Re: **KKR Financial Holdings LLC**
7.375% Series A LLC Preferred Shares (NYSE: KFN.PR)
CUSIP: 48248A603
Cash Distribution / Qualified Notice
Declaration Date: March 26, 2015
Record Date: April 8, 2015
Payment Date: April 15, 2015
Amount Per Share: \$0.460938

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
Chief Operating Officer, Executive Vice President & Director of Tax
Attachment: Qualified Notice

KKR Financial Holdings LLC
7.375% Series A LLC Preferred Shares (NYSE: KFN.PR)
CUSIP: 48248A603
Qualified Notice
Pursuant to U.S. Treasury Regulation §1.1446-4

Notice Date: March 30, 2015
Declaration Date: March 26, 2015
Record Date: April 8, 2015
Payment Date: April 15, 2015
Distribution Per Share: \$0.460938

The distribution's components are as follows:

Portfolio Interest Income (U.S.)	\$0.090239
Interest Income (Non-U.S.)	0.087920
Non-Qualified Dividend Income (U.S.)	0.025178
Non-Qualified Dividend Income (Non-U.S.)	0.197503
Royalty Income (U.S.)	0.045107
Other Portfolio Income (U.S.)	0.012693
Other Portfolio Income (Non-U.S.)	0.002298
<u>U.S. Effectively Connected Trade or Business Income ("ECI")</u>	<u>0.000000</u>
<u>Distribution Per Share^{1,2}</u>	<u>\$0.460938</u>

¹ The taxable income items, including ECI, allocable to a holder of KFN preferred 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.