ARES PATHFINDER FUND

ASSET-FOCUSED DIRECT LENDING & INVESTING

PRESENTATION TO:
STATE OF VERMONT,
VERMONT PENSION INVESTMENT COMMITTEE

FEBRUARY 23, 2021

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The recent outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared to constitute a pandemic, has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on energy, transportation, hospitality, tourism, entertainment and other industries. The impact of COVID-19 has led to significant volatility and declines in the global financial markets and oil prices and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. Any public health emergency, including any outbreak of COVID-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the core holdings referenced herein, the value of the investments and the portfolio companies. The portfolio company information herein is as of the date referenced and the effects, directly and indirectly, resulting from COVID-19 may not be fully reflected in such information as the situation remains continuously fluid.

REF: TCA-00266

ARES PATHFINDER FUND

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FIRM OVERVIEW

Overview of Ares Management

» With approximately $197 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating integrated businesses across Credit, Private Equity, Real Estate and Strategic Initiatives

Profile

Founded	1997
AUM	$197bn
Employees	1,450+
Investment Professionals	525+
Global Offices	25+
Direct Institutional Relationships	1,090+
Listing: NYSE – Market Capitalization	~$12.8bn[1]

Global Footprint[3]

The Ares Edge

- **Founded with consistent credit based approach to investments**
- **Deep management team with integrated and collaborative approach**
- **20+ year track record of compelling risk adjusted returns through market cycles**
- **Pioneer and a leader in leveraged finance and private credit**

	Credit	Private Equity	Real Estate	Strategic Initiatives
AUM	$145.5bn	$27.4bn	$14.8bn	$9.3bn
Strategies	Direct Lending	Corporate Private Equity	Real Estate Equity	Ares SSG
	Liquid Credit	Special Opportunities	Real Estate Debt	Ares Insurance Solutions[3]
	Alternative Credit	Energy Opportunities		Ares Acquisition Corporation[4]
		Infrastructure and Power		

Note: As of December 31, 2020. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results.

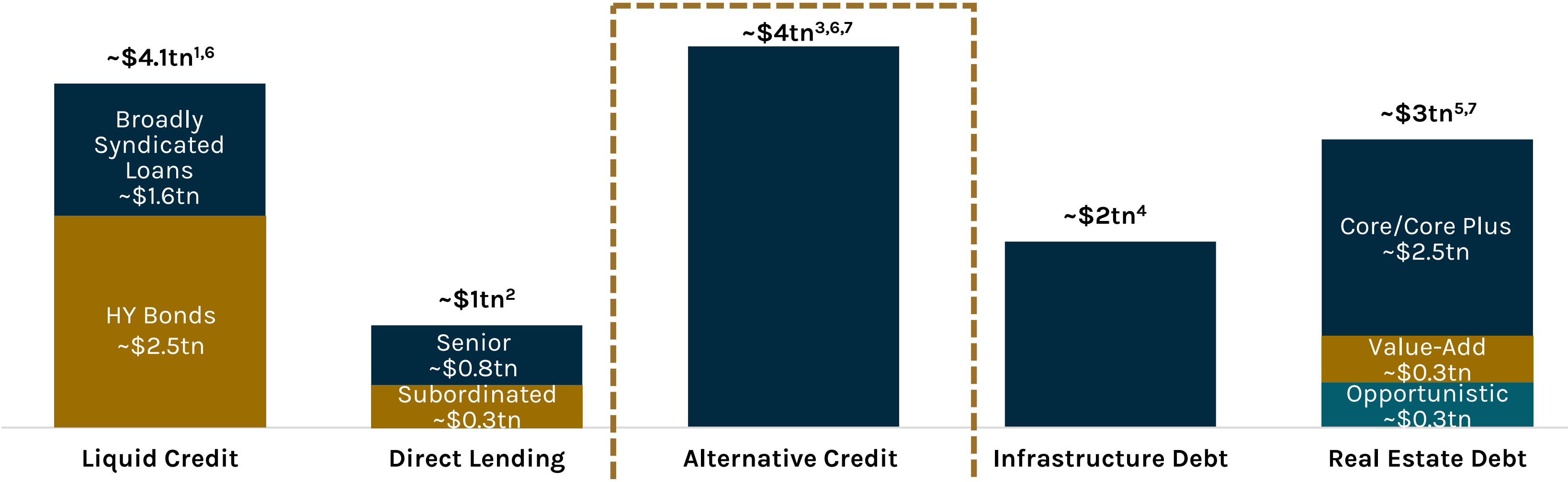
1. As of February 8, 2021.
2. Ares has a presence in Sydney, Australia through its joint venture, Ares Australia Management Pty Ltd (AAM), with Fidante Partners Limited, a wholly owned subsidiary of Challenger Limited. Jakarta, New Delhi and Sydney offices are operated by third parties with whom Ares SSG maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.
3. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares investment groups or invested in Ares funds and investment vehicles.
4. Proceeds raised in the IPO of special purpose acquisition companies (SPACs) are not included in AUM.

Our Credit Markets

» Ares has developed a broad product platform of strategies that participate across large addressable markets

Corporate Assets	'Gaps' in Between Well-Defined Markets	Real Assets

Ares' Estimated Addressable Market Sizes



Ares' Target Net Returns

Liquid Credit	Direct Lending	Alternative Credit	Infrastructure Debt	Real Estate Debt
		Performing Investments		
Loans: 5-7% High Yield: 6-8%	Senior: 5-10% Subordinated: 11-14%	Liquid: 5-10% Illiquid: 10-18%+	5-12%	Core/Core-Plus: 3-6% Value-Add: 6-8% Opportunistic: 8-16%
Stressed/Distressed Investments				
15%+				

All data as of September 30, 2020 unless otherwise noted. For illustrative purposes only. There is no assurance that target returns will be achieved. Target net returns reflect deduction of any applicable management fees, performance fees and other expenses. (1) Source: CSLLI, WELLI (Hedged to USD) and HW00 Global HY Index. (2) Includes U.S. and European Direct Lending. Based on Ares' own calculations using information from Thomson Reuters, Deloitte, S&P Global Market Intelligence and Ares' observations. (3) Based on Ares' own calculations using information from Bain and Company, Market Watch, WSJ, Houlihan Lokey, Coral Capital Solutions, Equipment Leasing & Finance Foundation, Real Capital Analytics, Commercial Finance Association, JP Morgan, AIMA, S&P Capital IQ, Credit Suisse, Bloomberg, SIFMA, Cambridge Centre for Alternative Finance and Ares' observations. (4) Per Moody's Infrastructure Sector report as of August 2019. (5) U.S. Only. Federal Reserve estimates U.S. commercial mortgage loans market is in excess of $4.0tn. Amount shown above is an estimate of what Ares believes is its current addressable market in Core/Core Plus, Value- Add and Opportunistic.
(6) Certain broadly syndicated loans are held within CLO structures which are part of the investable universe for alternative credit. CLO securities represent ~$891bn.
(7) Certain real estate debt is held within CMBS structures which are part of the investable universe for alternative credit. CMBS represents ~$581bn.

ARES ALTERNATIVE CREDIT PLATFORM

WHAT WE DO

We invest in **large, diversified portfolios of assets**.

We invest in assets that generate **contractual cash flows**.

We invest in assets that have **historically demonstrated stable performance**, including under stress.

TYPE OF ASSETS

We invest in large, diversified portfolios of assets that generate contractual cash flows. These asset pools generally consist of:

- Loans
- Leases
- Receivables

FORMAT OF INVESTMENTS

We approach asset investing with a flexible capital approach, seeking to provide a tailored capital solutions. The format of our investments is typically one of the following:

LENDING	ASSET ACQUISITION	LIQUIDS
Lend against assets	*Acquire asset pools*	*Buy Alt Credit securities*
In standard / rescue format	*On an opportunistic basis*	*Only in periods of dislocation*

For illustrative purposes only.
Past performance is not indicative of future results.

ARES

Ares Alternative Credit Capabilities

Ares is a leader in the Alternative Credit markets

TEAM	EXPERIENCE	TRACK RECORD[2]
~525 *investment professionals across Ares Credit, PE and Real Estate*	**~\$11.8BN** *in AUM across diverse Alt Credit mandates[3]*	**1.6BPS** *realized annualized loss rate*
37 *dedicated investment professionals (one of the market's largest dedicated teams)[1]*	**~\$14.8BN** *invested in Alt Credit since inception[2]*	**15.0% / 10.8%** *realized illiquid alternative credit pro forma gross and net asset-level IRR*
~20 YRS *of experience (on average) across the team's 23 senior investment professionals[1]*	**~\$3.5BN** *invested in last twelve months*	**4.8% / 4.2%** *realized liquid (IG focused) alternative credit pro forma gross and net asset-level IRR*

As of September 30, 2020 unless otherwise noted. Past performance is not indicative of future results.
1. As of February 2021.
2. Since 2011. Please review in conjunction with the Pro Forma Performance Notes on slide 34.
3. AUM reflects USD amount. Includes ~\$10.8bn invested across dedicated funds and ~\$1.1bn invested across other strategies.

DIVERSIFIED ASSET PORTFOLIOS CAN PROVIDE IMPORTANT BENEFITS IN DISLOCATED MARKETS

- Investments designed to withstand draconian performance scenarios
- Repayment via contractual, asset-level cash flows, not EBITDA
- Multiple sources of repayment
- Front-loaded cash flow profile

THE ROMANS FIGURED THIS OUT A LONG TIME AGO:

SUCCESS IS MORE LIKELY WHEN COMBAT ISN'T ONE-ON-ONE

Single-name investment risk

Asset-focused investment risk

We believe that investments in diversified asset portfolios can provide greater downside protection and greater visibility into outcomes than single-name risks whose outcomes can be more binary

For illustrative purposes only. Diversification does not assure profit or protect against market loss.
References to "downside protection" or similar language are not guarantees against loss of investment capital or value.
Source: HC Roman: Tetsudo, 29 Apr. 2016, www.the-romans.eu.

COMPARING INVESTMENT CASH FLOW PROFILES

The typical Alternative Credit investment has a cash flow profile that is very different from typical private equity or corporate debt investments

We believe such a profile provides a number of risk mitigation benefits, including:

- No reliance on a realization event for a return of capital
- High volumes of cash flows can quickly reduce risk exposure
- Relatively short investment duration

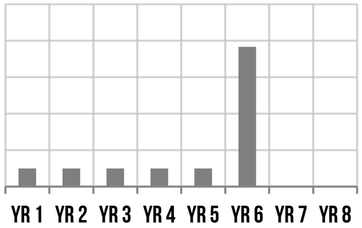
Typical cash flows are presented for illustrative purposes only. Actual cash flows may vary materially from those presented above.

VISUALIZING CASH FLOWS

PRIVATE EQUITY

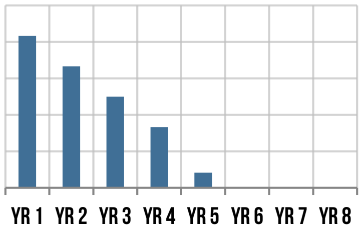
Typically receives little to no cash flow until a realization event (e.g. the sale or IPO of the company).

CORPORATE DEBT



Typically receives only interest coupons until a realization event (e.g. the refinancing of the debt or sale of the company).

ALTERNATIVE CREDIT



Typically sees a high volume of front-loaded cash flows from the underlying assets. It does not rely on a realization event.

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DESIGNING INVESTMENTS FOR STRESSFUL TIMES

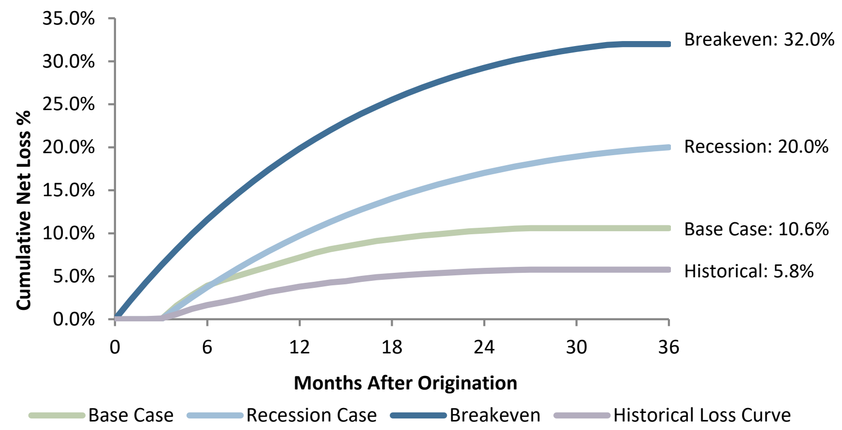
Focused on assets that generate resilient cash flows.

Designed to withstand an economic downturn.

Designed with structural features to ensure a full recovery.

For illustrative purposes only. There is no guarantee base case will be achieved. Results shown are not representative of the Pathfinder Fund track record. Note: Great Financial Crisis is defined as the period just prior to and following the credit market dislocation of 2008. Modeled losses are exclusively for informational and discussion purposes only. Modeled results have inherent limitations, and actual results will differ significantly from the illustrative loss curves presented herein. In modeling the losses shown herein, Ares used publicly available data as well as assumptions that it believes are reasonable. Loss assumptions shown herein are meant to be purely illustrative and do not represent actual losses. The use of different assumptions could also produce materially different results. References to “downside protection” or similar language are not guarantees against loss of investment capital or value.

Prime Consumer Loan Portfolio



HISTORICAL LOSS CURVE:

The historical level of losses in the underlying asset portfolio

BASE CASE:

Investment team’s conservative estimate of future losses within the asset portfolio (typically based on the counterparty’s worst vintage)

RECESSION CASE:

Indicates the level of historic losses based on peak defaults during the last recession, which serves as a proxy for future recessionary environments

BREAKEVEN CASE:

The level of losses in the underlying asset portfolio that would be required to cause a $1 loss on our investment. Ares typically designs our investments to withstand *at least* 200% of Base Case and at least 150%+ of Recessionary loss rates

ARES

ARES PATHFINDER FUND

EXECUTIVE SUMMARY

- $2 billion+ target fund seeking to deliver 11-13% net returns including a 5% annual yield(1)
- Pathfinder will seek to construct a diversified portfolio of ~30 to 50 investments (with significant underlying diversity) with ~2-3% average position sizes
- Investing with purpose: At least 10% of Pathfinder's carried interest will be donated to support global health and education initiatives(2)

PATHFINDER'S APPROACH TO CAPTURE VALUE

SOURCING
Ares Alt Credit benefits from Ares' reputation and large presence in adjacent, traditional markets

SIZE / SCALE
Small platforms may not be able to access opportunities or provide scale solutions

COLLABORATION
We believe Ares collaborative culture is extremely rare among large platforms

RELATIVE VALUE LENS
Ares Alt Credit platform enjoys a large window into markets and sectors

For illustrative purposes only.
1. Targeted returns are shown for illustrative purposes only, and there can be no assurance that such targets can be achieved. Actual results may be materially different. No guarantee target fundraise can be achieved.
2. Please refer to slide 22 for additional details.

ARES

Pathfinder's Strategy Was Designed with Cycles in Mind

PATHFINDER'S POTENTIAL BENEFITS AMID MARKET DISLOCATION

- Defensive, downside-oriented approach
- Relative value across assets and sectors
- Ability to 'pivot' across market environments
- Large, cycle-tested investment team and infrastructure
- 'First call' on many opportunities given Ares' reputation as a solution provider with scale and flexibility

THE THREE CRITERIA WE SEEK IN EVERY INVESTMENT TODAY

1 DOWNSIDE PROTECTION

Every investment is subjected to draconian asset performance assumptions

2 HIGHER RETURNS AND MOIC

We are seeking higher returns and higher MOICs to drive overall Fund performance

3 UPSIDE OPTIONALITY

We are building into each investment certain options that can potentially enhance returns

For illustrative purposes only. There is no guarantee that assets will perform or opportunities will be identified as described.
References to "downside protection" or similar language are not guarantees against loss of investment capital or value.

The Three Phases of Alternative Credit Market Dislocation

WE ARE CURRENTLY AT THE BEGINNING OF PHASE 2

PHASE 1: FIRE SALE	Forced sellers, frozen markets, price dislocations, limited liquidity
PHASE 2: WASTELAND	Asset portfolios marked down, limited market activity, green shoots emerge
PHASE 3: RECOVERY	Capital markets, securitization markets return to normal execution

For illustrative purposes only. There is no guarantee that assets will perform or opportunities will be identified as described.

Our Relative Value Lens Today

(subject to change based on market conditions, relative value and investment opportunities)

IN FOCUS

- Portfolio Financing
- REIT Financing
- Lease Portfolios (SFR, GL) ↑
- NPL / RPL ↑
- GP/Manager Financing ↑
- Fund Finance Europe (RE, PE)
- Loan Portfolios
- Triple-Net Lease Arbitrage
- Housing Opportunities

MONITORING

- Auto Portfolios
- Healthcare Lending
- Management/Servicing Fees ↓
- Legal Assets
- Small Business Lending
- Media/Sports Assets
- Consumer Lending
- Secondaries Lending
- Aviation *(almost never)* ↑

NOT IN FOCUS

- CLO Securities ↓
- Rescue Financing ↓
- Venture Debt *(almost never)*
- Shipping *(never)*
- Agency CMBS ↓
- Secondaries Portfolios ↓
- Life Settlements *(never)*
- Timeshares
- Solar Loans
- Patent Litigation *(never)*

The arrows above (↓ or ↑) indicate changes as of December 2020 given our general view of relative value for such assets

For illustrative purposes only.
Based on the Ares Alternative Credit Team's market observations as of December 2020. There is no guarantee that assets will perform or opportunities will be identified as described.

Ares Pathfinder Fund Pipeline

WE ARE CURRENTLY EVALUATING OVER 75 OPPORTUNITIES. BELOW IS A SAMPLING OF SOME OF THOSE OPPORTUNITIES.

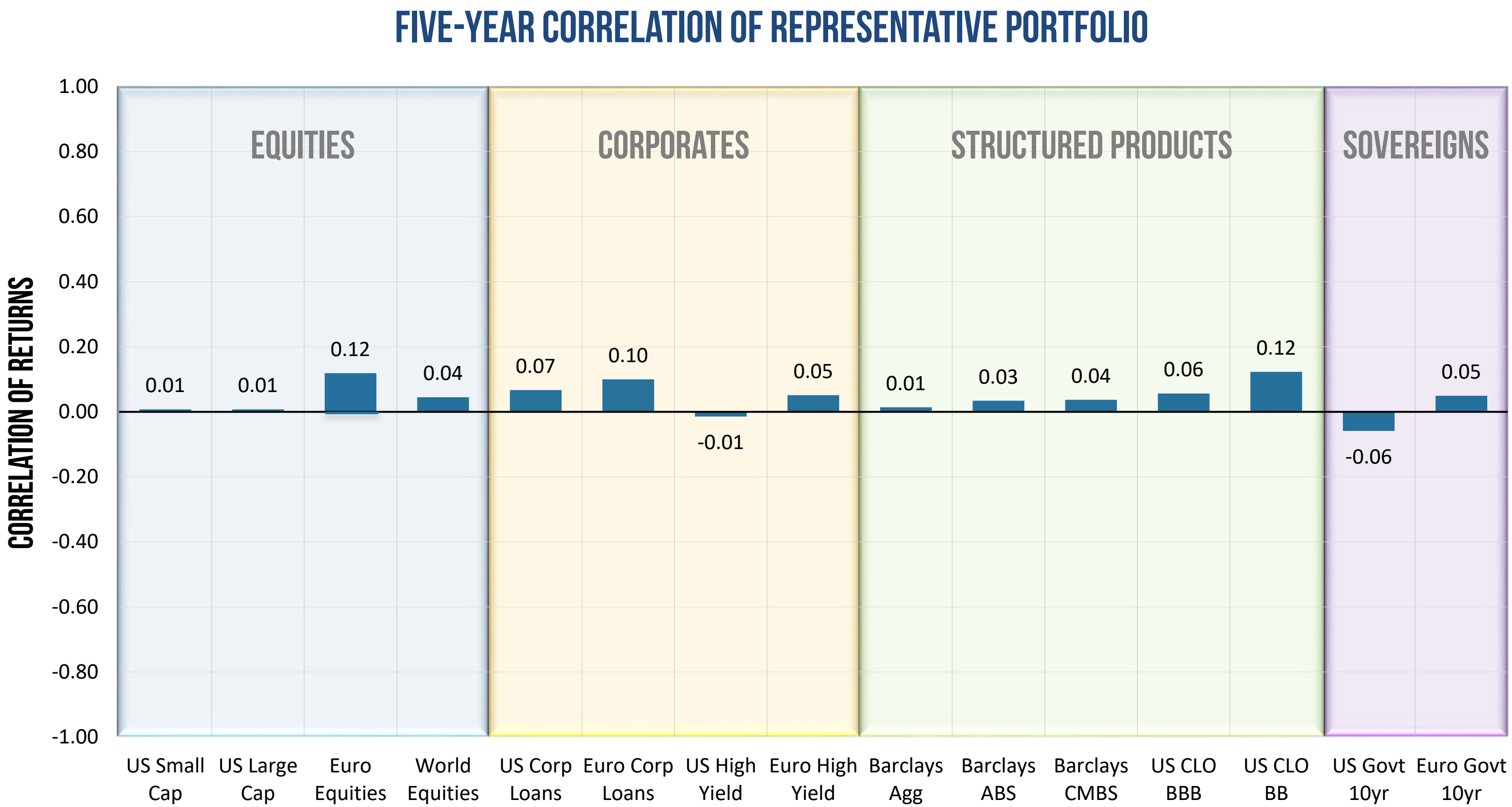
#	Opportunity	Asset Class	Size *($mm)*	Phase
1	Real Asset Lending	Ground Lease Program Partnership	230	IC Approved
2	Offensive Capital	Restructuring REIT	250	Terms
3	Real Asset Lending	Residential Mortgages	150	Terms
4	Offensive Capital	Equipment Leases	50	Terms
5	Offensive Capital	Sports Financing	100	Terms
6	Offensive Capital	Bad Debt Financing	80	Terms
7	Offensive Capital	Royalty Stream	500	Terms
8	Refinancing	GP/Manager Financing	85	Terms
9	Growth Capital	Residential Real Estate Portfolio	100	Terms
10	Acquisition Financing	Payment Processing	100	Terms
11	Portfolio Acquisition	Investment Grade Net Lease	250	Terms
12	Offensive Capital	Spanish Apartment Portfolio	122	Terms
13	REIT Take Private	U.K. Commercial Real Estate	480	Reviewing
14	Rescue Financing	Small Business	150	Reviewing
15	Portfolio Financing	Net Lease	100	Reviewing
16	Fund Finance	European Student Housing Portfolio	244	Reviewing
17	Post-Restructuring Financing	Broadcast Rights Financing	208	Reviewing
		Total	**~$3,200**	
		Additional Pipeline Opportunities	2,500	
		Total Ares Pathfinder Fund Pipeline	**+ $5,700**	

OUR PIPELINE NOW REPRESENTS ~$5.7 BILLION OF NEW OPPORTUNITIES THAT WE ARE EVALUATING FOR PATHFINDER

The Ares Pathfinder Fund Pipeline as of January 2021 (the "Pipeline") includes potential investment opportunities. They are not necessarily representative of all the investments of a given type or of investments generally. Information regarding a particular opportunity, fund or investment strategy is not and should not be interpreted as a guarantee of future performance. No assurance can be given that any opportunities in the Pipeline will occur on the terms noted or at all. You should not rely on the Pipeline as indicative of the types of opportunities that will be available to Ares Pathfinder Fund. EUR opportunities converted at a rate of 1.22 USD/EUR.

Correlation Analysis: Private Asset-Focused Investments

Our analysis shows *de minimis* correlation with broad markets, largely in the range of -0.06 to +0.12

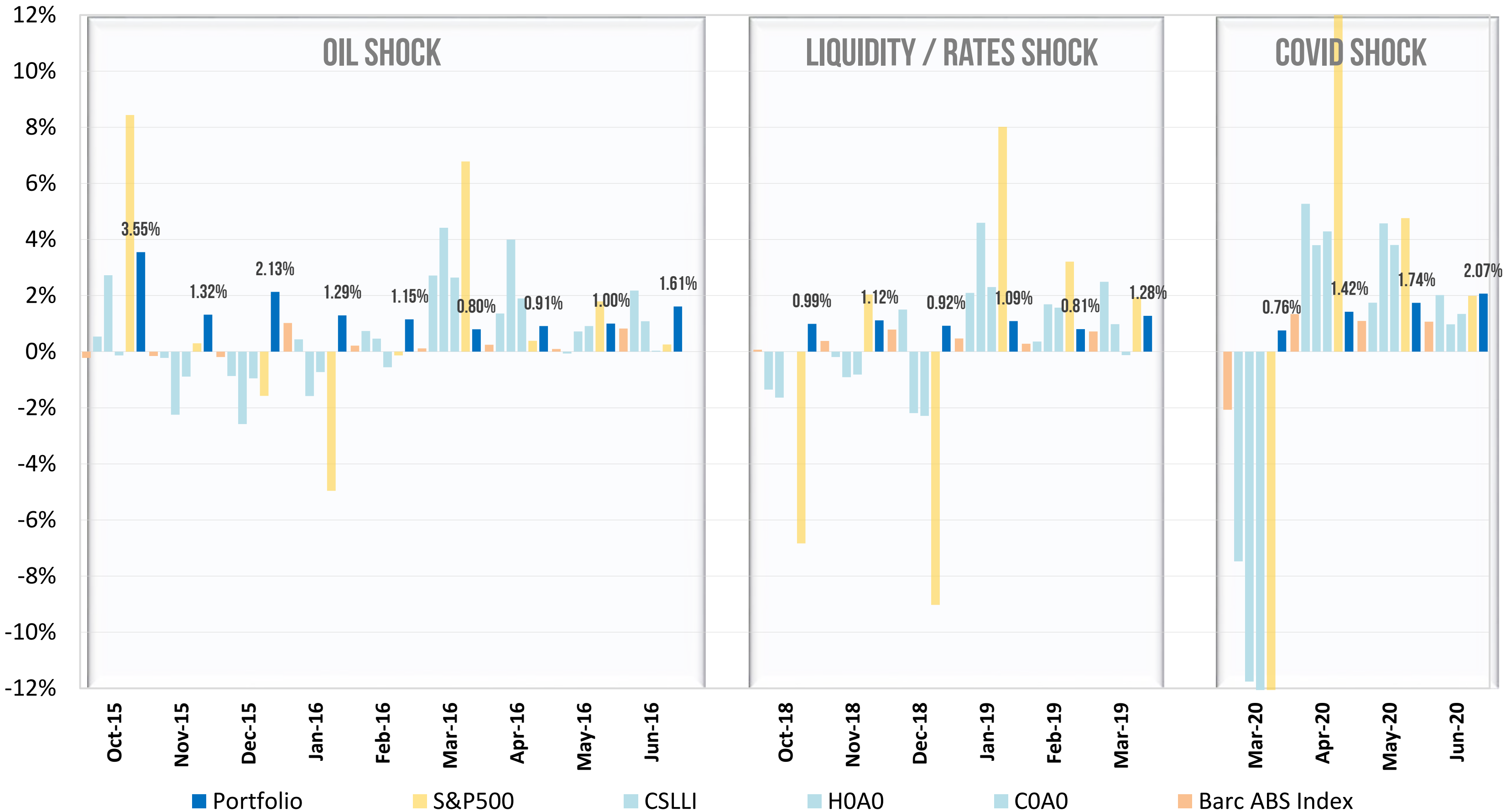


As of September 30, 2020. All investments involve risk, including loss of principal. **Please refer to slide 35 for index definitions and an important index disclosure.**

Volatility Analysis: Private Asset-Focused Investments

The strategy can exhibit consistent positive performance regardless of broader market fluctuations

MONTHLY RETURN PERFORMANCE IN TIMES OF MARKET VOLATILITY



As of September 30, 2020. All investments involve risk, including loss of principal. Past performance is not indicative of future results. **Please refer to slide 35 for index definitions and an important index disclosure.**

ARES PATHFINDER FUND

INVESTMENT OBJECTIVES[1]

Pathfinder will seek to invest in a diversified portfolio largely consisting of directly originated Alternative Credit investments

The Fund's strategy emphasizes downside protection and capital preservation while seeking to deliver uncorrelated, income-oriented returns to investors

The information presented herein is subject to change. The above briefly summarizes certain material indicative terms and conditions and does not contain all terms and conditions that will be included in any definitive documentation for the proposed transaction. The above summary does not constitute a commitment, a contract to provide a commitment, or an offer to make a commitment to Ares on these or any other terms. No legally binding terms shall be created until definitive documentation is executed and delivered.

1. No guarantee investment objectives can be achieved.
2. No guarantee target fundraise can be achieved.
3. Adjusted for fees, expenses, and default expectations. There can be no assurance that the target return will be achieved. MOIC reflects the multiple of invested capital over the investment horizon.
4. May be extended by the GP for an additional one-year period in its discretion and a second additional one-year period with the consent of the Advisory Board.
5. May be extended for up to two consecutive one-year periods with the approval of the Advisory Board or a majority in interest of the Limited Partners.
6. Ares will not receive any carried interest until the limited partners have first received cumulative distributions equal to the aggregate amount of their capital contributions, plus a 6% return on these contributions.

SUMMARY OF INDICATIVE TERMS

TARGET FUND SIZE[2]	$2 BILLION+
MINIMUM COMMITMENT	$10 MILLION
TARGET NET RETURNS[3]	11 -13%; 1.50-1.75X MOIC
INVESTMENT PERIOD[4]	3 YEARS FROM THE FINAL CLOSING DATE
TERM[5]	8 YEARS **FROM** THE INITIAL CAPITAL CONTRIBUTION
DISTRIBUTIONS	QUARTERLY, TARGETING 5% PER ANNUM, AT GP'S DISCRETION
MANAGEMENT FEE	1.25% PER ANNUM ON INVESTED CAPITAL
CARRIED INTEREST[6]	20% SUBJECT TO A 6% PREFERRED RETURN; EUROPEAN WATERFALL
GP / LP CATCH-UP	85% / 15%

PATHFINDER – INVESTING WITH PURPOSE

ARES AND PATHFINDER'S PORTFOLIO MANAGERS WILL TOGETHER DONATE AT LEAST 10% OF THE FUND'S CARRIED INTEREST TO GLOBAL HEALTH AND EDUCATION CHARITIES

OUR MOTIVATION

- Over 700 million people live in extreme poverty(1)
- Half of the world's population struggles to access essential health and education resources(2)
- While childhood mortality has declined by over 50% with over 122 million lives saved since 1990, even today a child under the age of five dies every five seconds(3,4)
- Global health charities have the tools to end senseless deaths and improve life for millions, but lack the resources

OUR PURPOSE

- Ares is committed to investing in global health and education to help save lives and drive equality
- Pathfinder's dual purpose:
  1. Seek attractive risk-adjusted returns for our investors in a differentiated strategy
  2. Drive real impact in global health and education
- Ares will partner with non-profit organizations that have a track record of delivering the most value per charitable dollar contributed

MEASURING PERFORMANCE

FUND	CHARITY
Returns	Lives Impacted
MOIC	Lives Saved

1. Source: World Bank – Poverty metrics as of 2015.
2. Source: World Health Organization, December 2017.
3. Source: United Nations.
4. Source: Bill and Melinda Gates 2017 Annual Letter.

Driving Investing & Organizational Excellence Through ESG Integration

We strive to achieve better investment outcomes and leave a lasting positive impact on our companies and communities

DIFFERENTIATED ESG APPROACH

Long-Standing Commitment to ESG Principles

Hired first dedicated resource in 2012 to lead firm-wide ESG program

Broad Organizational Buy-In & Partnership

Head of ESG partners with designated ESG Champions across Ares to co-author approach, drive implementation and monitor progress

Direct Reporting Line Given Executive Priority

Head of ESG reports directly to Ares Management's CEO & President

PRI Signatory Leadership

One of few publicly-traded alternative investment managers to sign UN's Principles for Responsible Investment

Systematic & Tailored Efforts

Our approach is bespoke to the unique dynamics of a given strategy and focuses on materiality through leading frameworks (e.g., SASB)

SIGNIFICANT INVESTMENT & ORGANIZATIONAL IMPACT

	Our Beliefs	Scale of Impact
Responsible Investment	We believe integrating ESG factors into the investment process across strategies **will generate superior returns** and **drive positive change** in our local communities and the world at large	**$179BN**(1) of AUM
Corporate Sustainability	Ares' own corporate sustainability initiatives on material topics such as **Inclusion & Diversity, Climate Change** and **Volunteerism & Philanthropy** reflect our view that they are **good for business**	**1,445+** Ares employees **25+** Ares offices

1. As of December 31, 2020, AUM amounts include funds managed by Ivy Hill Asset Management, LP., a wholly owned portfolio company of Ares Capital Corporation and a registered investment advisor.

APPENDIX A

ARES ALTERNATIVE CREDIT TEAM

ARES PATHFINDER TEAM

LARGE, CYCLE-TESTED TEAM:

37 Alt Credit specialists[3] in collaboration with over ~525 investment professionals across Credit, Real Estate, Private Equity and Strategic Initiatives

ARES PATHFINDER FUND PORTFOLIO MANAGERS

KEITH ASHTON[1,2]
Partner
Co-Head of Alt Credit
(22 years)

JOEL HOLSINGER[1,2]
Partner
Co-Head of Alt Credit
(23 years)

OTHER PATHFINDER INVESTMENT COMMITTEE MEMBERS

MICHAEL AROUGHETI[1]
Co-Founder, CEO,
President of Ares
(28 years)

KIPP DEVEER[1]
Senior Partner
Head of Ares Credit Group
(26 years)

MITCH GOLDSTEIN[1]
Partner
Co-Head of Credit
(27 years)

JEFFREY KRAMER[1,2]
Partner
Head of ABS
(34 years)

KEVIN ALEXANDER
Partner
(24 years)

CRAIG CORTRIGHT
Managing Director
(20 years)

INVESTMENT & ASSET MANAGEMENT TEAM[3]

CHARLES ARDUINI *Partner* *(20 years)*	**DAVID ELLS** *Partner* *(28 years)*	**VINCENT SALERNO** *Partner* *(23 years)*	**IAN SMITH** *Partner, Trader* *(19 years)*
ELI APPELBAUM *Managing Director* *(15 years)*	**JOSHUA MASON** *Managing Director* *(24 years)*	**ANKUR PATEL** *Managing Director* *(21 years)*	**KRISTOFER PRITCHETT** *Managing Director, Trader* *(13 years)*
SCOTT ROSEN[4] *Managing Director* *(20 years)*	**SUMIT SASIDHARAN[5]** *Managing Director* *(24 years)*	**LISA TROLSON** *Managing Director* *(23 years)*	**BENJAMIN TYSZKA** *Managing Director* *(20 years)*
FELIX ZHANG *Managing Director* *(10 years)*	**ANDIE GOH** *Principal* *(9 years)*	**PETER KEANE** *Principal* *(17 years)*	**ALEX SMIT** *Principal* *(8 years)*
GREG SPILBERG *Principal* *(21 years)*	**CHENG ZENG** *Principal* *(14 years)*	**CRAIG BEHRENS** *Vice President* *(10 years)*	**STEPHEN GARDNER** *Vice President* *(6 years)*
LUDO HASHEMI *Vice President* *(6 years)*	**ELIZABETH LEVI** *Vice President* *(7 years)*	**CATHY LU** *Vice President* *(7 years)*	**DONGNING LUO** *Vice President* *(9 years)*
HAAKIM NAINAR *Vice President* *(7 years)*	**GREG EACHO** *Senior Associate* *(6 years)*	**ARI FELDMAN** *Senior Associate* *(7 years)*	**BRIAN HOGAN** *Senior Associate* *(5 years)*
ERIC TANG *Senior Associate* *(5 years)*	**PATRICK YU** *Senior Associate* *(5 years)*	**KIAN IVEY** *Associate* *(5 years)*	**NATE KIM** *Associate* *(3 years)*

+ 207	**+ 44**	**+ 84**	**+ 17**
Direct Lending Professionals	*Liquid Credit Professionals*	*Real Estate Professionals*	*Special Opportunities Professionals*

PRODUCT MANAGEMENT & INVESTOR RELATIONS[3]

SONYA LEE *Partner* *(19 years)*	**LAUREN THOMAS** *Vice President* *(10 years)*	**CHELSEA DODGE** *Senior Associate* *(6 years)*	**MOUREEN KARIM** *Associate* *(4 years)*

+ 53

Additional Product Management & Investor Relations Professionals

As of September 30, 2020. Years referenced represents number of years of relevant experience.

1. Serves on Ares Management's Global Management Committee.
2. Serves on Ares' Alternative Credit Executive Committee.
3. As of February 2021.
4. In addition to responsibilities on the Alternative Credit team, serves as a Managing Director in the Ares Credit Group where he focuses on direct lending.
5. In addition to responsibilities on the Alternative Credit team, serves as a Managing Director and Head of Capital Markets, Real Estate Debt in the Ares Real Estate Group.

ARES

ARES ALTERNATIVE CREDIT TEAM

EXECUTIVE COMMITTEE

KEITH ASHTON[1,2]
Partner
Co-Head of Alt Credit
(22 years)

JOEL HOLSINGER[1,2]
Partner
Co-Head of Alt Credit
(23 years)

JEFFREY KRAMER[1,2]
Partner,
Head of ABS
(34 years)

ARES PLATFORM RESOURCES & INFRASTRUCTURE

BUSINESS OPERATIONS

MICHAEL MCFERRAN[1]
Partner,
Chief Operating & Financial Officer

FINANCE & ACCOUNTING

PENNI ROLL
Partner,
CFO – Global Credit

REUBEN LEE
Managing Director,
Chief Accounting Officer - Credit

+~240 professionals[3]

LEGAL & TAX

NASEEM SAGATI AGHILI[1]
Partner,
General Counsel

MATTHEW JILL
Partner

CARLOS SCHMIDT
Partner,
Global Head of Tax

LUCY CHENG
Managing Director

+~60 professionals

INVESTMENT OPS, PERFORMANCE, & RISK MGMT

MICHAEL LEOPARDI
Partner,
Head of Investment Ops

STEVEN FURST
Managing Director

CASEY LAKENAU
Managing Director

KELLY YOUNG
Managing Director

+ ~55 professionals

COMPLIANCE

MIRIAM KRIEGER[1]
Partner,
Chief Compliance Officer

HEATHER BRAUN
Managing Director,
Head of Marketing & Distribution Compliance, CCO of AIS

LISA MORGAN
Managing Director,
Head of Regulatory Compliance, CCO of ARDC

+ ~30 professionals

As of September 2020. Years referenced represents number of years of relevant experience.
1. Serves on Ares Management's Global Management Committee.
2. Serves on Ares' Alternative Credit Executive Committee.
3. Excludes Administrative Professionals.

ARES

APPENDIX B

INVESTMENT SUMMARIES

CASE STUDY: EUROPEAN FUND FINANCE

TRANSACTION OVERVIEW

- €40mm five year senior secured loan with expected LTV of ~5% at funding and ~15% fully drawn, with 7x asset coverage on Fair Market Value ("FMV") of portfolio
- €400mm 2011 vintage European private equity fund with 15 investments made from 2011 to 2016
- As eight earlier investments have been successfully exited, the remaining portfolio is comprised of seven more recent vintage investments (2014-2016) with an aggregate FMV of ~€258mm as of June 2020
- Ares Alternative Credit Team has significant experience and leveraged the "Power of the Platform" to source the investment opportunity in coordination with the Ares European Direct Lending Team

All data as of December 2020 unless otherwise noted. The case study shown illustrates the most recent European fund finance transaction originated since inception as of January 2021. This case study is shown for illustrative purposes only and there is no guarantee that Ares will have similar investment opportunities in the future. This information is neither an offer to sell, nor the solicitation of an offer to purchase, any security, the offer and/or sale of which can only be made by definitive offering documentation. References to "downside protection", "sufficient diversity" or similar language are not guarantees against loss of investment capital or value, nor does it assure profit. **Please review in conjunction with the Case Study Endnotes on slide 36.**

BACKGROUND

- Legacy Fund (the "Fund") raised by a private equity Sponsor (the "Sponsor") is experiencing temporary delays on portfolio exits as a result of COVID-19 induced market dislocation
- Significant downside protection and sufficient diversity across seven remaining companies across different industries
- 50% of loan proceeds must be invested into the underlying portfolio companies, thus enhancing the value of the collateral
- Ares underwrote each of the seven underlying portfolio companies. Even under a stress scenario in which four investments represented the majority of value, the stressed valuation is ~€153mm, representing 3.8x asset coverage
- The Sponsor expects the portfolio exits in late 2021 or 2022, with an expectation of significant payoff upon asset sales

STRUCTURE

- €40mm five year delayed draw senior secured loan facility
  - Ares Pathfinder Fund invested €40mm in the transaction
- Substantial cash sweep from all underlying portfolio company exits
- Structured with minimum gross MOIC of 1.15x, stepping up to 1.25x by month 24
- Perfected security interest in all assets of the Fund
- Economics:
  - Loan pricing of 9.50% for first 12 months, stepping to 10.25% until December 2023, stepping up 1.00% per annum thereafter
  - Underwritten to a gross IRR of 14%-15% and a gross MOIC of 1.2x-1.3x *(as of the closing date)*

Summary

TRANSACTION HIGHLIGHTS

- Expected LTV of ~5% at funding and ~15% LTV fully drawn based on current FMV, ~25% LTV based on Ares Stress Case Market Value
- Multiple sources of repayment. Successful exit on any one of the three largest investments would be sufficient to repay the loan
- The Sponsor expects market opportunities to arise as a result of COVID-19 induced stress, and additional capital would be accretive to value through bolt-on acquisitions
- Up to 50% of the proceeds can be utilized as a dividend to Fund LPs, as the intention is for proceeds to enhance value of the portfolio
- Significant alignment with the Sponsor to terminate loan quickly to enhance their overall returns, and structured with minimum gross MOIC of 1.25x
- Sponsor has a track record of achieving strong returns, with a 1.8x gross multiple and a 22% gross IRR across all vintages since 2000; Specific to the Fund, Sponsor has achieved a 2.5x multiple for the Fund's eight fully realized investments
- Exit valuations have historically been conservative relative to the actual sale proceeds achieved. The Fund's realized eight investments were valued at ~€367mm in the quarter prior to sale and achieved ~€419mm at exit, an increase of 14%+ to the Sponsor's valuation

(€mm)

DESCRIPTION	EBITDA	DEC-19 FMV	MAR-20 FMV	JUN-20 FMV	STRESS SCENARIO	COVID IMPACT
Freight Operator	65	84.3	77.7	82.0	64.5	Minimal
Corporate / Operations Software	9	61.5	54.7	68.3	36.5	Minimal
Rail Fastening for Heavy Cranes	10	70.8	61.3	61.1	43.0	Minimal
Dessert and Ice Cream Maker	10	41.7	24.1	24.7	6.2	Significant
Equipment Manufacturer	4	16.0	13.5	13.2	0.0	Moderate
Valve Manufacturer	4	3.7	3.4	7.2	3.0	Minimal
Dental Services	N/A	N/A	N/A	N/A	N/A	N/A
Unrealized Asset Total		***278.0***	***234.7***	***256.5***	***153.2***	
Earn-Out Receivable				*1.2*	*0.0*	
Asset Total				***257.7***	***153.2***	
Min. Capital Proceeds to be Invested in Portfolio Companies				***20.0***	***20.0***	
Total				***277.7***	***173.2***	
Asset Coverage				***~7x***	***~4x***	

For illustrative purposes only. COVID-19 impact is based on subjective analysis performed by Ares. Past performance is not indicative of future results.
Note: FMV reviewed for last six months, along with Ares' independent stress testing, with input from both in-house and external experts. Portfolio company information is derived from available portfolio company data, has not been independently verified and may reflect normalized or adjusted amount. Accordingly, no representation or warranty is made in respect of this information.

CASE STUDY:
TRIPLE NET LEASE PORTFOLIO

TRANSACTION OVERVIEW

- $161.45 million investment in Class B common stock issued by a real estate company (the "Company")
- The Company owns a portfolio of ~550 childcare centers and three Silicon Valley office buildings (the "Portfolio")
- Ares' purchase price values the Portfolio at an implied 7.25% cap rate. Market comps are in the 5.5% - 6.5% range
- Ares maintains significant expertise in the childcare centers sector from prior investments
- The structure and assets provide significant downside protection versus corporate debt opportunities

BACKGROUND

- The Company is seeking to diversify its shareholder base to enable a conversion to Real Estate Investment Trust ("REIT") status by year-end
- Opportunity to invest in the Portfolio of triple net lease real estate assets through an investment in the Company. The Portfolio will be held within a master lease representing 37% of the lessee's total childcare units
- The master lease structure creates a super-senior security in the Company's capital structure, thereby providing a number of downside protections that help protect our interests even in the event of the lessee's bankruptcy
- The lessee operates over 1,500 childcare locations throughout the U.S. and today serves over 200,000 children. It has been in business over 50 years

STRUCTURE

- $161.45mm investment in Class B common stock
  - Ares Pathfinder Fund invested $121.45mm in the transaction
- Ares will have certain rights over the Company (via two board seats) which include control over decisions to sell (or not sell) the Company, its assets or any shares
- Economics:
  - Underwritten to a gross IRR of 15%-16% and a gross MOIC of 1.7x *(as of the closing date)*

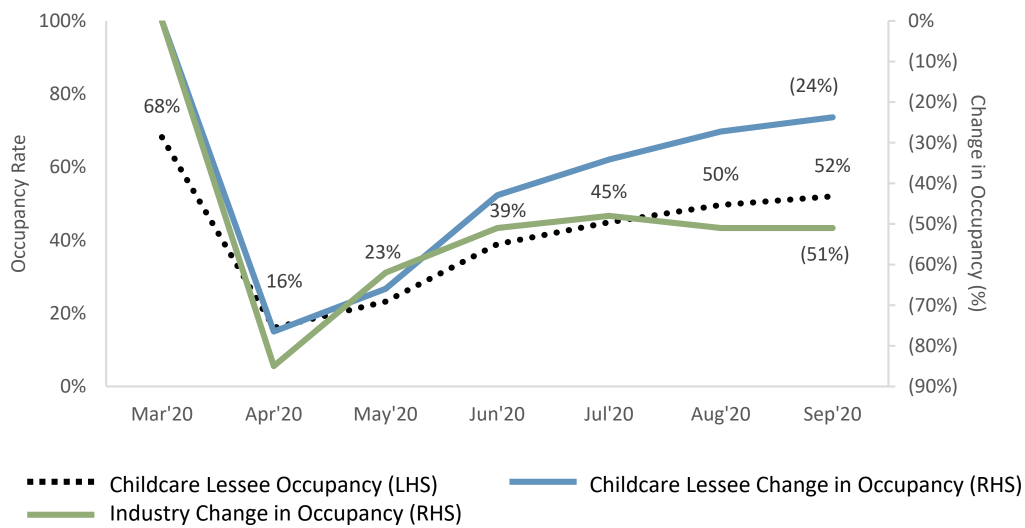
All data as of December 2020 unless otherwise noted. The case study shown illustrates the most recent triple net lease portfolio transaction originated since inception as of January 2021. This case study is shown for illustrative purposes only and there is no guarantee that Ares will have similar investment opportunities in the future. This information is neither an offer to sell, nor the solicitation of an offer to purchase, any security, the offer and/or sale of which can only be made by definitive offering documentation. References to "downside protection", "sufficient diversity" or similar language are not guarantees against loss of investment capital or value, nor does it assure profit. **Please review in conjunction with the Case Study Endnotes on slide 36.**

Childcare Lessee COVID-19 Impact

In late March 2020, the lessee temporarily closed 76% of its childcare centers due to COVID-19, which have all since been reopened and are currently operating at occupancy levels (i.e., active students as a percentage of permitted occupancy) above the broader childcare industry

- As shown below, the lessee's childcare business rebounded dramatically in September with occupancy down only 24% from pre-COVID levels
- The childcare properties continue to have 1.7x rent coverage on a run-rate basis down from 2.8x pre-COVID
- We anticipate that the childcare business will return to pre-COVID occupancy levels by 2Q 2021

Occupancy Rates & % Change from March



Source: ProCare Solutions as of September 30, 2020.
For illustrative purposes only. Forecasts are inherently limited and should not be relied upon as indicators of actual or future outcomes.

The sponsor and management team of the lessee effectively managed the company's liquidity and liabilities through COVID-19

- In July 2020, the lessee issued $50 million of senior secured notes and $50 million of preferred equity from the company's sponsor
- The lessee amended its loan agreement to receive effective financial leverage covenant relief though 2Q 2021
- The lessee currently has ample liquidity including $97 million of cash and $100 million of undrawn revolver availability
- As of September 2020, the lessee is current on all of its lease payments

APPENDIX C

PERFORMANCE NOTES

ARES

Performance Notes to Ares Credit Group Slide

- ARCC received the 2019 All-America Executive Team award alongside 66 other companies. Various Ares personnel received first place awards in the following category: IR program. 152 other institutions also received a first-, second-, or third-place ranking in this category. Institutional Investor based these awards on the opinions of 2,742 portfolio managers and buy-side analysts, and 655 sell-side analysts who participated in this survey.
- Institutional Investor logo from Institutional Investor, ©2019 Institutional Investor, LLC. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.
- Lipper Rankings reported in Lipper Marketplace Best Money Managers, September 30, 2020. Lipper Marketplace is the source of the long-only and multi-strategy credit rankings. Lipper's Best Money Managers rankings consider only those funds that meet the following qualification: performance must be calculated "net" of all fees and commissions; must include cash; performance must be calculated in U.S. dollars; asset base must be at least $10 million in size for "traditional" U.S. asset classes (equity, fixed income, and balanced accounts); and, the classification of the product must fall into one of the categories which they rank. Lipper defines Short Duration as 1-5 years. Lipper's Active Duration definition does not specify a time period but rather refers to an Active rather than Passive strategy. Ares Institutional Loan Fund was ranked 8 out of 43 for the 40 quarters ended September 30, 2020. Composites for Ares U.S. Bank Loan Aggregate and Ares U.S. High Yield additionally received rankings of 7 of 43 and 4 of 28, respectively, for the 40 quarters ended September 30, 2020.
- Private Equity International selected Ares Management as Lender of the Year in North America – 2019. Awards based on an industry wide global survey across 76 categories conducted by Private Equity International. Survey participants voted independently. In addition, survey participants could nominate another firm not listed in the category.
- Private Debt Investor selected Ares Management for 2019 Global Fund Manager of the Year, Lender of the Year (Americas), and Deal of the Year (Americas) and selected Ares Capital Corporation for BDC of the year in the Americas. Awards based on an industry wide global survey across 47 categories conducted by Private Debt Investor. Survey participants voted independently. In addition, survey participants could nominate another firm not listed in the category.

Pro Forma Performance Notes to Alt Credit Track Record Slides

- **Past performance is not indicative of future results**. Please see the below performance disclosures for important information about the results shown herein. The investments reflected herein are intended to be illustrative, and are not intended to be used as an indication of current or future performance of any Ares fund, or investment. Further, reference to these particular investments is not necessarily indicative that any Ares fund will offer or hold any or all of the investments. The opportunity to invest in future Ares funds or investments on an ongoing basis is not guaranteed, and will be made by means of definitive offering memoranda, which will be furnished to qualified investors at their request.
- The Total Alternative Credit track record shown includes the following:
  - Financial: all CLO investments in commingled funds and separately managed accounts executed by investment professionals within Ares Credit Group for the period January 1, 2012 to September 30, 2020; all FINCO debt investments in Ares Capital Corporation executed by investment professionals within Ares Credit Group for the period from January 1, 2012 to September 30, 2020; and all financial asset investments in commingled funds and separately managed accounts executed by investment professionals within Ares Credit Group.
  - Specialty: all private asset-backed investments in commingled funds and separately managed accounts executed by investment professionals within Ares Credit Group.
  - Real: all CMBS investments in commingled funds and separately managed accounts executed by investment professionals within Ares Credit Group for the period January 1, 2018 to September 30, 2020; all real asset investments in commingled funds and separately managed accounts executed by investment professionals within Ares Credit Group; and all K-Series investments in separately managed accounts executed by investment professionals within Ares Real Estate Group.
- The Pathfinder Strategy Subset reflects all opportunistic Alternative Credit investments, consistent with the Fund's investment philosophy.
- The pro forma performance results shown have been compiled by Ares from actual realized and unrealized investments that were not collectively part of an actual portfolio. However, these results are based on a grouping of assets that are representative of the strategy that the Fund intends to follow. Pro forma performance results may have inherent limitations, and no representation is being made that any investor will or is likely to achieve profits or losses similar to those shown. Had a fund focused on the assets represented by this performance actually existed, Ares may not have made the same investment decisions. Given Ares did not offer an investment vehicle that held all of the assets included in the pro forma track record, an investor was not able to invest in these assets as presented. There are factors related to the markets in general, or to the implementation of any specific portfolio strategy, which cannot be fully accounted for in the preparation of pro forma portfolio performance, all of which can adversely affect actual portfolio results. Returns of unrealized investments herein are based in part on unrealized valuations and the actual realized returns of such unrealized investments may differ materially from the returns indicated herein. The performance information summarized herein has not been audited. Past performance is not indicative of future results. No individual investor has received the investment performance indicated by the pro forma returns presented herein. Certain assumptions, not all of which are described herein, have been made to calculate pro forma returns and the use of different assumptions could produce materially different results. Fee and expense assumptions are based on the following: Assumptions are based upon what Ares believes represents a reasonable fee analysis. Fees and expenses for the Fund may be materially different than the fee and expense assumptions provided herein.
  a. Represents total net losses on all realized investments divided by total invested capital.
  b. Represents the asset-level Internal Rate of Return (IRR) of selected investments. IRR is the discount rate that makes the net present value of all cash flows related to a particular investment equal to zero. IRRs are de-annualized for investments with a holding period of less than one year. Gross asset-level IRR is gross of management and other expenses related to investments as these expenses are not allocable to specific investments and differ among funds. Gross asset-level performance does not reflect the effect of management fees, carried interest or other expenses, which in the aggregate may be substantial. The net IRR reflects the deduction of hypothetical management fees, incentive fees, and operating and administrative expenses from the gross IRR. For the Pathfinder Strategy Subset (Illiquid Alternative Credit), we assumed management fees of 1.25% per annum, administrative expenses of 0.12% per annum, and one time organizational expense of 0.175%. For the incentive fee estimate, we assumed a straight-line 20% deduction against the net return before incentive fees once a 6% hurdle was cleared. For Liquid Alternative Credit, we assumed a management fee of 0.50% per annum, administrative expenses of 0.02% per annum, and one time organizational expense of 0.03%. The effects of actual management fees, performance fees, and other expenses may differ, maybe materially, from the effects of expenses estimated herein. Investments are considered to be realized when the original investment objective has been achieved through the receipt of cash upon the sale of an investment. Past performance is not indicative of future results, the achievement of which cannot be assured.
  c. MOIC represents Multiple on Invested Capital. Asset-level MOIC is gross of management and other expenses related to investments as these expenses are not allocable to specific investments and differ among funds. The effect of such management and other expenses may reduce, maybe materially, the multiples show herein. Investments are considered to be realized when the original investment objective has been achieved through the receipt of cash upon the sale of an investment. The net MOIC reflects the deduction of hypothetical management fees, incentive fees, and operating and administrative expenses from the gross MOIC. See (b) above for further details on the assumptions. Note the net MOIC does not factor in the impact of the hurdle rate or reinvested capital.
- Target Fund returns are higher than the Pathfinder Strategy Subset pro forma net IRR and MOIC as the net returns exclude the benefit of any recycling, reinvestment and liquidity management. Further, Ares expects Pathfinder will have a higher allocation (relative to previous funds) to directly originated, private opportunities.

Index Definitions

Estimates of market correlation are not available for many Alternative Credit sectors due to lack of independent, publicly available data. However, where data is available, correlations with traditional markets have historically been quite low. The table herein shows five-year correlation statistics across a number of asset classes, with Private Asset-Focused Investments represented by a separately managed account managed by the Ares Alternative Credit Team (the "Team") since 2015. Observations by senior members of the Team from over decades of investment experience also support the general view that cash flow performance, default rates and loss rates in most Alternative Credit sectors are generally not correlated with markets but tend to be idiosyncratic and specific to individual transactions.

Note: As of September 30, 2020. Index data is provided for comparison purposes only. The information related to the various indices is sourced from the providers' websites. Ares is not responsible for any historic revision made to the indices. The indices include the reinvestment of dividends, interest and other earnings and have not been adjusted for management fees or expenses. Any indices that are not denominated in U.S. Dollars are hedged back to the U.S. Dollar currency for comparison purposes.

Correlation results have been calculated using the monthly returns of the below reference indices:

1. 'US Small Cap' is represented by the Russell 3000 index. The Russell 3000® Index measures the performance of the largest 3,000 US companies representing approximately 98% of the investable US equity market. The Russell 3000® Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are included.
2. 'US Large Cap' is represented by the S&P 500 index. The S&P 500 index is designed to be a leading indicator of US equities and is meant to reflect the risk/return characteristics of the large cap universe.
3. 'Euro Equities' is represented by the EURO STOXX 50® Index. The EURO STOXX 50® Index represents the performance of the 50 largest companies among the 19 supersectors in terms of free-float market cap in 11 Eurozone countries. These countries include Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The index has a fixed number of components and is part of the STOXX blue-chip index family. The index captures about 60% of the free-float market cap of the EURO STOXX Total Market Index (TMI).
4. 'World Equities' is represented by the MSCI World Index. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,649 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US.
5. 'US Corp Loans' is represented by the Credit Suisse Leveraged Loan Index ('CSLLI'). The CSLLI is an index designed to mirror the investable universe of the $US-denominated leveraged loan market.
6. 'Euro Corp Loans' is represented by the Western European Leveraged Loan Index ('WELLI'). The WELLI is designed to mirror the investible universe of the Western European leveraged loan market, with loans denominated in $US and Western European currencies.
7. 'US High Yield' is represented by the ICE BofAML High Yield Master II Index ('H0A0'). The H0A0 consists of below investment grade US dollar denominated corporate bonds that are publicly issued in the US domestic and yankee bonds (issues included in the index have maturities of one year or more and have a credit rating lower than BBB-/Baa3, but are not in default).
8. 'Euro High Yield' is represented by the ICE BofAML European High Yield Index ('HE00'). The HE00 tracks the performance of EUR denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets.
9. 'Barclays Agg' is represented by the Bloomberg Barclays Global Aggregate Bond Index. The Bloomberg Barclays Global Aggregate Bond Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.
10. 'Barclays ABS' is represented by the Bloomberg Barclays Asset-Backed Securities Index. The Bloomberg Barclays Asset-Backed Securities Index is the ABS component of the Bloomberg Barclays US Aggregate Bond Index and has three subsectors (credit and charge cards, autos, and utility).
11. 'Barclays CMBS' is represented by the Bloomberg Barclays Non-Agency Investment Grade CMBS Index.
12. 'US CLO BBB' is represented by the J.P. Morgan Collateralized Loan Obligation BBB Index (CLOIE). The J.P. Morgan Collateralized Loan Obligation BBB Index (CLOIE) is dedicated to tracking the US dollar-denominated broadly-syndicated, arbitrage CLO market. The CLOIE is not tradeable and aims to enhance market transparency and act as a potential total return benchmark. Represents US dollar-denominated post-crisis broadly syndicated CLOs rated BBB.
13. 'US CLO BB' is represented by the J.P. Morgan Collateralized Loan Obligation BB Index (CLOIE). The J.P. Morgan Collateralized Loan Obligation BB Index (CLOIE) is dedicated to tracking the US dollar-denominated broadly-syndicated, arbitrage CLO market. The CLOIE is not tradeable and aims to enhance market transparency and act as a potential total return benchmark. Represents US dollar-denominated post-crisis broadly syndicated CLOs rated BB.
14. 'US Govt 10yr' is represented by the ICE BofA Current 10-Year US Treasury Index (GA10). The ICE BofA Current 10-Year US Treasury Index is a one-security index comprised of the most recently issued 10-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 10-year note must be auctioned on or before the third business day before the last business day of the month.
15. 'Euro Govt 10yr' is represented by the ICE BofA 7-10 Year German Government Index (G4D0). The ICE BofA 7-10 Year German Government Index is a subset of ICE BofA German Government Index including all securities with a remaining term to final maturity greater than or equal to 7 years and less than 10 years.

Index Disclosure: Indices are provided for illustrative purposes only and not indicative of any investment. They have not been selected to represent appropriate benchmarks or targets for the strategy. Rather, the indices shown are provided solely to illustrate the performance of well-known and widely recognized indices. Any comparisons herein of the investment performance of a strategy to an index are qualified as follows: (i) the volatility of such index will likely be materially different from that of the strategy; (ii) such index will, in many cases, employ different investment guidelines and criteria than the strategy and, therefore, holdings in such strategy will differ significantly from holdings of the securities that comprise such index and such strategy may invest in different asset classes altogether from the illustrative index, which may materially impact the performance of the strategy relative to the index; and (iii) the performance of such index is disclosed solely to allow for comparison on the referenced strategy's performance to that of a well-known index. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that will differ from the strategy. The indices do not reflect the deduction of fees or expenses. You cannot invest directly in an index. No representation is being made as to the risk profile of any benchmark or index relative to the risk profile of the strategy presented herein. There can be no assurance that the future performance of any specific investment, investment strategy, or product will be profitable, equal any corresponding indicated historical performance, or be suitable for a portfolio.

Endnotes to Case Study Slide

The case studies herein are shown for illustrative purposes only and there is no guarantee that Ares will have similar investment opportunities in the future. Underwritten performance is provided for purposes of demonstrating pricing objectives and the Ares Alternative Credit Team's evaluation of the investment at the time of underwriting. Underwritten returns represent projected performance which is based on certain assumptions, is subject to change and is not a reliable indicator of future performance and no guarantee or assurance is given that such returns will be achieved or that an investment will not result in a loss. **Returns shown reflect underwritten performance and do not reflect actual performance of the investment, which may differ substantially.**

Underwritten IRR and MOIC are based on the investment at time of underwriting, are gross of fees and do not reflect actual performance. The underwritten IRR and MOIC do not reflect actual returns to any investor. Underwritten IRRs are formulated by utilizing industry market data including historical loss curves and comparable asset performance and are based on expectations of repayment in 3 years for the REIT Financing, 3.25 years and an exit in 4 years for the Structured Solutions Financing, 2.25 years for the European fund finance investment, 3.8 years for the triple net lease portfolio investment, and 5 years for the SFR portfolio acquisition. This may contain information obtained from third parties, and Ares cannot guarantee the accuracy, completeness, timeliness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such content. Multiples of capital reflect the sum of realized proceeds and unrealized value, divided by the aggregate dollars invested in such investment. Underwritten performance does not reflect the effect of management fees, carried interest or other expenses, which in the aggregate may be substantial. Multiples, when shown with respect to an individual investment, are on a gross basis.

A list of investments comprising the Ares Alternative Credit Track Record is available upon request.

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