New Hampshire Retirement System (NHRS)
Investment Committee Meeting

(Certain portions of the meeting may be held in Non-Public Session)

Agenda
Tuesday, June 11, 2024

1:30 pm Call to Order

1:30 pm Approve Minutes **[Tab 1]**
- April 9, 2024 Public Meeting Minutes *(Action Expected)*

1:35 pm Comments from the Chief Investment Officer **[Tab 2]**
- Portfolio: Performance & Manager Update(s)
- Holdings Update
- Work Plan
- Investment Office Update
- Contract Renewals (*Action Expected)*
  - BlackRock (Passive U.S. Large Cap Equity)

1:45 pm Ares Presentation (Private Credit) **[Tab 3]** *(Action Expected)*

2:45 pm The Townsend Group Presentation: Semi-Annual Portfolio Review **[Tab 4]**
- Review of Investment Plan for Calendar Year 2024

3:30 pm Callan Presentation: Semi-Annual Private Debt/Equity Portfolio Review **[Tab 5]**

4:15 pm Adjournment

Informational Materials **[Tab 6]**
- Callan Monthly Review – April 2024
- Asset Allocation Update
- Private Debt & Equity Summary
- Callan Quarterly Review for Period Ending March 31, 2024
- Callan Quarterly Private Markets Review for the Period Ending March 31, 2024
- Quarterly Real Estate Report for the Period Ending March 31, 2024

Next Meeting: Tuesday, July 9, 2024

NOTE: The draft of these minutes from the April 9, 2024, Independent Investment Committee meeting is subject to approval and execution at a subsequent meeting.

Independent Investment Committee Meeting
April 9, 2024
DRAFT Public Minutes

New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301

Committee Members:

- Christine Clinton, CFA, *Chair*
- Brian Bickford, CFA, CFP®, *Member*
- Maureen Kelliher, CFA, *Member*
- Mike McMahon*, Non-Voting Member*
- Paul Provost, CFP®, *Member*

Staff:

- Jan Goodwin, *Executive Director*
- Raynald Leveque, *Chief Investment Officer*
- Gregory Richard, CFA, CAIA, *Senior Investment Officer*
- Shana Biletch, CFP®, *Investment Officer*
- Jonathan Diaz, *Investment Officer*
- Jesse Pasierb, *Investment Operations Analyst*
- Mark Cavanaugh*, Associate Counsel, and Compliance Officer* (*by video conference)*
- Tim Crutchfield, *Deputy Director, and Chief Legal Counsel (by video conference)*
- Heather Hoffacker, *Internal Auditor (by video conference)*
- John Laferriere, *Director of Information Technology (by video conference)*

Guests:

- Rene Lubianski, *Managing Partner, Brookfield Asset Management*
- Cara O'Brien, *Vice President, Brookfield Asset Management*

Chair Clinton called the meeting to order at 12:30 PM.

On a motion by Mr. Provost, seconded by Mr. Bickford, the Independent Investment Committee (Committee) unanimously approved the public minutes of the February 13, 2024, Committee meeting as presented.

Mr. Leveque reviewed investment returns through recent periods and referred to the Callan Monthly Review for the period ending February 29, 2024. He shared an update on holdings within the NHRS portfolio. He confirmed that all allocations are in line with their approved ranges. Mr. Leveque updated the Committee on total plan liquidity, Russian holdings, and the Work Plan. In addition, he briefed the Committee on the current status of the Investment Office Strategic Plan developed by the Investment Team.

On a motion by Mr. Bickford, seconded by Ms. Kelliher, the Committee unanimously approved the Work Plan for the first quarter of Fiscal Year 2025, as presented.

Mr. Leveque referenced the "Institutional Proxy Voting Policy Recommendation" memo dated April 9, 2024, and the updated version of the NHRS Proxy Voting Policy presented for the Committee's consideration. Upon a motion by Mr. Provost, seconded by Ms. Kelliher, the Committee unanimously agreed to endorse the revised Proxy Voting Policy, as presented. This endorsement was in confirmation of the Board of Trustees' prior approval, effectively granting final approval to the policy.

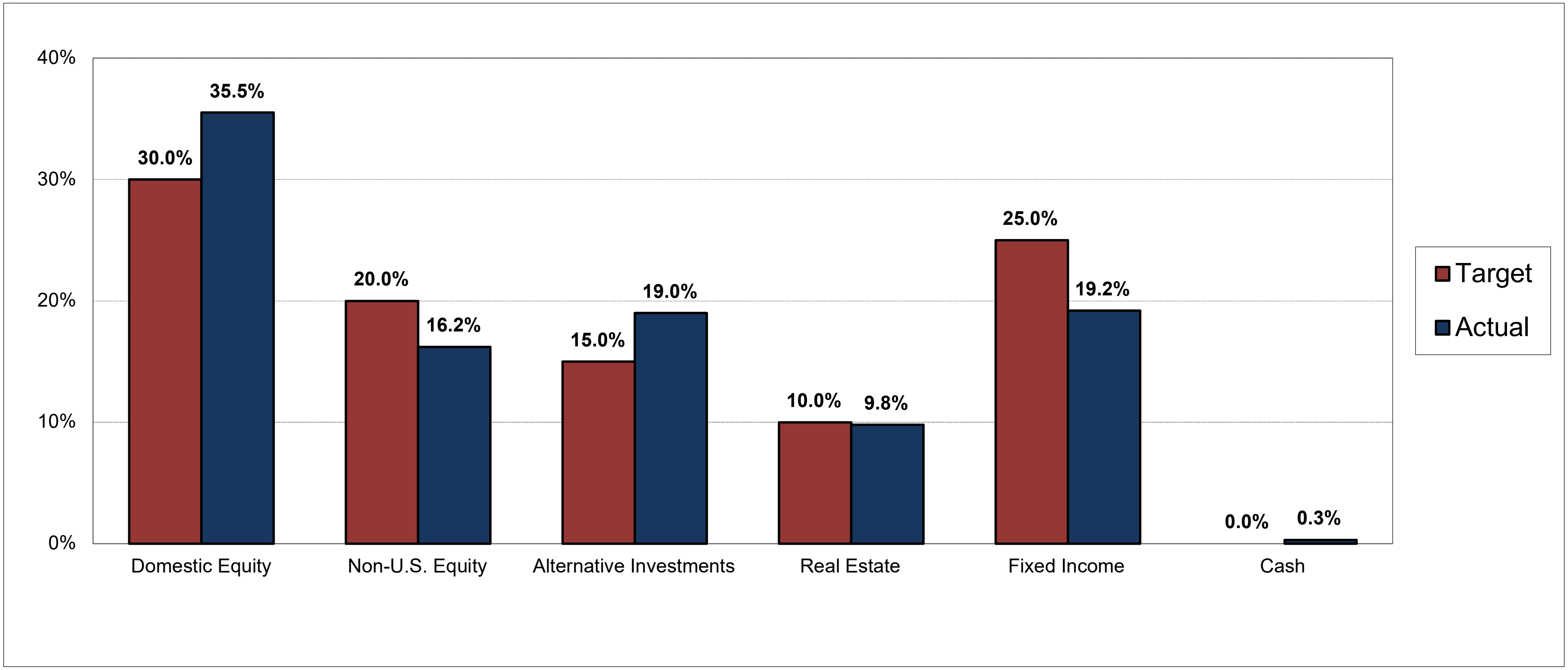
Ms. O'Brien introduced Brookfield Asset Management (Brookfield) and reviewed its existing relationship with NHRS. Mr. Lubianski provided a detailed educational overview of private infrastructure investments. He discussed the current market environment and the benefits of private infrastructure investments, which act as stable income generators and offer inflation participation for investment portfolios with long time horizons. Mr. Lubianski provided an overview of the various strategies in the private infrastructure universe and listed some of the important factors in considering private infrastructure investments. He closed by providing Brookfield's outlook on opportunities within the asset class, based on themes pertaining to digitalization, decarbonization, and deglobalization.

On a motion by Ms. Kelliher, seconded by Mr. Provost, the Committee unanimously voted to adjourn the meeting.

The meeting adjourned at 1:40 PM.

Current Status

Class Targets vs. Actual Allocation as of April 30, 2024 (Preliminary)



Source: NHRS

Asset Class Allocations Relative to Policy Targets and Ranges

As of April 30, 2024 (preliminary)

Asset Class	Range	Allocation Target	Actual	Variance	Objective	Comments
Domestic Equity	20 - 40%	30.0%	35.5%	5.5%	**Monitor**	No immediate action needed.
Non-U.S. Equity	15 - 25%	20.0%	16.2%	-3.8%	**Monitor**	Below target allocation but within approved allocation range. Continue to Monitor.
Alternative Investments (AI)[1]	5 - 25%	15.0%	19.0%	4.0%	**Monitor**	No immediate action needed.
Real Estate (RE)[1]	5 - 20%	10.0%	9.8%	-0.2%	**Monitor**	No immediate action needed.
Fixed Income[2]	20 - 30%	25.0%	19.2%	-5.8%	**Monitor**	Below target allocation but within approved allocation range when cash is included. Continue to Monitor.
Cash[2]	NA	0.0%	0.3%	0.3%	**No Action**	Minimal cash balance to provide liquidity, as needed, for annuities, capital calls, and other plan needs.
		100.0%	100.0%	0.0%		

[1] As reported on the April 30, 2024 Callan Monthly Review.

[2] In early May the investment team reduced an overweight SAA position in U.S. Equity by selling $175 million from the passive BlackRock S&P 500. The proceeds have been allocated to cash.

Source: NHRS

The table below details the rates of return for the fund's asset classes over various time periods ended April 30, 2024. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized.

		Net of Fees Returns for Periods Ended April 30, 2024							
Composite	Total Fund Weighting As of 4/30/2024	Last Month	Last 3 Months	FYTD	CYTD	LTM	3-YR	5-YR	10-YR
Total Domestic Equity	**32.71%**	**-4.82%**	**3.70%**	**11.78%**	**3.65%**	**18.86%**	**4.90%**	**10.80%**	**10.48%**
Domestic Equity Benchmark(1)		*-4.40%*	*4.03%*	*14.04%*	*5.18%*	*22.30%*	*6.39%*	*12.13%*	*11.90%*
Excess Return		*-0.42%*	*-0.32%*	*-2.26%*	*-1.52%*	*-3.44%*	*-1.49%*	*-1.34%*	*-1.41%*
Total Non US Equity	**18.98%**	**-3.00%**	**2.69%**	**8.20%**	**2.83%**	**10.32%**	**1.10%**	**5.22%**	**4.61%**
Non US Equity Benchmark(2)		*-1.80%*	*3.84%*	*8.58%*	*2.81%*	*9.32%*	*0.35%*	*5.03%*	*3.93%*
Excess Return		*-1.21%*	*-1.15%*	*-0.38%*	*0.02%*	*0.99%*	*0.75%*	*0.19%*	*0.69%*
Total Fixed Income	**19.25%**	**-2.36%**	**-2.58%**	**1.10%**	**-2.89%**	**0.21%**	**-2.62%**	**1.12%**	**1.86%**
Bloomberg Capital Universe Bond Index		*-2.34%*	*-2.56%*	*0.86%*	*-2.79%*	*-0.34%*	*-3.15%*	*0.18%*	*1.51%*
Excess Return		*-0.02%*	*-0.02%*	*0.23%*	*-0.09%*	*0.55%*	*0.53%*	*0.94%*	*0.35%*
Total Cash	**0.26%**	**0.43%**	**1.31%**	**4.58%**	**1.77%**	**5.46%**	**2.84%**	**2.16%**	**1.51%**
3-Month Treasury Bill		*0.43%*	*1.29%*	*4.47%*	*1.73%*	*5.36%*	*2.73%*	*2.07%*	*1.42%*
Excess Return		*0.00%*	*0.01%*	*0.10%*	*0.04%*	*0.10%*	*0.12%*	*0.09%*	*0.09%*
Total Real Estate (Q4)*	**9.79%**	**-1.30%**	**-3.98%**	**-6.00%**	**-4.17%**	**-11.12%**	**7.54%**	**7.01%**	**9.35%**
Real Estate Benchmark(3)		*-0.87%*	*-4.20%*	*-10.46%*	*-5.82%*	*-12.49%*	*3.50%*	*3.08%*	*6.28%*
Excess Return		*-0.43%*	*0.22%*	*4.46%*	*1.65%*	*1.37%*	*4.04%*	*3.93%*	*3.08%*
Total Private Equity (Q4)*	**14.20%**	**0.85%**	**1.81%**	**3.14%**	**1.79%**	**6.95%**	**14.67%**	**14.02%**	**11.81%**
Private Equity Benchmark(4)		*1.25%*	*16.74%*	*20.62%*	*13.90%*	*21.37%*	*13.26%*	*17.16%*	*15.97%*
Excess Return		*-0.40%*	*-14.93%*	*-17.48%*	*-12.12%*	*-14.42%*	*1.41%*	*-3.15%*	*-4.15%*
Total Private Debt (Q4)*	**4.81%**	**0.25%**	**1.32%**	**3.01%**	**1.31%**	**5.07%**	**7.72%**	**5.74%**	**6.35%**
Private Debt Benchmark(5)		*0.24%*	*6.20%*	*10.79%*	*5.67%*	*10.87%*	*4.49%*	*4.83%*	*6.01%*
Excess Return		*0.01%*	*-4.88%*	*-7.78%*	*-4.36%*	*-5.80%*	*3.22%*	*0.91%*	*0.34%*
Total Fund Composite	**100.00%**	**-2.63%**	**1.07%**	**5.30%**	**0.99%**	**7.39%**	**4.28%**	**7.39%**	**7.13%**
Total Fund Benchmark(6)		*-2.21%*	*2.84%*	*7.71%*	*2.47%*	*9.69%*	*3.47%*	*7.34%*	*7.32%*
Excess Return		*-0.42%*	*-1.77%*	*-2.41%*	*-1.47%*	*-2.30%*	*0.80%*	*0.05%*	*-0.19%*

(1) The Domestic Equity Benchmark is the Russell 3000 Index as of 7/1/2021.

(2) The Non US Equity Index is the MSCI ACWI ex US Index as of 7/1/2003. Prior to 7/1/2003 it was the MSCI EAFE Index.

(3) The Real Estate Benchmark is the NCREIF NFI-ODCE Value Weight Net Index lagged 1 quarter as of 7/1/2015.

(4) The Private Equity Benchmark is the Russell 3000 Index + 2% lagged 1 quarter as of 7/1/2022.

(5) The Private Debt Benchmark is (50% MStar LSTA Leveraged Loan 100 Idx + 50% Bloomberg High Yield Index) + 1% lagged 1 quarter as of 7/1/2022.

(6) Current Month Target = 30.0% Russell 3000 Index, 25.0% Bloomberg Universal, 20.0% MSCI ACWI ex-US, 10.0% NCREIF NFI-ODCE Value Weight Net lagged 3 months, 10.0% Russell 3000 Index lagged 3 months+2.0%, 2.5% Bloomberg High Yield Corp lagged 3 months+1.0% and 2.5% MStar LSTA Lev Loan 100 lagged 3 months +1.0%.

(7) For the trailing 25 year period ended 4/30/24, the Total Fund has returned 6.39% versus the Total Fund Custom Benchmark return of 6.39%.

*Real Estate and Alternatives market values reflect current custodian valuations, which are typically lagged approximately 1 quarter.

FYTD *Fiscal Year to Date*

CYTD *Calendar Year to Date*

LTM *Last Twelve Months*

NHRS
New Hampshire Retirement System

To: Investment Committee

From: Raynald Leveque, Chief Investment Officer

Date: June 11, 2024

Re: **Work Plan / Recap of April Investment Committee Meeting**

Item: Action: ☐ Discussion: ☐ Informational: ☒

The attached six-month Work Plan summarizes the high-level tasks and projects being addressed by the Investment Committee and Staff.

A recap of the April Investment Committee (IIC) meeting is as follows:

- Staff presented an update on the monthly performance of the public market asset classes of the NHRS, rebalancing, holdings, and the Work Plan.
- The Committee heard an educational presentation from asset manager Brookfield Asset Management on Infrastructure Investing.
- The Committee unanimously voted to approve the revised Proxy Voting Policy for recommendation to the Board of Trustees.

NHRS
New Hampshire Retirement System

To: Investment Committee
From: Raynald Leveque, Chief Investment Officer
Date: June 11, 2024
Re: **Six-Month Investment Work Plan**
Item: Action: ☐ Discussion: ☐ Informational: ☒

As time progresses, the Work Plan will be updated to reflect tasks and initiatives associated with the current and subsequent quarter. Items completed over the fiscal year will also be included.

Presentations are displayed using the following format:
IC meeting date – Pertinent details

Updates from the prior month are highlighted in **bold**.

4th Quarter FY 2024: April – June 2024

Investment Program
- Investment Office Update
- Discuss macroeconomic investment themes that may impact the portfolio
  April – Brookfield Educational presentation on Private Infrastructure Investment

Marketable Investments
- Schedule presentations of current investment managers
  June – BlackRock, U.S. Equity, S&P 500 Index Contract Renewal (*no presentation*)
- Monitor and execute structure of marketable assets portfolio

Alternative Investments
- Continue implementation of 2024 Private Debt & Equity Strategic Plan
  June - Callan, semi-annual update on the Private Debt & Equity program
  June – Ares, Senior Direct Lending Fund III, Private Credit
- Review Private Debt & Equity investments

Real Estate
- Continue implementation of 2024 Real Estate Investment Plan
  June - Townsend, semi-annual update on the 2024 Real Estate Investment Plan

1st Quarter FY 2025: July – September 2024

Investment Program

- Discuss macroeconomic investment themes that may impact the portfolio

Marketable Investments

- Schedule presentations of current investment managers
- Monitor and execute structure of marketable assets portfolio

Alternative Investments

- Continue implementation of 2024 Private Debt & Equity Strategic Plan

Real Estate

- Continue implementation of 2024 Real Estate Investment Plan

Completed Items – Fiscal Year 2024

1st Quarter FY 2024: July – September 2023

Investment Program

- Discuss macroeconomic investment themes that may impact the portfolio
  July – J.P. Morgan and BlackRock presented

Marketable Investments

- Schedule presentations of current investment managers
  September – IR+M, Fixed Income contract renewal, unanimous five-year renewal vote in October
- Monitor and execute structure of marketable assets portfolio
  September - Callan, Marketable Investments fiscal year portfolio review

Alternative Investments

- Continue implementation of 2023 Private Debt & Equity Strategic Plan
  August – Ares, Pathfinder II, Private Debt, unanimous approval of $50 million commitment
  September – Ares, Pathfinder II, additional commitment of $25 million

Real Estate

- Continue implementation of 2023 Real Estate Investment Plan

2nd Quarter FY 2024: October – December 2023

Investment Program

- October - 2024 Investment Committee meeting schedule, unanimous approval
- November - Annual Review of Investment Manual
- November - FY 2023 Comprehensive Annual Investment Report, unanimous approval of Draft CAIR for submission to Board in December subject to inclusion of investment section from the Annual Comprehensive Financial Report
- November – NHRS Strategic Asset Allocation Review

Marketable Investments

- Schedule presentations of current investment managers
  October - Wellington, Non-U.S. Equity Contract Renewal unanimous five-year renewal vote in November.
- Monitor marketable assets portfolio.

Alternative Investments

- Continue implementation of the 2023 Private Debt & Equity Investment Plan

Real Estate

- Continue implementation of the 2023 Real Estate Investment Plan
  The Townsend Group contract renewal date is December 31, 2023, unanimous two-year renewal vote in December

Vendors

- Service Provider Contract Renewals
  Abel Noser contract renewal date is December 31, 2023, unanimous two-year renewal vote in December

3rd Quarter FY 2024: January – March 2024

Investment Program

- Discuss macroeconomic investment themes that may impact the portfolio
  February – Investments Strategic Plan Presentation
  March – Callan Capital Markets Assumptions

Marketable Investments

- Schedule presentations of current investment managers
- Monitor marketable assets portfolio

Alternative Investments

- Review 2023 Private Debt & Equity Strategic plan and Performance
  January – Callan, review of existing commitments
- Approve 2024 Private debt & Equity Work Plan
  February – Callan, proposed 2024 Strategic Plan, unanimous approval in February
  February – H.I.G Capital, Advantage Buyout Fund II, Private Equity, unanimous approval of $50 million to the primary fund and $50 million to the co-investment vehicle

Real Estate

- Continue implementation of Fiscal Year 2024 Real Estate Investment Plan
  January – Townsend, review of the FY 2024 Investment Plan and approve proposed CY 2024 plan, unanimous approval in January

Vendors

- February – Abel Noser, trading cost analysis

NHRS
New Hampshire Retirement System

To: Investment Committee

From: Raynald Leveque, Chief Investment Officer

Shana Biletch, Investment Officer

Date: June 11, 2024

Re: **BlackRock S&P 500 Contract Renewal**

Item: Action: ☒ Discussion: ☐ Informational: ☐

The NHRS Investment Staff recommends to the Investment Committee that NHRS renew the Investment Management Agreement (Agreement) for the BlackRock S&P 500 contract. Callan has provided a recommendation related to the renewal of the Agreement with BlackRock.

The existing Agreement between U.S. equity manager BlackRock and NHRS remains in effect through July 31, 2024.

The portfolio has consistently demonstrated its ability to track the performance of the S&P 500 Index with efficient trading costs. Although the indexing platform has had two leadership departures in the past year, it's believed to be well-resourced at 160 professionals. Furthermore, BlackRock has grown its index equity leadership team during this time. The management of the S&P 500 portfolio has remained consistent.

NHRS invests in numerous BlackRock strategies across asset classes, including the S&P 500 portfolio, the Superfund (ACWI ex-US ETF), the Strategic Income Opportunities fund and the Private Opportunities Fund equity co-investment program. This relationship promotes synergies in sharing thought leadership as well as favorable economic terms.

The NHRS Investments team is constructive on the BlackRock S&P 500 strategy due to its performance, the scale of its index team and the synergies in place with the firm. Additionally, in consideration of Callan's support for renewal, we recommend that the Investment Management Agreement with BlackRock be renewed through July 31, 2029.

As a reminder, NHRS has the ability to terminate this investment at any time, upon 30 days' written notice to the manager. Future Investment Management Agreements will be executed for duration periods of five years, and Callan will provide a recommendation regarding each manager under contract renewal consideration as part of the renewal decision process.

Memorandum

To: Raynald Leveque, Chief Investment Officer for the NHRS
From: Angel G. Haddad, Britton M. Murdoch
Date: May 30, 2024
Subject: BlackRock S&P 500 Index Strategy Renewal

Summary

The New Hampshire Retirement System (NHRS) invests in the BlackRock S&P 500 Index strategy. Consistent with the manager renewal process established by NHRS, continued participation in this strategy is subject to discussion at contract extension. This Memo provides an independent evaluation of this investment strategy, together with the research and quantitative analysis considered to support our recommendations.

Based on our findings, we recommend that NHRS renew the contract with BlackRock. Callan maintains a positive view of BlackRock's passive management capabilities and specifically the S&P 500 Index strategy. We believe this product serves as an effective, low cost option for U.S. equity beta exposure, as defined by the S&P 500 Index. Historical performance has been consistent with our expectations; BlackRock has been able to replicate the S&P 500 Index with minimal tracking error over time (please see BlackRock's historical track record on the next page).

BlackRock has some of the most sophisticated technology in the industry due to its size, resources, and scalability. In addition, the team responsible to manage and monitor BlackRock's models is experienced and proficient providing index solutions to institutional investors. We note that Head of ETF and Index Investments (EII) Americas Portfolio Management, Amy Whitelaw, stepped away from her role in February 2023. In conjunction BlackRock announced promotions to senior team members to expand the leadership team. In addition, Salim Ramji, Global Head of ETF and Index Investments (EII), departed the firm during the first quarter of 2024. Callan will monitor BlackRock's decision on Ramji's successor, however we remain confident in the depth of the index team at the portfolio management level.

Firm

BlackRock (BLK on the NYSE) is the largest investment manager in the world with assets under management that span its iShares line-up as well as its suite of index funds and active strategies. The firm was founded in 1988 as Blackstone Financial Management. It changed its name to BlackRock in 1992, merged with PNC in 1995 and completed an IPO in 1999. In 2006, it merged with Merrill Lynch Investment Management. In 2009, it acquired Barclays Global Investors (BGI), well-known as a premier index fund manager and for its iShares line-up. At that time, BGI managed nearly $1.8 trillion. PNC Financial owned 22% of BlackRock until May 2020 when PNC sold its shares. Following the merger between BlackRock and BGI, a proprietary, fully integrated investment system called Aladdin was implemented as a solution to help ensure portfolios are managed efficiently. Aladdin is built off of one central database which helps manage data integrity. The Aladdin platform combines operations, compliance, trading, risk analytics, and portfolio management.

Investment Strategy and Portfolio

BlackRock's Index team includes over 160 professionals who are dedicated to managing both ETF and Index portfolios. BlackRock follows a team-based approach across investment strategy, portfolio management, research, and trading. The depth of their team allows for an index management platform with significant resources and collaboration across multiple areas. As a result of years of acquisitions and significant scale, BlackRock has a history of promoting and moving people throughout various roles.

BlackRock uses a full replication methodology to manage its S&P 500 Index strategy. A fully replicated index approach ensures close tracking relative to the target benchmark. By holding every stock in the index at its market capitalization weight, the portfolio is essentially 'self-rebalancing' thereby minimizing trading and transaction costs. Trading is necessary only for dividend reinvestments, to implement index changes or corporate actions, and to implement client contributions and redemptions (client-specific cash flow activity may result in higher tracking error relative to BlackRock's composite). Tracking error, managed through the Aladdin risk model, is BlackRock's primary measure of risk relative to the underlying index. Portfolios are reviewed daily against guidelines and formally on a monthly basis with the Investment Review Committee.

Strengths and Considerations

Strengths: Relative to other providers, BlackRock's indexing strengths are based on four key components:

- benchmark knowledge,
- portfolio construction,
- trading efficiency, and
- performance monitoring/oversight.

Concerns: Callan does not have any concerns regarding the BlackRock S&P 500 Index strategy.

NHRS BlackRock S&P 500 Index Fund Performance

NHRS BlackRock S&P 500 - Net of Fee Trailing Period Performance as of 3/31/24							
	Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception*
NHRS BlackRock S&P 500	10.55%	29.71%	11.44%	14.99%	14.04%	12.92%	14.76%
S&P 500	10.56%	29.88%	11.49%	15.05%	14.09%	12.96%	14.79%

*Since Inception September 2010

NHRS BlackRock S&P 500 - Net of Fee Calendar Year Performance									
	2023	2022	2021	2020	2019	2018	2017	2016	2015
NHRS BlackRock S&P 500	26.10%	-18.11%	28.63%	18.36%	31.47%	-4.39%	21.81%	11.94%	1.38%
S&P 500	26.29%	-18.11%	28.71%	18.40%	31.49%	-4.38%	21.83%	11.96%	1.38%

NHRS BlackRock S&P 500 - Net of Fee Trailing Period Tracking Error Relative to the S&P 500 as of 3/31/24					
	3 Years	5 Years	7 Years	10 Years	Since Inception*
NHRS BlackRock S&P 500	0.08%	0.07%	0.06%	0.05%	0.04%

*Since Inception September 2010

Since inception in September 2010, NHRS' BlackRock S&P 500 Index strategy has tracked its benchmark closely, with a return of 14.76% (net of fees) versus the S&P 500 Index return of 14.79%, as of March 31, 2024. The strategy's 2023 calendar year net of fee performance exhibited some tracking error due primarily to cash flow activity, returning 26.10% versus the S&P 500 Index return of 26.29%. BlackRock's 2021 calendar year performance also exhibited tracking error due to cash flow activity. The strategy's net of fee performance tracked the S&P 500 Index well over all other calendar year periods shown in the table above.

BlackRock continues to track the performance and characteristics of the S&P 500 Index. The strategy's tracking error is 8 basis points or lower over the trailing 3, 5, 7, and 10 year periods as well as since inception (September, 2010).

New Hampshire Retirement System | Ares Senior Direct Lending Fund III ("SDL III")

Tuesday, June 11th, 2024

Ares Attendee Bios

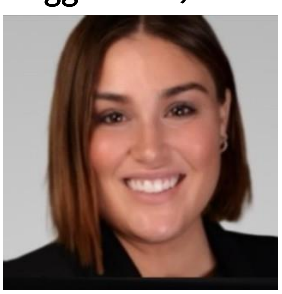
Ryan Brauns, *Partner – Ares Credit Group*

Mr. Brauns is a Partner in the Ares Credit Group, where he is responsible for leading sponsor finance in the Eastern U.S. for Ares' U.S. Direct Lending business. Prior to joining Ares in 2017, Mr. Brauns was a Managing Director and Head of Sponsor Finance at American Capital, Ltd. Previously, Mr. Brauns was a Vice President at GE Capital, where he focused on senior debt and second lien transactions for leveraged middle market companies across a variety of sectors. In addition, Mr. Brauns was an Associate at Lazard. Mr. Brauns holds a B.S., summa cum laude, from Salisbury University and an M.B.A. from Columbia Business School.

Kara Herskowitz, *Managing Director – Ares Investor Relations*

Ms. Herskowitz is a Managing Director in the Ares Investor Relations Group, where she focuses on credit product management and investor relations. Prior to joining Ares in 2017, Ms. Herskowitz was a Principal in the Client and Partner Group at KKR, where she was a Product Specialist focused on private equity. Previously, Ms. Herskowitz worked at The Blackstone Group where she was a member of the private equity project management team at Park Hill Group. In addition, Ms. Herskowitz was an Investment Banking Analyst at BMO Capital Markets in the Business Services and Media Group. Ms. Herskowitz holds a B.B.A., with highest honors, from Emory University in Finance and Accounting.

Maggie Todd, *Senior Associate – Ares Global Client Solutions*



Ms. Todd is a Senior Associate in the Ares Global Client Solutions Group, where she focuses on institutional client management in North America. Prior to joining Ares in 2022, Ms. Todd was an Investment Advisor Consultant at New York Life Investments Mainstay. She holds a B.A. from Georgetown University in Psychology.

Ares Senior Direct Lending Fund III

Presentation to New Hampshire Retirement System

June 2024

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Ares Management

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REF: DLUS-02931

Risk Factors

Risk Factors – General. An investment in an Ares fund, strategy, account or vehicle entails a significant degree of risk and, therefore, should be undertaken only by investors capable of evaluating the risks of that investment and bearing the risks it represents. General risks about making an investment are provided below. This is a non-exhaustive list of risk factors and conflicts of interest that should be considered in evaluating before making an investment. Investors should review a more complete list of risks, conflicts and or other considerations as described in a PPM or other offering documentation involved in connection with making an investment. Prospective investors should carefully review that additional information for other risks and the investment strategy's objective process and investment techniques associated with a corresponding investment. Prospective investors should understand risks associated with the types of equity and debt investments to be made, as well as risks related specifically to the various private and or public investment strategy and more generally to investments involved in the strategy.

No Assurance of Investment Return. Neither Ares or the general partner can provide assurance that it will be able to choose, make and/or realize investments in any particular company, portfolio of companies or asset. Further, there can be no assurance that the fund or strategy will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of companies, assets and transactions described or that such returns will be comparable to the fund or strategy's targeted returns. The marketability and value of any such investment will depend upon many factors beyond the control of the fund or strategy, the manager. The expenses of the fund or strategy may exceed its income. The fund or strategy would bear the expenses of transactions that are not consummated, including any break-up fees. As a result, the fund or strategy could incur a substantial cost with no opportunity for a return. A prospective investor could lose the entire amount of its contributed capital, and therefore an investor should only invest in the fund or strategy if the investor can withstand a total loss of its investment.

Past Performance Not Indicative of Future Results. Past performance of the manager, and their respective investment professionals with respect to fund, strategy or other portfolios, investment vehicles or accounts may be not indicative of the future results that the fund or strategy will achieve. Similarly, the past performance of the manager, its affiliates and their respective investment professionals over a particular period is not indicative of the results that may be expected in future periods. Furthermore, the strategies and risks guiding the fund or strategy's investments may differ substantially from investments and strategies undertaken by the manager, and their respective investment professionals with respect to the prior funds or strategies.

Valuation of Investments. A meaningful portion of the fund or strategy's portfolio may be expected to be in private investments that may be valued by the manager given the lack of public market information. As such, the fair value of such investments may not be readily determinable. The investments are generally expected to be valued at a fair value as determined in good faith and in accordance with U.S. generally accepted accounting principles. The types of factors that may be considered in valuing the fund or strategy's investments include any restrictions on the marketability of such investments, the lack of a market for such investments, the control premium if any associated with such investments, the anticipated impact of immediate sale, the length of time before any such sales may become possible and the cost and complexity of any such sales and other relevant factors. Because such valuations are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, the manager's determinations of fair value may differ materially from the values that would have been used if a ready market for these investments existed and from valuations of third parties and may differ materially from the values that the fund or strategy may ultimately realize.

Allocation of Investment Opportunities. The fund or strategy may focus on illiquid and liquid debt and or illiquid and liquid equity investments. Certain investment opportunities appropriate for the fund or strategy may also be appropriate for other Ares funds or strategies, including those funds or strategies not within the same investment team and can range across the Ares investment platform. It is generally intended that, subject to Ares' allocation policy, the fund or strategy and other Ares funds or strategies, as applicable, which share common investment opportunities as determined in the sole discretion of the manager, allocate over time in a fair and equitable manner, taking into account relevant facts and circumstances and to the extent practicable, including but not limited to, pro-rata based on available capital, subject to the investment objectives, investment restrictions, liquidity, available capital, remaining investment period, leverage, diversification and other limitations applicable to the fund or strategy and such other Ares funds or strategies and as may otherwise be agreed by the respective Investment Committee of such funds or strategies. There can be no assurance that proportional allocations between the fund or strategy and any such other Ares funds or strategies will be achieved.

Ares and its affiliates currently manage, and in the future expect to manage, various other Ares funds or strategies, including by other investment teams, some of which may invest in securities, instruments, assets or obligations eligible for purchase by the fund or strategy. Other Ares funds or strategies include, for the avoidance of doubt, funds and accounts managed or advised by investment advisors that may be acquired or controlled by (or that otherwise become part of) Ares in the future. Situations in which other Ares funds or strategies may invest in the same or securities, instruments, assets or obligations eligible for purchase by the respective fund or strategy, present potential for conflicts of interest. The investment policies, fee arrangements and other circumstances of the overlap may occur with those of other Ares funds or strategies. It is generally intended that, subject to Ares' allocation policy, the fund or strategy and the other Ares funds or strategies, as applicable, which share common investment opportunities as determined in the sole discretion of the manager, taking into account relevant facts and circumstances and to the extent practicable, shall be allocated amongst the funds and strategies over a period of time, that is fair and equitable to the respective funds and strategies. There can be no assurance that proportional allocations between the fund or strategy and any such other Ares funds or strategies will be achieved.

Ares and its affiliates may, from time to time, be presented with investment opportunities that fall within the fund or strategy's investment objectives and the investment objectives of one or more other Ares funds or strategies. While Ares will seek to manage such conflicts of interest in good faith, there may be situations in which the interests of a fund or strategy with respect to a particular investment or other matter conflict with the interests of one or more of the other Ares funds and strategies. Neither the manager or Ares Management has any affirmative obligation to offer any investments to a particular fund strategy, or to inform the respective fund or strategy before offering investments to any other Ares fund or strategy. A copy of Ares' Investment Allocation Policy is available upon request.

Risk Factors

Illiquidity of Investments. An investment in the Fund requires a long-term commitment with no certainty of return. The market value of the Fund's investments will fluctuate with, among other things, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the financial condition of the issuers of the Fund's investments. Partly as a result of the foregoing, as well as general market inefficiencies respecting companies in varying stages of reorganizations and/or recapitalizations, a portfolio valuation for the Fund may not necessarily be indicative of actual results or amounts to be realized by the Fund from its investments.

Nature of the Fund's Investments. The Fund's assets will generally have no, or only a limited, trading market. The Fund's investment in illiquid assets may restrict its ability to dispose of investments in a timely fashion or for a fair price. Illiquid assets may trade at a discount from comparable, more liquid assets. The secondary market for middle-market loans is generally smaller and less liquid than the market for broadly-syndicated loans made to larger obligors. In addition, the Fund may invest in assets that may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions. The prices realized from the sale of any of the Fund's assets could be less than the cost of such assets to the Fund or less than what may be considered the fair value of such assets.

Non-Controlling Investments. The Fund generally will not be in a position to control any company in which it (directly or indirectly) invests and, therefore, may not have a right to appoint a director and may have a limited ability to protect its interests in such companies and to influence such companies' management. In such cases, the Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

General Risks of Debt Securities. Debt securities in general are subject to various risks including: (i) limited liquidity and secondary market support, (ii) the possibility that earnings of the relevant obligor may be insufficient to meet its debt service, (iii) the declining creditworthiness and potential for (or actual) insolvency of the relevant obligor of such debt during periods of economic downturn, (iv) that the relevant obligor may be a company serving only local or regional interests, (v) spread compression over the reference interest rate available for reinvestment during any period in which prepayments are received and/or (vi) subordination to the prior claims of other debt or senior lenders. Debt instruments are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for debt instruments and adversely affect the value of outstanding debt and the ability of the borrowers thereof to repay principal and interest.

Risks of Senior Capital Debt Securities. The Fund's assets are intended to primarily include directly originated senior secured loans, including unitranche loans, of performing, high quality middle-market companies ("Senior Capital Debt Securities"), which are subject to liquidity, market value, credit, interest rate, reinvestment and other risks. Senior Capital Debt Securities involve a high degree of risk with no certainty of any return of capital. There can be no assurance that the Manager will correctly evaluate the nature and magnitude of the various factors that could negatively affect the value or performance of such assets. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of assets.

The value of the Fund's assets is volatile and may fluctuate due to a variety of factors that are inherently difficult to predict and are outside the control of the Fund and the Manager, including changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, or the financial condition of the obligors of the Fund's assets. In addition, the market for Senior Capital Debt Securities has experienced periods of volatility in the supply and demand for such loans, resulting in volatility in, among other things, spreads, interest rate floors, purchase price discounts, leverage, covenants, structure, and other terms. Moreover, Senior Capital Debt Securities generally have significant liquidity and market value risks since they are not generally traded in organized markets, but are traded (if at all) by banks and other institutional investors in privately negotiated transactions. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market, especially in the middle-market, has been small relative to the high-yield debt securities market.

Senior Capital Debt Securities are generally considered speculative in nature and may end up in default for a variety of reasons. A defaulted asset may become subject to either substantial workout negotiations or a restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted asset. In addition, such negotiations or restructuring may be quite extensive, protracted and costly over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted asset. The liquidity of a defaulted asset will be limited, and to the extent that a defaulted asset is sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.

Interest Rate Risks of Debt Securities.
"Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Fund. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. This risk will be greater for long-term securities than for short-term securities. While the Fund may from time to time seek to hedge such risks (including through investments in treasury securities or derivative instruments), it does not intend to do so actively. There is no assurance that such measures, if implemented, will be effective.

Risk Factors

Nature of Investment in Senior Debt. Certain of the Fund's investments may include first and second lien senior secured debt. Such debt may (i) include term loans and revolving loans, (ii) pay interest at a fixed or floating rate and (iii) be acquired by way of purchase or assignment in the primary and secondary markets. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the legal documentation with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution.

The factors affecting an issuer's first and second lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer. Issuers of first lien loans may have two tranches of first lien debt outstanding, each with first liens on separate collateral. Second lien loans are subordinate in right of payment to one or more senior secured loans of the related borrower and therefore are subject to additional risk that the cash flow of the related borrower and the property securing the loan may be insufficient to repay the scheduled payments to the Fund after giving effect to any senior secured obligations of the related borrower. Second lien senior loans are also expected to be a more illiquid investment than first lien senior secured loans for such reason. There also is less likelihood that the Fund will be able to sell participations in second lien loans that it originates or acquires, which would expose the Fund to increased risk.

Senior secured credit facilities may be syndicated to a number of different financial market participants. The documentation governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the loan, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a credit facility pursuant to a Chapter 11 plan of reorganization is usually done on a class basis. As a result of these voting regimes, the Fund may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of an investment. Senior secured loans are also subject to other risks and can cause unsecured creditors to seek remedies to limit the Fund's potential recovery of such investments, including (a) the possible invalidation of a debt or lien as a "fraudulent conveyance"; (b) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (c) equitable subordination claims by other creditors; (d) lender liability claims by the issuer of the obligations; (e) environmental liabilities that may arise with respect to collateral securing the obligations; (f) recharacterization claims in which certain creditors may seek to have the Fund's debt positions recharacterized as equity and therefore subordinate the Fund's claims to such creditors' claims; and (g) designating the vote (i.e., ignoring the customary class vote system) under a Chapter 11 plan of reorganization in which lenders are entitled to vote as a class.

Leveraged Loans. The Fund's investment strategy will be available on a leveraged basis through investments in the Leveraged Fund (as defined in the PPM). The Leveraged Fund will make use of leverage, directly or indirectly through one or more special purpose or holding vehicles, by incurring debt to finance Fund expenses or all or a portion of its investments. Although leverage has the potential to enhance overall returns that exceed the Leveraged Fund's overall cost of funds, it will further diminish returns (or increase losses on capital) to the extent overall returns are less than the cost of such borrowings. Accordingly, any event that adversely affects the value of an investment by the Leveraged Fund would be magnified to the extent leverage is used. The cumulative effect of the use of leverage by the Leveraged Fund in a market that moves adversely to the Leveraged Fund's investment could result in a loss to the Leveraged Fund that would be greater than if leverage had not been used. The Leveraged Fund may incur indebtedness on a portfolio-wide basis or against specific investments. Use of leverage by a subsidiary of the Leveraged Fund on a non-recourse basis or at the asset-level, will not be considered borrowing by the Leveraged Fund for any purposes under the Partnership Agreements. The use of leverage at the Leveraged Fund level will result in interest expense and other costs to the Leveraged Fund that may not be covered by distributions made to the Leveraged Fund or appreciation of its investments. The extent to which the Leveraged Fund uses leverage will have important consequences to investors, including the following: (i) greater fluctuations in the net assets of the Leveraged Fund, (ii) use of cash flow for debt service, distributions, or other purposes, (iii) to the extent that Fund revenues are required to meet principal payments, investors may be allocated income (and therefore tax liability) in excess of cash available by distribution and (iv) in certain circumstances the Leveraged Fund may be required to prematurely harvest investments to service its debt obligations. There also can be no assurance that the Leveraged Fund will have sufficient cash flow to meet its debt service obligations. As a result, the Leveraged Fund's exposure to losses may be increased due to the illiquidity of its investments generally. Unfavorable performance of a small number of such investments may result in amplified losses for the Leveraged Fund and limit the Leveraged Fund's ability to invest in the future.

Economic and Market Conditions. The success of the Fund's investment activities will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and U.S. and global political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the Manager. Conditions such as financial market volatility, illiquidity and/or decline, a generally unstable economic environment (including as a result of a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) and/or a deterioration in the capital markets may negatively impact the availability of attractive investment opportunities for the Fund, the Fund's ability to make investments, the availability of funding to support the Fund's investment objectives, the performance and/or valuation of the Fund's investments, and/or the Fund's ability to dispose of investments. Such conditions could result in substantial or total losses to the Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage at the Fund level or in a portfolio company's capital structure.

Risk Factors

LIBOR Reform. On March 5, 2021, the ICE Benchmark Administration (the "IBA"), the administrator of the London interbank offered rate ("LIBOR"), stated that as a result of its not having access to input data necessary to calculate LIBOR settings on a representative basis beyond the intended LIBOR cessation dates, it would have to cease publication of all 35 LIBOR settings of certain USD (1-week and 2-month) and GBP, EUR, CHF and JPY LIBOR as of December 31, 2021, and USD Overnight, 1-month, 3-month, 6-month and 12-month as of June 30, 2023, immediately after such dates. The FCA also issued a separate announcement confirming that the IBA had notified the FCA of its intent to cease providing all LIBOR settings as of the dates provided above. As a result of recent developments, alternative reference rates have been recommended and developing to replace the various LIBOR currencies and settings. In addition, there have been statements by the Federal Reserve that LIBOR is no longer fit to serve as the market's main benchmark; toward that end, a committee comprised of large banks that were brought together by the Federal Reserve Bank of New York and the Federal Reserve Board of Governors have endorsed a U.S.-dollar LIBOR replacement benchmark based on short-term loans known as repurchase agreements or "repo" trades, backed by U.S. Treasury securities, the Secured Overnight Financing Rate ("SOFR"). Although it is widely expected the forward-looking "Term SOFR" will be the replacement for the U.S. Dollar LIBOR settings, there can be no assurance that any replacement to LIBOR will gain wide market acceptance, nor whether multiple substitute benchmarks will develop that (taken as a whole) have sufficiently robust trading volumes. There can also be no assurance that any such replacement(s) or substitute(s) will necessarily be an improvement over LIBOR in its current (or modified) form. Any reduction or elimination of LIBOR as a global benchmark going forward could adversely affect the value and liquidity of the Fund's investments, especially if the Fund's investments bear interest based on LIBOR, and/or could cause an absence of available investments until an alternative benchmark becomes generally accepted in the marketplace. In addition, an increase in alternative types of financing at the expense of LIBOR-based corporate loans may have a material adverse effect on the market value of the Fund's investments, which, in turn, could have a material adverse effect on the Fund's ability to achieve its investment objectives.

Middle-Market Companies. The obligors of the Fund's assets will primarily be privately owned middle-market businesses. Investment in middle-market companies involves a high degree of business and financial risk, which can result in substantial losses and, accordingly, should be considered speculative. There is generally no publicly available information about these businesses, and the Fund will rely on the Manager's and its affiliates' ability to obtain, through its own diligence and/or through third-party diligence, adequate information to evaluate the potential returns from investing in these companies. If the Manager is unable to uncover all material information about these companies, the Manager may not make a fully informed investment decision, and the Fund may lose money on its investments.

Some obligors may not meet net income, cash flow and other coverage tests typically imposed by lenders. Numerous factors may affect an obligor's ability to repay its related obligations, including the failure to meet its business plan, a downturn in its industry or continuing negative economic conditions. A deterioration in an obligor's financial condition and prospects may be accompanied by deterioration in the collateral securing the Fund's assets. Such deterioration might impair the ability of such obligor to obtain refinancing or force it to seek to have the Fund's asset restructured.

Loans to middle-market businesses generally carry more inherent risks than loans to larger, publicly traded businesses. These middle-market companies generally have more limited access to capital and higher financing costs, may be in a weaker financial position, may need more capital to expand or compete, and may be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Middle-market businesses typically have narrower product lines and smaller market shares than larger businesses. Therefore, they tend to be more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These businesses may also experience substantial variations in operating results. These companies also may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. Typically, the success of a middle-market business also depends on the management talents and efforts of one or two persons or a small group of persons. Therefore, the death, disability or resignation of one or more of such persons could have a material adverse impact on the obligor and its ability to repay its obligations. In addition, middle-market businesses often need substantial additional capital to expand or compete and will often have borrowed money from other lenders and may need additional capital to survive any economic downturns. Accordingly, loans made to middle-market companies involve higher risks than loans made to companies that have larger businesses, greater financial resources or who are otherwise able to access traditional credit sources.

Conflicts of Interest. Ares manages various funds and strategies and the management of these funds and strategies can give rise to conflicts of interest between the investors of a single fund or strategy and differing fund or strategy. Because Ares provides concurrent advisory services to our investors for which the investment mandates, compensation and fee arrangements (including with respect to performance fees and fee offsets) and other circumstances differ from strategy to strategy, the potential for Ares to receive greater fees from certain funds or strategies creates a potential conflict of interest with respect to the allocation of investment opportunities, as funds or strategies that pay higher fees may create incentives to direct investment ideas to, and/or to allocate investments in favor of such a fund or strategy. In addition, Ares, from time to time, also enters into accounts directly or indirectly with single or multiple investors that commit significant capital into a particular fund or strategy and or across the broader Ares platform. Such arrangements often include Ares granting certain preferential terms to these specific investors, including co-investment rights, a waiver or reduction of management fees or performance fees or carried interest, a blended management fee, and/or performance fee or carried interest rates that are lower than those applicable to respective fund or strategy in which those investors are currently invested.

1. Ares Management Overview

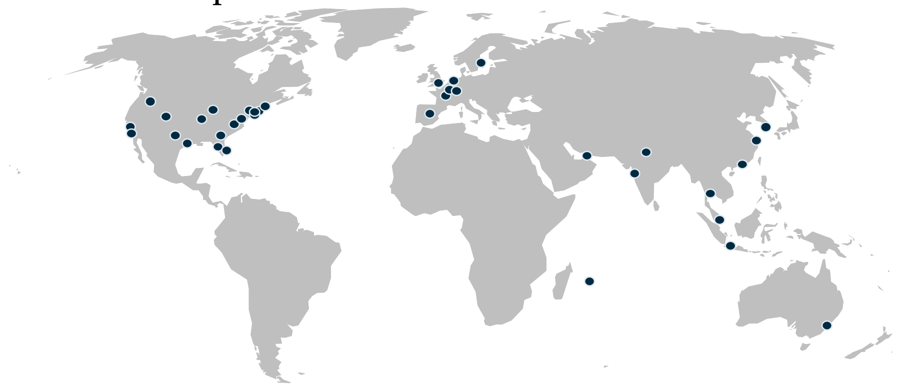
Ares Management

With approximately $428 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating an integrated platform across five business groups

Profile

Founded	1997
AUM	$428bn
Employees	2,900+
Investment Professionals	1,000+
Global Offices	35+
Direct Institutional Relationships	2,400+
Listing: NYSE – Market Capitalization	$43.4bn[1]

Global Footprint[2]



The Ares Differentiators

- Power of a broad and scaled platform enhancing investment capabilities
- Deep management team with integrated and collaborative approach
- 20+ year track record of attractive risk adjusted returns through market cycles
- A pioneer and leader in leveraged finance, private credit and secondaries

	Credit	Real Assets	Private Equity	Secondaries	Other Businesses
AUM	$308.6bn	$64.1bn	$24.5bn	$25.6bn	$5.5bn
Strategies	Direct Lending	Real Estate Equity	Corporate Private Equity	Private Equity Secondaries	Ares Insurance Solutions[4]
	Liquid Credit	Real Estate Debt	APAC Private Equity	Real Estate Secondaries	Ares Acquisition Corporation[5]
	Alternative Credit	Infrastructure Opportunities		Infrastructure Secondaries	
	Opportunistic Credit[3]	Infrastructure Debt		Credit Secondaries	
	APAC Credit				

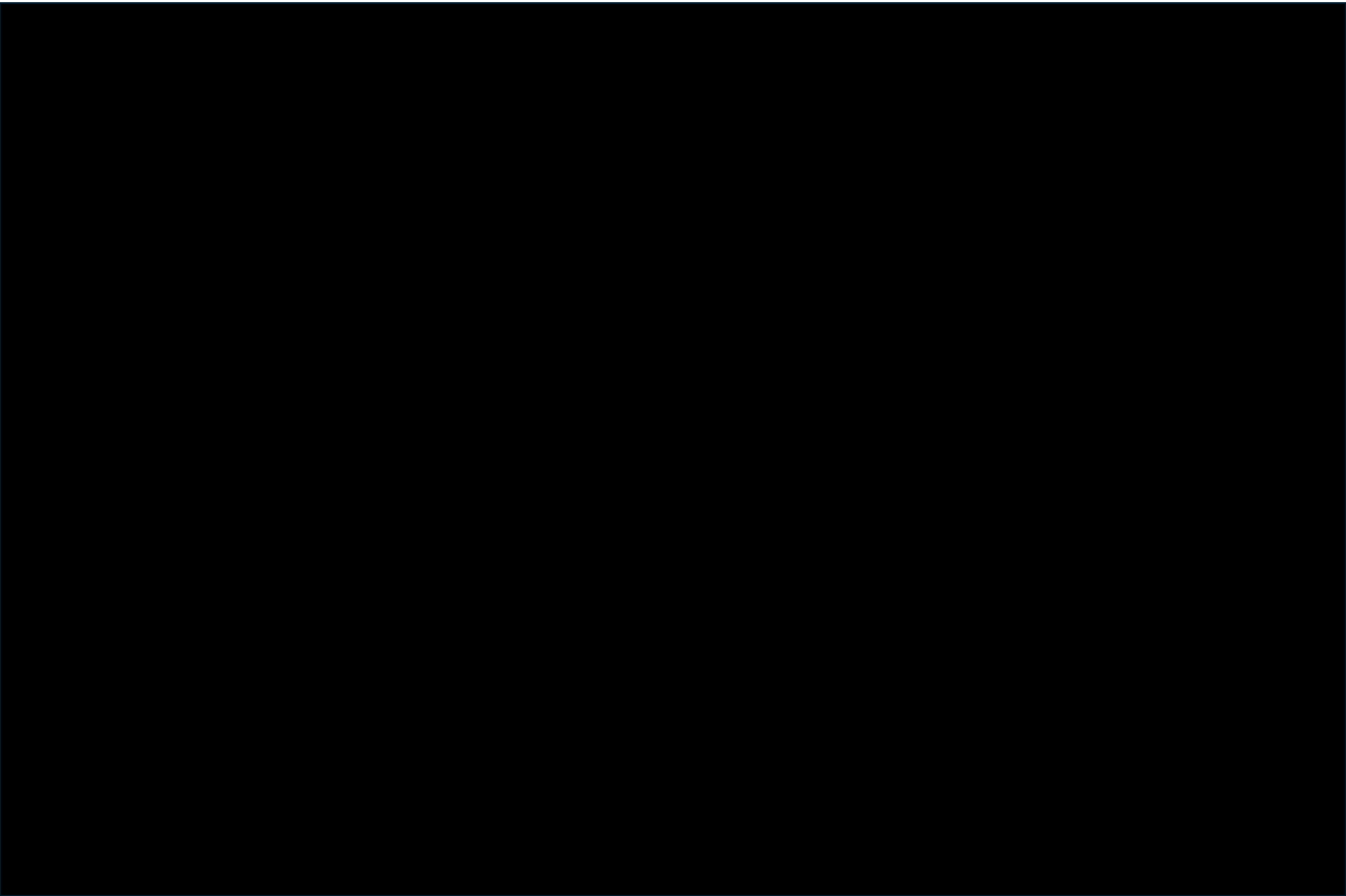
Note: As of March 31, 2024. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser.
Past performance is not indicative of future results.

1. As of May 31, 2024.
2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.
3. In Q1 2024, we moved our Special Opportunities strategy from our Private Equity Group into our Credit Group as Opportunistic Credit. The fund name remains Special Opportunities. Opportunistic Credit has been reclassified and presented within the Credit Group and reflected on a historical basis.
4. 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.
5. AUM includes Ares Acquisition Corporation ("AAC") and Ares Acquisition Corporation II ("AACT").

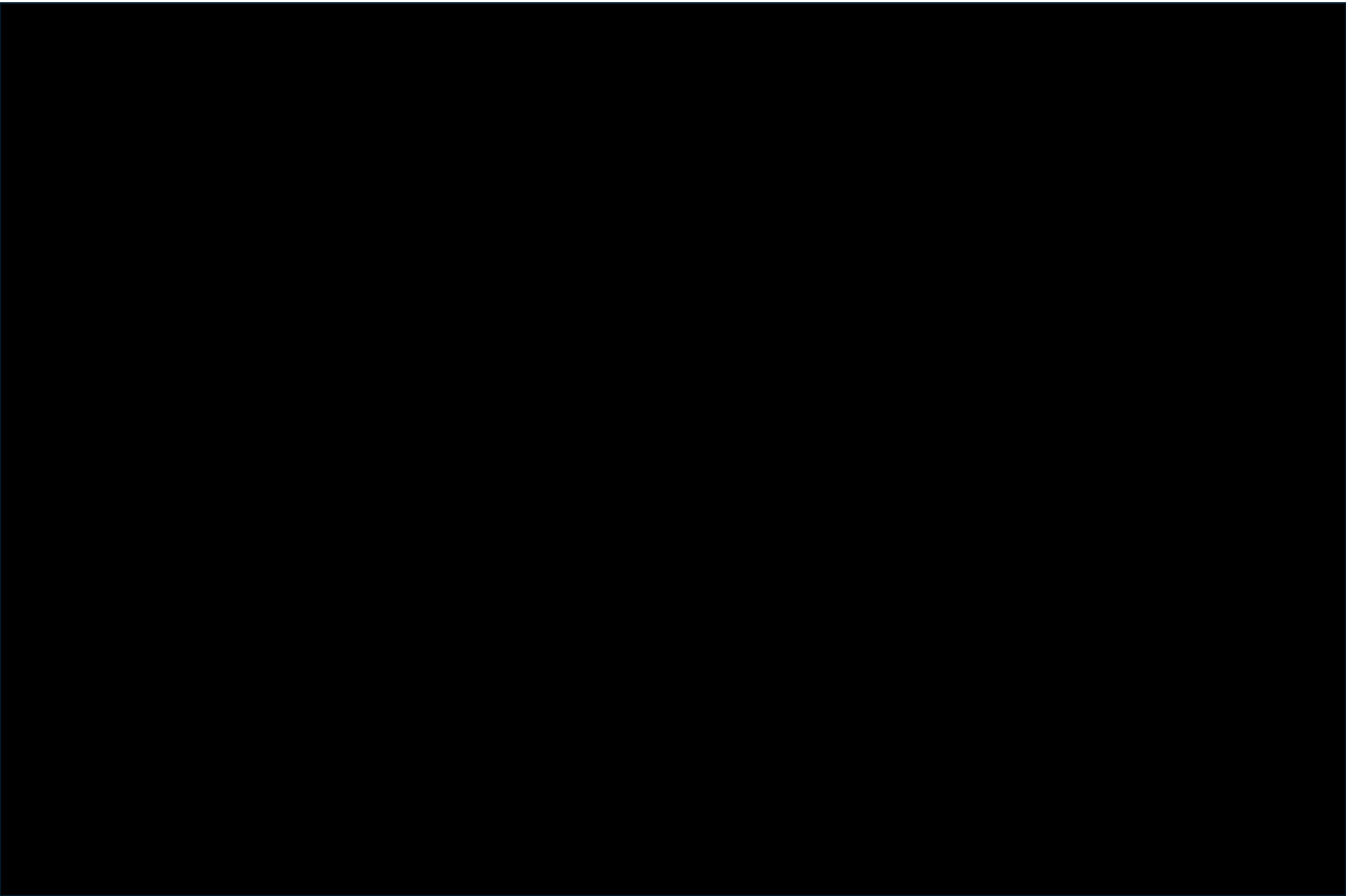
Ares Credit Group

[redacted]

A Pioneer in the Credit Markets



Our Approach to ESG



ARES

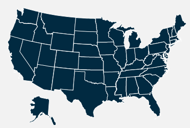
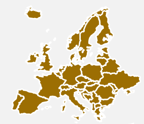
2. Why Ares Senior Direct Lending?

Executive Summary

[redacted]

Ares Direct Lending: An Established Global Platform

» We believe we are the largest and best positioned direct lender globally

	The Development of Ares' Direct Lending Platform			Ares Global Direct Lending Today
Founded	2004	2007	2009	
Region	U.S. 	Europe 	Asia-Pacific 	
AUM[1]	$129 bn	€64 bn	$13 bn	$200 bn+
Investment Professionals / Offices[2]	190 / 6	87 / 6	77 / 10	350+ / 22
Net Invested Capital Since Inception[3]	$142 bn	€64 bn	$13 bn	$220 bn+
LTM Committed Capital[4]	$30 bn	€8 bn	$0.7 bn	$30 bn+
Investments Since Inception[5]	2,050+	350+	260+	2,600+
[redacted]				Consistent Performance Through Cycles

Note: As of March 31, 2024, unless otherwise stated. Past performance is not indicative of future results. No representation is being made that any investor will or is likely to achieve profits or losses similar to those shown. Actual results may vary substantially.
Please refer to Endnotes for additional important information.

ARES

Large and Cycle-Tested Direct Lending Team

With 190 investment professionals, we believe we have one of the largest teams originating and managing companies

U. S. Direct Lending Investment Committee

Mark Affolter Partner 34 years	Michael Arougheti Partner 30 Years	Kipp deVeer Partner 28 Years	Michael Dieber Partner 37 Years	Mitch Goldstein Partner 29 Years	Jim Miller Partner 24 Years	Kort Schnabel Partner 25 Years	Michael Smith Partner 28 Years

New York

Ryan Brauns Partner	Damayra Cacho Partner	Brent Canada Partner	Karen De Castro Partner
Brian Goldman Partner	Spencer Ivey Partner	Mark Liggitt Partner	Jana Markowicz Partner
Scott Rosen Partner	Craig Shirey Partner	Patrick Trears Partner	Chris York Partner
Juan Arciniegas Managing Director	Aashish Dhakad Managing Director	Dan DiBona Managing Director	Dan Dirscherl Managing Director
Brooke Epstein Managing Director	Kara Herskowitz Managing Director	Bruce Hodges Managing Director	Arjun Misra Managing Director
Adam Schatzow Managing Director	Damian Sclafani Managing Director	Matthew Tworecke Managing Director	Joan Fang Managing Director
Ryan Helfrich Principal	Joseph Koerwer Principal	Margaret Osmulski Principal	Zachary Schwartz Principal
James Vena Principal	Eddy Frances Principal	Anna Van Kula Vice President	Brooke Benjamin Vice President
Emily Burke Vice President	David Engelbert Vice President	Craig Barone Vice President	Nicholas Gratto Vice President
William Hendrickson Vice President	Miles Jackson Vice President	Chrissy Padula Vice President	Gabriel Sturzoiu Vice President
Thomas Vosbeek Vice President	Julia Wein Vice President	Andrew Barth Senior Associate	Isabelle Brown Senior Associate
Taylor Brown Senior Associate	Gus Kerin Senior Associate	Timothy Krumsiek Senior Associate	Sherry Kuo Senior Associate
Julie LeBlanc Senior Associate	Franklin Ohemeng Senior Associate	Christina Zajkowski Senior Associate	James Zhao Senior Associate
Clare MacNamara Senior Associate			

+26 Analysts and Associates

Los Angeles

Douglas Dieter Partner	Brian Kim Partner
Neil Laws Partner	Jason Park Partner
Mike Zugay Partner	Tara Arens Managing Director
Andrew Chen Managing Director	Vishal Gandhi Managing Director
James Granello Managing Director	Matt Stoner Managing Director
Hiren Bahal Principal	John Clark Principal
Kris Talgo Principal	Brett Candland Vice President
Kalan Patel Vice President	Dom Smith Vice President
William Bendarghate Senior Associate	Julia Brady Senior Associate
Samuel Chen Senior Associate	Daniel Cohen Senior Associate
Luke Cowell Senior Associate	Jake Pompeo Senior Associate
Katherine Rendleman Senior Associate	Stephen Yu Senior Associate

+ 11 Analysts and Associates

Chicago

Rajiv Chudgar Partner	Andrew Kenzie Managing Director
Amy Klemme Managing Director	Brian Moncrief Managing Director
Robert Brown Principal	Daniel Graber Vice President
Brendan Moran Vice President	Will Code Senior Associate
Michael Murri Senior Associate	Austin Plunkett Senior Associate

+ 4 Analysts and Associates

Atlanta / Dallas

Carl Drake Partner	Chris York Partner
Owen Hill Managing Director	JP Kril Senior Associate

+ 1 Associate

Ivy Hill Asset Management – New York

Steven Alexander Partner	Shelly Cleary Partner	Stephanie Setyadi Partner	Jon Blum Managing Director
Adam James Managing Director	Michael Bedore Principal	Joseph Ehardt Principal	Avi Ahuja Vice President
Ryan Rattay Vice President	Rachel Chan Senior Associate	Aaron Chinn Senior Associate	Barlow Sanders Senior Associate

+ 1 Associate

Ares Commercial Finance – Various Locations

Ryan Cascade Partner	Mitch Drucker Partner	John Nooney Partner	Sridharan Kannan Managing Director
Nicholas McDearis Managing Director	Bryan Rozum Managing Director	Ian Maccubbin Principal	

Portfolio Management – Various Locations

Adam Ferrarini Partner	Daniel Katz Partner	Phil LeRoy Partner	Stephen Chehi Managing Director
Andrew Hua Managing Director	Joe Urciuoli Managing Director	Anthony Galli Principal	Abner Kwon Principal
Zlatan Bojadzic Vice President	Daniel LaWare Vice President	Arianna Shapiro Vice President	Nate Simon Vice President
Andrew Wood Vice President	Varun Gupta Vice President	Chelsea Brophy Senior Associate	Maeve Manley Senior Associate
Salvatore Triscari Senior Associate	Benjamin Tuchman Senior Associate		

+ 24 Analysts and Associates

10+ years with the firm

5+ years with the firm

Less than 5 years with the firm

Note: As of March 31, 2024.

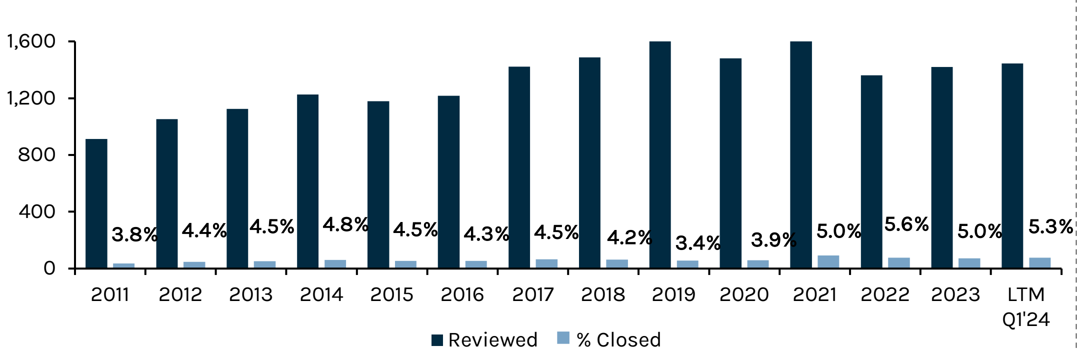
ARES

Direct Origination Focus

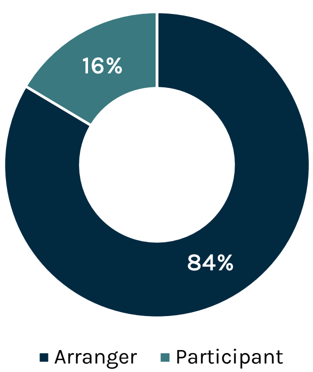
» We believe that our direct origination capabilities allow for optimal asset selectivity

Ares U.S. Direct Lending - Closing Conversion Rates[1]

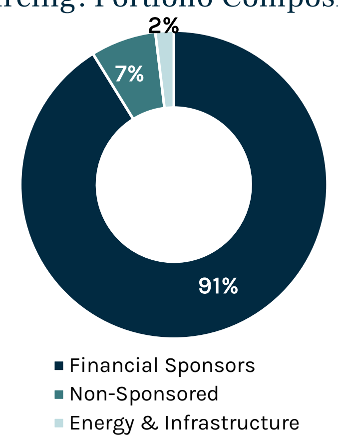
High degree of selectivity, with an average ~4.5% closing rate since 2011



Ares' Underwriting Role[2]

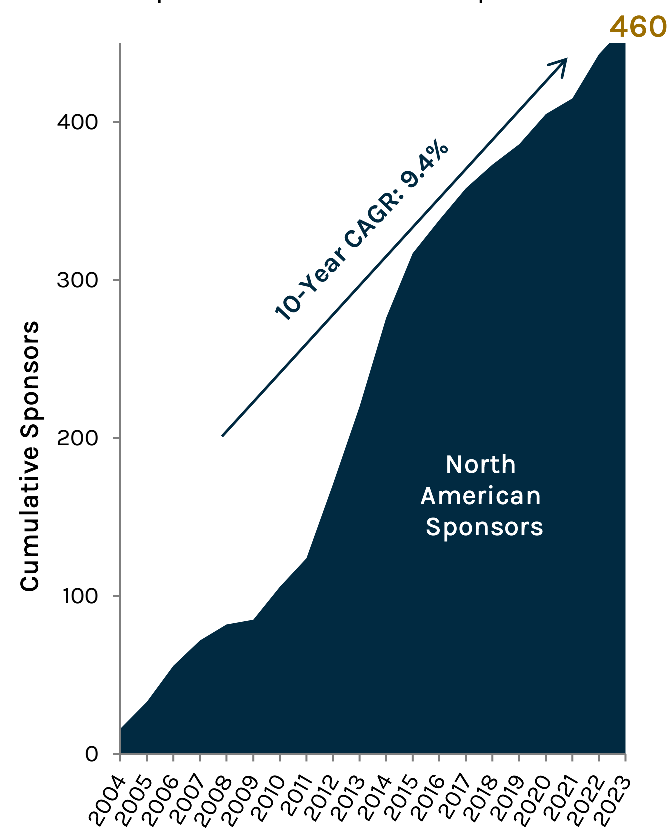


Sourcing: Portfolio Composition[2]



Relationships: We have closed at least 1 investment with 460 financial sponsors*

Multiple investments with ~250 sponsors



During any period, Ares is typically processing 200 to 300 deals at various stages of due diligence and review

Note: All data is as of March 31, 2024, unless otherwise indicated. *Ares U.S. Direct Lending data as of December 31, 2023.
Please refer to Endnotes for additional important information.

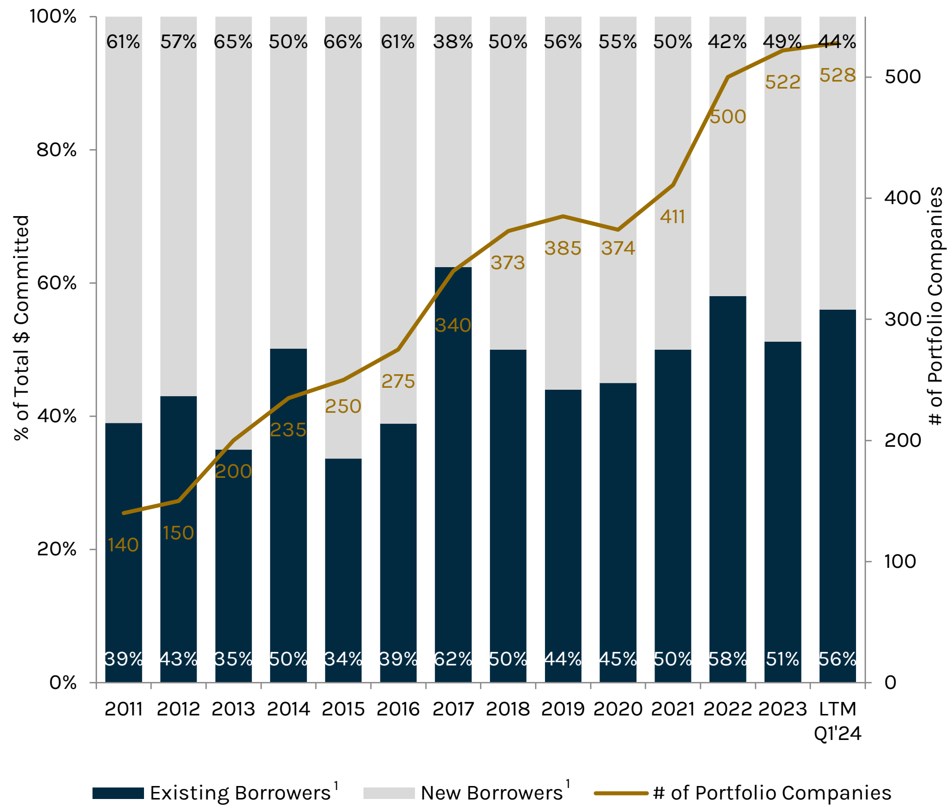
Incumbency Allows Us to Grow With Our Performing Companies

Incumbency has provided a consistent and reliable stream of deployment opportunities through the years

Incumbency Differentiators

- Ease of use and incumbent knowledge provides Ares first look at follow-on financings
- Information edge given access to management teams and financial reporting
- Original terms are often maintained, allowing for stable pricing with strong governance controls
- Buy and build platforms alongside a sizable portfolio help to drive future deal flow
- Aids selectivity and helps sustain high quality deployment in challenging markets

Commitments to Existing vs. New Borrowers[1]



Over the last five years, approximately 50% of our yearly commitments have been to existing borrowers

1. As of March 31, 2024. Represents the entire Ares U.S. Direct Lending portfolio, including ARCC, ARCC's investments in the SSLP subordinated certificates, of which the SSLP then made an investment in a new or existing borrower of the SSLP, respectively, all SMAs, CADEX, and Commingled Funds (SDL I, SDL II, APCS I, APCS II, ACF, ASME). Excludes investments acquired in the Annaly acquisition. Excludes investments acquired in the Allied acquisition. Excludes Ivy Hill Asset Management investments.

U.S. Direct Lending Sector Experience

- We have built out our industry teams to harness specialized efforts to bring incremental deployment opportunities to the platform

Software

[redacted]

Financial Services

[redacted]

Industrial & Business Services

[redacted]

Specialty Healthcare[2,3]

[redacted]

Infrastructure Debt

[redacted]

Sports, Media & Entertainment[3]

[redacted]

Consumer

[redacted]

Sector specialization and experience increases our deal flow and allows us to get invested in differentiated companies

Note: As of December 31, 2023. Investments may fit into multiple categories and as such categorization is not mutually exclusive. [redacted]

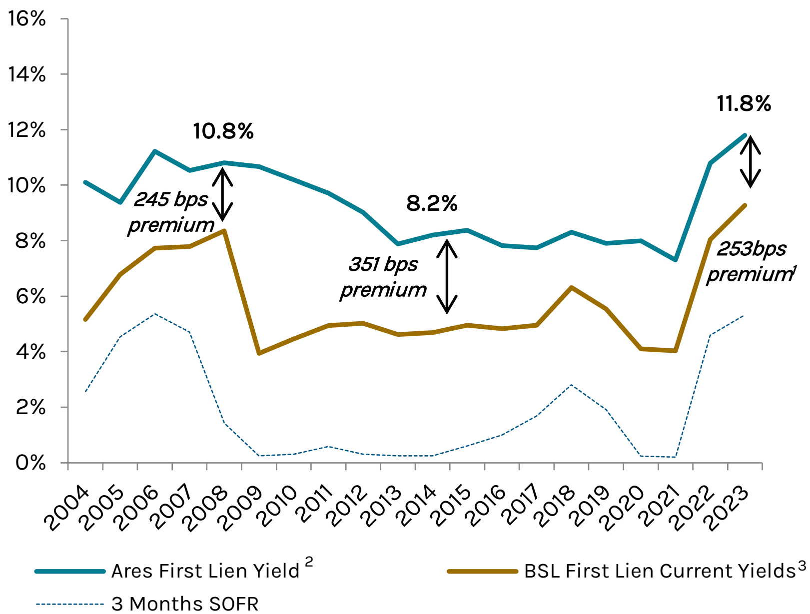
Please refer to Endnotes for additional important information.

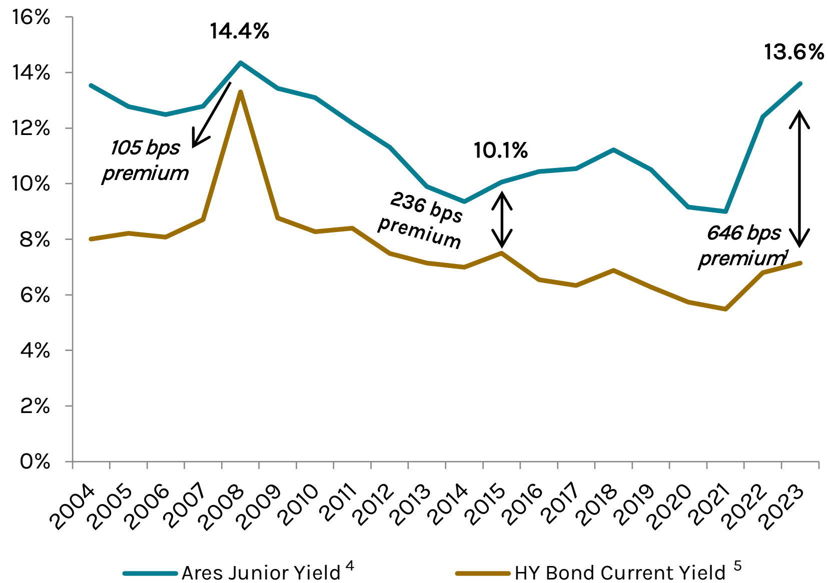
Ares Yield Premium Sustained Over Time

» We believe our investments offer attractive relative value in this interest rate environment and have historically provided a yield premium to the broadly syndicated and high yield markets

First Lien*		
(As of Q4 2023)	ARES	BSL First Lien
Average Annual Defaults	0.10%[6]	2.04%[7]
Average Annual Realized Losses	(0.01%)[8]	(0.96%)[7]

Junior Debt*		
(As of Q4 2023)	ARES	HY Bonds
Average Annual Defaults	0.30%[6]	3.63%[7]
Average Annual Realized Losses	(0.02%)[8]	(2.11%)[7]





Typically Floating Rate Structures

Low Volatility of Returns

Lower Loss Rates

Strong Terms and Documentation

Note: As of December 31, 2023, unless otherwise noted. For illustrative purposes only. *Portfolio yields are representative of a gross portfolio at each data point in time and do not represent a return to investors. BSL First Lien Current Yields represented by the Credit Suisse Leveraged Loan Index ("CSLLI") and HY Bond Current Yield represented by the ICE BofA US High Yield Constrained Index ("HUC0"). **Please refer to Endnotes for additional information and an important index disclosure.**

Ares Senior Debt Historical Performance by Vintage

[redacted]

Historically, the Ares U.S Direct Lending Portfolios Have Shown Less Volatility as Compared to the Liquid Market Through Turbulent Times

[redacted]

3. Ares Senior Direct Lending Funds Overview

Why Now? Investing In Senior Debt Through Recessionary Times

[redacted]

Ares U.S. Senior Direct Lending New Issue Trends

[redacted]

Ares Senior Direct Lending Funds Summary

» SDL I is in its harvest period and SDL II is fully invested and currently recycling principal proceeds

SDL I	SDL II	SDL III
Harvesting	Investing	Fundraising
2018 Vintage	**2021** Vintage	**2023** Vintage
$5.4 billion Fund Size (including leverage)	**$14.9 billion** Fund Size (including leverage)	[redacted]
[redacted]	[redacted]	
11.5% / 7.0% Net IRR – Levered / Unlevered[2]	**15.5% / 9.8%** Net IRR – Levered / Unlevered[4]	
13.5% / 9.7% LTM Net Distribution Yield Levered / Unlevered[3]	**15.6% / 12.6%** LTM Net Distribution Yield Levered / Unlevered[5]	

Note: As of March 31, 2024, unless otherwise stated. Past performance is not indicative of future results and reflects realized and unrealized investments. No assurance can be made that unrealized values will be realized as indicated. The use of leverage magnified the potential for gain or loss on the amount invested and may increase the risk of investment.
*Deployed amounts are pro forma for backlog. Backlog includes investments which have been committed to but not yet closed. There can be no assurance that any backlog investments will be consummated. Note: Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing a subscription facility. [redacted] **Please refer to the Risk Factors in this presentation and to the Endnotes for additional important information.**

ARES

4. Ares Senior Direct Lending Fund I

SDL I Portfolio Summary

[redacted]

SDL I Deployment – Commitments Since Inception

[redacted]

SDL I Portfolio Overview

[redacted]

SDL I Portfolio Realizations as of March 31, 2024

[redacted]

5. Ares Senior Direct Lending Fund II

SDL II Portfolio Summary

[redacted]

SDL II Deployment – Commitments Since Inception

[redacted]

SDL II Portfolio Overview

[redacted]

6. SDL III Update and Conclusion

SDL III Fundraise Update

[redacted]

SDL III Investment Highlights

[redacted]

SDL III Closed Investments

[redacted]

SDL III Closed Investments

[redacted]

SDL III Closed Investments

[redacted]

SDL III Closed Investments

[redacted]

SDL III Closed Investments

[redacted]

SDL III Backlog Investments

[redacted]

Ares Senior Direct Lending Fund III Term Sheet

[redacted]

Ares Senior Direct Lending Fund III – Return Drivers

[redacted]

Ares' Senior Direct Lending Strategy Highlights

[redacted]

Appendix A: Market Update & Themes

What is Happening Today?

1

Leveraged credit markets have seen positive momentum

2

Financial sponsors are actively looking to deploy capital

3

Defaults rates are stable

4

Market opportunity for scaled direct lenders like Ares is robust

For illustrative purposes only. As of December 31, 2023, unless noted otherwise.

Leveraged Credit Markets Return

[redacted]

Demand for Capital Remains Robust

Scale and Incumbency Increase Ares’ Addressable Market

Appendix B: Other Strategy Considerations

Credit Facility Update for Levered Sleeve Investors

[redacted]

Summary Annual Investment Performance of Senior Debt Investments

[redacted]

Global Direct Lending Strategies

[redacted]

Endnotes

Index Definitions and Disclosure

- **The Credit Suisse Institutional Leveraged Loan Index ("CSLLI")** is designed to mirror the investable universe of the $US-denominated leveraged loan market. The index inception is January 1992. The index is priced daily and rebalanced monthly. New loans are added to the index on their effective date if they qualify according to the following criteria: 1) Loan facilities must be rated "5B" or lower. That is, the highest Moody's/S&P ratings are Baa1/BB+ or Ba1/BBB+. If unrated, the initial spread level must be Libor plus 125 basis points or higher. 2) Only fully-funded term loan facilities are included. 3) The tenor must be at least one year. 4) Issuers must be domiciled in developed countries; issuers from developing countries are excluded.
- **The ICE BofA US High Yield Master II Constrained Index ("HUC0")** tracks the performance of US Dollar denominated below investment grade corporate debt publicly issued in the US domestic market with a maximum issuer exposure of 2%. The index is priced daily and rebalanced monthly. The returns of the benchmark are provided to represent the investment environment existing during the time period shown. For comparison purposes the index includes the reinvestment of income and other earnings but does not include any transaction costs, management fees or other costs. ICE BANK OF AMERICA IS LICENSING THE ICE BofA INDICES AND RELATED DATA "AS IS," MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE ICE BofA INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THEIR USE, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND ARES MANAGEMENT, OR ANY OF ITS PRODUCTS OR SERVICES.
- **The S&P 500 Index** is a stock market index tracking the stock performance of 500 large companies listed on stock exchanges in the United States.
- **The VIX Index** is the Chicago Board Options Exchange's CBOE Volatility Index, a measure of the stock market's expectation of volatility based on S&P 500 index options.
- **The Morningstar LSTA US Leveraged Loan Index** is a market-value weighted index designed to measure the performance of the US leveraged loan market. The index inception is December 1996. The index was calculated on a monthly basis from December 31, 1996 to December 31, 1998. From January 1, 1999 until March 30, 2007 it was calculated on a weekly basis. From April 1, 2007 onwards it has been calculated daily. New loans are added to the index on their effective date if they qualify according to the following criteria: 1) Loan facilities must senior secured. 2) Have a minimum initial spread of Base Rate + 125 bps. 3) The tenure must be at least one year. 4) Minimum initial issue size must be $50.0 million.

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.

Note: Please refer to the following legend for full names of vehicles displayed in this presentation

- ARCC = Ares Capital Corporation
- IHAM = Ivy Hill Asset Management
- SSLP = Senior Secured Lending Program
- SDL I = Ares Senior Direct Lending Fund I
- SDL II = Ares Senior Direct Lending Fund II
- ASIF = Ares Strategic Income Fund
- APCS I = Ares Private Credit Solutions I
- APCS II = Ares Private Credit Solutions II
- ACF = Ares Commercial Finance
- CADEX = Cion Diversified Credit Fund
- SME = Ares Sports Media Entertainment Fund
- ACE = Ares Capital Europe

Endnotes

Endnotes

[redacted]

Endnotes

Endnotes

<u>“Ares Direct Lending: An Established Global Platform”</u>

1. As of March 31, 2024. U.S. Direct Lending AUM amounts include ARCC, Senior Direct Lending Program (“SDLP”), private commingled funds, separately managed accounts, and funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and a registered investment adviser. E.U. Direct Lending AUM includes the Ares portion of the ESSLP; excludes the GECFB portion of ESSLP. Reflects funded capital from inception.
2. Offices as of March 31, 2024. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.
3. As of March 31, 2024 for European Direct Lending, and Ares Asia. As of December 31, 2023 for Ares U.S. Direct Lending. Includes Ares Asia Special Situations funds, Secured Lending funds and Australia/NZ Unitranche fund. U.S. invested capital includes capital deployed by ARCC, the Senior Direct Lending Program (“SLDP”), funds and SMAs. For investments made through the SSLP and the SDLP, invested capital represents the total facility amount funded by the SDLP. Excludes capital deployed by Ares Commercial Finance and Ivy Hill Asset Management. Excludes $1.8 billion of assets acquired as part of ARCC's acquisition of Allied Capital Corporation on April 1, 2010. Excludes $2.5 billion of assets acquired as part of ARCC’s acquisition of American Capital on January 3, 2017. Invested capital represents the book value of investments net of OID and syndications within one year of investment closing and excludes warrants, CLO investments, LP/vehicles and investments inherited from portfolio acquisitions.
4. As of March 31, 2024. Gross committed investments.
5. U.S. Direct Lending data is as of December 31, 2023 and includes First Lien investments (excluding syndication and other fees or income and includes all realized First Lien investments of the Credit Group's U.S. direct lending team (excluding venture investments, oil & gas investments, private asset backed securities, investments warehoused or held for seasoning and syndication purposes (including investments held for less than 30 days and other investments determined to be temporarily held by Ares in conjunction with syndication processes),and investments inherited from portfolio acquisitions), including investments made through Ares Capital Corporation and from separately managed accounts and other funds)) and U.S. Direct Lending Junior Debt investments (includes all second lien, mezzanine, and other private high yield debt investments of the Credit Group's U.S. direct lending team (excluding warrants and investments held for less than 30 days and investments inherited from portfolio acquisitions)), including more than 90% from Ares Capital Corporation and the remaining from separately managed accounts and other funds. EDL transactions as of March 31, 2024 and exclude the Barclays portfolio purchase. Ares Asia transactions is as of December 31, 2023 and includes Ares Asia Special Situations funds and Secured Lending funds. U.S. invested capital includes capital deployed by ARCC, the Senior Direct Lending Program.

[redacted]

Endnotes

"Direct Origination Focus"

1. Calculation based on Ares U.S. Direct Lending's reviewed and closed transactions with new portfolio companies (excludes any additional investments in existing portfolio companies) in each calendar year excluding equity-only investments and legacy investments from portfolio acquisitions. As of December 31, 2023.
2. Calculated based on the cost basis of Ares U.S. Direct Lending's portfolio as of As of December 31, 2023, excluding equity-only investments and legacy investments from portfolio acquisitions.

[redacted]

"Yield Premium Sustained Over Time"

1. Premium shown as of December 31, 2023.
2. Includes all unrealized first lien investments at each data point in time of the Credit Group's U.S. direct lending team (excluding venture investments, oil & gas investments, private asset backed securities, investments warehoused or held for seasoning or syndication purposes (including investments held for less than 30 days and other investments determined to be temporarily held by Ares in conjunction with syndication processes), and investments inherited from portfolio acquisitions), including investments made through Ares Capital Corporation (NASDAQ: ARCC) and from separately managed accounts and other funds. Yield reflects the weighted average yield on debt and other income producing securities and is computed as (a) annual stated interest rate of yield earned plus the net annual amortization of original issue discount and market discount of premium earned on accruing debt and other income producing securities, divided by (b) total accruing debt and other income producing securities at fair value.
3. Reflects annual current yield of first lien assets in the Credit Suisse Leveraged Loan Index (CSLLI). The CSLLI index may differ from the Ares first lien strategy by having a higher proportion of CCC or lower rated loans, larger loan facilities, cyclical sectors, USD-only global denominated leveraged loans, and publicly traded loans. The Ares strategy primarily holds private assets with no immediate market, and may benefit from an illiquidity premium and higher upfront fees compared to the index.
4. Includes all unrealized second lien, mezzanine, and other private high yield debt investments at each data point in time of the Credit Group's U.S. direct lending team (excluding warrants and investments held for less than 30 days and investments inherited from portfolio acquisitions), including more than 90% from Ares Capital Corporation (NASDAQ: ARCC) and the remaining from separately managed accounts and other funds. Yield reflects the weighted average yield on debt and other income producing securities and is computed as (a) annual stated interest rate of yield earned plus the net annual amortization of original issue discount and market discount of premium earned on accruing debt and other income producing securities, divided by (b) total accruing debt and other income producing securities at fair value. Asset yields do not represent returns to investors.
5. Reflects annual current yield of the ICE BofA US High Yield Constrained (HUC0) index. The HUC0 index may differ from the Ares junior strategy by having larger loan facilities, cyclical sectors, USD-only global denominated leveraged loans, and loans in the liquid broadly syndicated market. The Ares strategy primarily holds private assets with no immediate market, and may benefit from an illiquidity premium and higher upfront fees compared to the index.
6. Represents Ares U.S. Direct Lending Senior and Junior Debt average annual defaults rates from inception in October 8, 2004 through to December 31, 2023. The default rate shown has been compiled by Ares. Represents the annualized defaulted invested capital as a percentage of total invested capital since inception.
7. Represents the average default rate from October 8, 2004 through December 31, 2023. Source for First Lien is Credit Suisse Institutional Leveraged Loan Index ("CSLLI") as of December 31, 2023. Source for High Yield Bond Data is the ICE BofA US High Yield Master II Constrained Index ("HUC0") as of December 31, 2023.
8. Represents Ares U.S. Direct Lending Senior and Junior Debt average loss rate from inception in October 8, 2004 through to December 31, 2023. The loss rate shown and has been compiled by Ares. Defined as total gains/(losses) on assets with a payment default as a % of total invested capital since inception, divided by number of years since inception. For realized investments, includes interest, fees, principal proceeds, and related expenses. An investment that has experienced a payment default is placed on Non-Accrual status by Accounting; however, prior to placing a loan on Non-Accrual status, Ares U.S. Direct Lending may elect to grant a waiver or amendment related to such default and, in such case, the investment would not be placed on Non-Accrual.

Endnotes

Endnotes

[redacted]

Endnotes

[redacted]

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Endnotes

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Endnotes

[redacted]

Endnotes

Country-Specific Disclaimers

Country-Specific Disclaimers

NOTICE TO NON-U.S. RESIDENTS GENERALLY

No action has been or will be taken in any jurisdiction outside the U.S. that would permit an offering of the Interests, or possession or distribution of offering material in connection with the issue of the Interests, in any country or jurisdiction where action for that purpose is required. It is the responsibility of any person wishing to subscribe for the Interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Interests, and any foreign exchange restrictions that may be relevant thereto.

NOTICE TO INVESTORS IN THE EEA

The Fund is an AIF whose AIFM is the Manager. For these purposes, the Manager is a non-EU AIFM (as that term is defined in Article 4(ab) of AIFMD). The Manager may register the Fund with one or more EEA competent authorities for the purposes of marketing Interests pursuant to Article 42 of AIFMD. The marketing of Interests in member states of the EEA would accordingly be carried out pursuant to Article 42 of AIFMD. Prospective investors can request from the Manager details of whether the Fund has been registered for marketing in any EEA member state and the identities of the relevant EEA competent authorities with whom such registration has been undertaken.

To the extent that the Manager does not market the Fund at its own initiative in any EEA member state or otherwise take any other action that would result in any measure taken in order to give effect to or supplement the AIFMD having application to the manager and the Fund, the Manager will only accept investors where it concludes that such investors approached the Manager or the Fund at their own initiative or that any measure taken in order to give effect to or supplement the AIFMD would not otherwise apply to the Manager or the Fund.

Except with the express prior consent of the Manager, Interests may only be acquired by professional investors or other persons to whom the Manager may lawfully market Interests. The distribution of these materials are restricted to such persons. Persons of any other description may not receive and should not act or rely on these materials or any other marketing materials relating to the Fund. For these purposes, a “professional investor” is every investor that is considered, or may be treated based on a request to the Manager (as the non-EU AIFM), as a professional client within the meaning of paragraph I of Annex II of Directive 2014/65/EU on Markets in Financial Instruments.

No Key Information Document required by Regulation (EU) no 1286/2014, as amended (the “PRIIPS Regulation”) for offering or selling the Interests or otherwise making them available to retail investors in the EEA has been prepared. Offering or selling the Interests or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

The Manager may accept any such investor into the Fund only if it is satisfied that it would not be in breach of any applicable law or regulation and that such investor is otherwise eligible under the laws of such EEA Member State to invest in the Fund

NOTICE TO INVESTORS IN AUSTRALIA

The Fund is not a registered managed investment scheme within the meaning of the Corporations Act 2001 (Cth) (the “Corporations Act”). The information in these materials is directed only to persons who qualify as ‘wholesale clients’ within the meaning of section 761G of the Corporations Act.

If the Interests are to be sold to investors in Australia without a product disclosure statement or other disclosure document, within 12 months of their issue, they may only be sold to persons in Australia who are ‘wholesale clients’ under section 761G of the Corporations Act. Each recipient of these materials warrants that it is, and at all times will be a ‘wholesale client’.

In Australia, these materials are made available to investors and issued by Ares Management. Ares Management is exempt from the requirement to hold an Australian Financial Services Licence under the Corporations Act in relation to the offer of Interests. Ares Management is regulated by the SEC, under the laws of the United States of America, which differ from Australian laws.
Interests will be issued to Australian investors by Ares Management as Australian intermediary of the Manager.

These materials are not a product disclosure statement or other disclosure document for the purposes of the Corporations Act. These materials have not been, and will not be, reviewed by, nor lodged with, the Australian Securities and Investments Commission and does not contain all the information that a product disclosure statement or other disclosure document is required to contain. The distribution of these materials in Australia has not been authorized by any regulatory authority in Australia.

These materials are provided for information purposes only and does not constitute the provision of any financial product advice or recommendation. These materials do not take into account the investment objectives, financial situation and particular needs of any person. None of the General Partner, the Manager or the Fund are licensed to provide financial product advice in Australia. Before making a decision to invest, you should read the Fund’s offering memorandum and consider carefully whether the investment is suitable for you. There is no cooling-off regime that applies in relation to the acquisition of any Interests in Australia.

NOTICE TO INVESTORS IN BAHRAIN

Neither these materials nor the Interests have been authorized by or registered or filed with the Central Bank of Bahrain or any other governmental authority in the Kingdom of Bahrain, nor has the Fund received authorization from the Central Bank of Bahrain or any other governmental authority in Kingdom of Bahrain to market or sell Interests within the Kingdom of Bahrain. These materials do not constitute and may not be used for the purpose of an offer or invitation in the Kingdom of Bahrain. No services relating to Interests, including the receipt of applications and the allotment or redemption of such Interests, may be rendered by the Fund within the Kingdom of Bahrain.

Country-Specific Disclaimers

NOTICE TO INVESTORS IN BRITISH VIRGIN ISLANDS
These materials do not constitute, and there will not be, an offering of securities to the public in the British Virgin Islands.

NOTICE TO INVESTORS IN BRUNEI
These materials have not been delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam as designated under the Securities Markets Order of 2013.

NOTICE TO INVESTORS IN CANADA
The Interests may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Interests must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), AMCM is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

NOTICE TO INVESTORS IN CAYMAN ISLANDS
THIS IS NOT AN OFFER OR INVITATION TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR LIMITED PARTNERSHIP INTERESTS.

NOTICE TO INVESTORS IN CHILE
THE STARTING DATE OF THE OFFER WILL BE JANUARY 2023, AND THIS OFFER CONFORMS TO GENERAL RULING N° 336 OF THE CHILEAN COMMISSION FOR FINANCIAL MARKETS. THE OFFER DEALS WITH SECURITIES NOT REGISTERED IN THE REGISTRY OF SECURITIES OR IN THE REGISTRY OF FOREIGN SECURITIES OF THE CHILEAN COMMISSION FOR FINANCIAL MARKETS, AND THEREFORE SUCH SECURITIES ARE NOT SUBJECT TO ITS OVERSIGHT. THE FUND IS NOT OBLIGATED TO PROVIDE PUBLIC INFORMATION IN CHILE REGARDING THE FOREIGN SECURITIES, SINCE SUCH SECURITIES ARE NOT REGISTERED WITH THE CHILEAN COMMISSION FOR FINANCIAL MARKETS. THE FOREIGN SECURITIES SHALL NOT BE SUBJECT TO PUBLIC OFFERING AS LONG AS THEY ARE NOT REGISTERED WITH THE CORRESPONDING REGISTRY OF SECURITIES IN CHILE.

LA FECHA DE INICIO DE LA OFERTA SERÁ EL ENERO 2023 Y ESTA OFERTA SE ACOGE A LA NORMA DE CARÁCTER GENERAL N° 336 DE LA COMISIÓN PARA EL MERCADO FINANCIERO CHILENA. QUE LA OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA COMISIÓN PARA EL MERCADO FINANCIERO CHILENA, POR LO QUE TALES VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE ÉSTA. QUE POR TRATAR DE VALORES NO INSCRITOS NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA RESPECTO DE ESOS VALORES. QUE ESOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

NOTICE TO INVESTORS IN CHINA
Interests may not be marketed, offered or sold directly or indirectly to the public in China and neither these materials , which have not been submitted to the Chinese Securities and Regulatory Commission, nor any offering material or information contained herein relating to Interests, may be supplied to the public in China or used in connection with any offer for the subscription or sale of Interests to the public in China. The Interests may only be marketed, offered or sold to Chinese institutions which are authorized to engage in foreign exchange business and offshore investment from outside China. Chinese investors may be subject to foreign exchange control approval and filing requirements under the relevant Chinese foreign exchange regulations, as well as offshore investment approval requirements.

NOTICE TO INVESTORS IN COLOMBIA
Neither these materials nor the Interests have been reviewed or approved by the Financial Superintendency of Colombia (the "FSC") or any other governmental authority in Colombia, nor has the Fund or any related person or entity received authorization or licensing from the FSC or any other governmental authority in Colombia to market or sell Interests within Colombia. No public offering of Interests is being made in Colombia or to Colombian residents. By receiving these materials , the recipient acknowledges that it contacted the Manager at its own initiative and not as a result of any promotion or publicity by the Manager. These materials are strictly private and confidential and may not be reproduced, used for any other purpose or provided to any person other than the intended recipient.

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Country-Specific Disclaimers

NOTICE TO INVESTORS IN EGYPT
Neither these materials nor the Interests have been approved, disapproved or passed on in any way by the Egyptian Financial Regulatory or any other governmental authority in Egypt, nor has the Fund received authorization or licensing from the Egyptian Financial Regulatory Authority or any other governmental authority in Egypt to market or sell Interests within Egypt. These materials do not constitute and may not be used for the purpose of an offer or invitation. No services relating to Interests, including the receipt of applications and the allotment or redemption of such Interests, may be rendered by the Fund within Egypt.

NOTICE TO INVESTORS IN GUERNSEY
These materials are only being, and may only be, made available in or from within the Bailiwick of Guernsey and the offer that is the subject of the offering memorandum is only being, and may only be, made in from within the Bailiwick of Guernsey:

(i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or
(ii) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended).

The offer referred to in the offering memorandum and these materials are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs (i) and (ii) and must not be relied upon by any person unless made or received in accordance with such paragraphs.

NOTICE TO INVESTORS IN HONG KONG
WARNING
The contents of these materials have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent profession advice. These materials do no constitute an offer or invitation to the public in Hong Kong to acquire Interests. Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, these materials or any advertisement, invitation or document relating to Interests, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than in relation to Interests which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) (the "SFO") and the subsidiary legislation made thereunder) or in circumstances which do not result in these materials being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinances of Hong Kong (Cap. 32) (the "CWUMPO") or which do not constitute an offer or an invitation to the public for the purposes of the SFO or the CWUMPO. The offer of Interests is personal to the person to whom these materials have been delivered by or on behalf of the Fund, and a subscription for Interests will only be accepted from such person. No person to whom a copy of these materials is issued may issue, circulate or distribute these materials in Hong Kong or make or give a copy of these materials to any other person. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of these materials , you should obtain independent professional advice.

NOTICE TO INVESTORS IN INDIA
These materials contain general information only, does not contain any personal advice or recommendation and does not take into account any prospective investors' objectives, financial situation or needs. Before acting on these materials prospective investors should assess the appropriateness of the information and consider seeking the advice of a financial adviser before making an investment decision. Neither the Fund nor the Manager are licensed to provide "investment advisory" activities in India.

Interests is not being offered, made available for subscription, or being sold pursuant to any Indian law or regulations. These materials have not been registered with any Indian regulator and no Indian regulator (including the Securities and Exchange Board of India and the Reserve Bank of India) has approved the offering or these materials. Neither the Fund nor the General Partner has authorized any public offer, subscription or sale of any Interests by or to the public in India. Interests may be offered to less than 200 Indian resident persons strictly on a private placement basis. Each Indian resident offeree is required to seek independent legal and regulatory advice to determine its eligibility to subscribe to the interests and compliance requirements under the Indian laws and regulations pertaining to subscription, holding and divestment of its investment in the Fund as well as receipt and reporting of income earned from the Fund. Prospective Indian investors will be responsible to obtain the necessary approvals and make the necessary filings as may be required with respect to their investment in the Fund, including approval and filings, if any, under the Foreign Exchange Management Act, 1999 and extant regulations thereunder.

Country-Specific Disclaimers

NOTICE TO INVESTORS IN ISRAEL

The Interests described in these materials have not been registered and are not expected to be registered under the Israeli Securities Law — 1968 (the "Securities Law") or under the Israeli Joint Investment Trust Law – 1994 due to applicable exemptions. Accordingly, the Interests described herein will only be offered and sold in Israel pursuant to applicable private placement exemptions, to parties that qualify as both (i) "Sophisticated Investors" described in Section 15A(b)(1) of the Securities Law and (ii) as "Qualified Customers" for purposes of Section 3(a)(11) of the Law for the Regulation of Provision of Investment Advice, Marketing Investments and Portfolio Management – 1995 (the "Investment Advisor Law"). Neither the Fund nor the Manager is a licensed investment marketer under the Investment Advisor Law and neither the Fund nor the Manager maintains insurance as required under such law. The Fund and the Manager may be deemed to be providing investment marketing services but are not investment advisors for purposes of Israeli law. Any investment marketing which may be deemed provided under Israeli law in connection with an investment in the Fund is deemed provided on a one time only basis and neither the Fund nor the Manager will provide any ongoing investment marketing or investment advisory services to the investor. If any recipient in Israel of a copy of these materials is not qualified as described above, such recipient should promptly return these materials to the Fund. By retaining a copy of these materials you are hereby confirming that you qualify as both a Sophisticated Investor and Qualified Customer, fully understand the ramifications thereof and agreed to be treated as such by the Fund.

NOTICE TO INVESTORS IN JAPAN

Interests are a security set forth in Article 2, Paragraph 2, Item 6 of the Financial Instruments and Exchange Act of Japan (the "FIEA"). No public offering of Interests is being made to investors resident in Japan and in accordance with Article 2, Paragraph 3, Item 3 of the FIEA, no securities registration statement pursuant to Article 4, Paragraph 1 of the FIEA has been made or will be made in respect to the solicitation of an offer to acquire the Interests in Japan because such solicitation would constitute a "Small Number Private Placement" (shoninzu muke kanyu) (as defined in Article 23-13, Paragraph 4 of the FIEA). Neither the General Partner nor any of its affiliates is or will be registered as a "financial instruments business operator" pursuant to the FIEA. Neither the Financial Services Agency of Japan nor the Kanto Local Finance Bureau has passed upon the accuracy or adequacy of these materials or otherwise approved or authorized the offering of Interests to investors resident in Japan.

NOTICE TO INVESTORS IN JERSEY

No public offering of Interests is being made to investors resident in Jersey. The Interests are being offered only to a limited number of institutional and sophisticated individual investors in Jersey.

NOTICE TO INVESTORS IN KUWAIT

These materials are not for general circulation to the public in Kuwait. The Interests have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti governmental agency. The offering of Interests in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 (as amended) and the bylaws thereto (as amended). No private or public offering of Interests is being made in Kuwait, and no agreement relating to the sale of Interests will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market Interests in Kuwait.

NOTICE TO RESIDENTS OF MALAYSIA:

This document document is not and is not intended to be a prospectus and has not been distributed or made available in Malaysia. This Memorandum/document has not been and will not be registered as a prospectus with the Malaysian Securities Commission ("SC") under the Capital Markets and Services Act 2007 ("CMSA"). This Memorandum/document is intended for the exclusive use of any recipient who warrants, by receipt of this material that such recipient is an accredited investor, high net worth entity or high net worth individual etc. under Schedules 6 and 7 of the CMSA. The Fund does not hold any regulatory licenses or registrations in Malaysia and is therefore not licensed to conduct any regulated business activity under the CMSA, nor does the Fund purport to carry on, any regulated activity in Malaysia. The Fund has not been, and should not be construed as having been, offered or made available for purchase or subscription in Malaysia and any offer constituted in this Memorandum is not capable of being accepted in Malaysia.

NOTICE TO INVESTORS IN MEXICO

The offering made pursuant to these materials does not constitute a public offering of securities under Mexican law and therefore is not subject to obtaining the prior authorization of the Mexican National Banking and Securities Commission or the registration of Interests with the Mexican National Registry of Securities.

NOTICE TO INVESTORS IN MONACO

No public offering of Interests is being made to investors resident in Monaco. The Interests are being offered only to a limited number of institutional investors (i.e., duly licensed banks by the Autorité de Contrôle Prudentiel and portfolio management companies duly licensed, by virtue of Law n° 1.338 of September 7th, 2007, by the Commission de Contrôle des Activités Financières), capable of understanding the risks of their investment. The Commission de Contrôle des Activités Financières of Monaco has not passed upon the accuracy or adequacy of these materials or otherwise approved or authorized the offering of Interests to investors resident in Monaco.

The addressees hereof are perfectly fluent in English and expressly waive the possibility of a French translation of the present document. *Les destinataires du présent document reconnaissent être à même d'en prendre connaissance en langue anglaise et renoncent expressément à une traduction française.*

NOTICE TO INVESTORS IN NEW ZEALAND

No retail offering of Interests is being made to investors in New Zealand. The Interests are being offered to wholesale investors in New Zealand pursuant to an exclusion from disclosure requirements under the Financial Markets Conduct Act 2013. The New Zealand Financial Markets Authority has not passed upon the accuracy or adequacy of these materials or otherwise approved or authorized the offering of Interests to investors resident in New Zealand.

Country-Specific Disclaimers

NOTICE TO INVESTORS IN OMAN
These materials, and the Interests to which it relates, may not be advertised, marketed, distributed or otherwise made available to the general public in Oman. In connection with the offering of the Interests, no prospectus has been registered with or approved by the Central Bank of Oman, the Oman Ministry of Commerce and Industry, the Oman Capital Market Authority or any other regulatory body in the Sultanate of Oman. The Interests described in these materials will not take place inside Oman. The Interests are being offered on a limited private basis, and do not constitute marketing, offering or sales to the general public in Oman. Therefore, these materials are strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

NOTICE TO INVESTORS IN QATAR
These materials are provided on an exclusive basis to the specifically intended recipient hereof, upon that person's request and initiative and for the recipient's personal use only. Nothing in these materials constitute, is intended to constitute, shall be treated as constituting or shall be deemed to constitute any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund, or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre, other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities.

These materials and the underlying instruments have not been approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other regulator in the State of Qatar. These materials and any related documents have not been reviewed or approved by the Qatar Financial Centre Regulatory Authority or the Qatar Central Bank.

Recourse against the Fund, and those involved with it, may be limited or difficult and may have to be pursuant in a jurisdiction outside Qatar and the Qatar Financial Centre. Any distribution of these materials by the recipient to third parties in Qatar or the Qatar Financial Centre beyond the terms hereof is not authorized and shall be at the liability of the recipient.

NOTICE TO INVESTORS IN SAUDI ARABIA
Neither these materials nor the Interests have been approved, disapproved or passed on in any way by the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia, nor has the Fund received authorization or licensing from the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia to market or sell the Interests within the Kingdom of Saudi Arabia. these materials do not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Interests, including the receipt of applications and the allotment or redemption of such Interests, may be rendered by the Fund within the Kingdom of Saudi Arabia.

NOTICE TO INVESTORS IN SINGAPORE
These materials and any other material in connection with the offer or sale is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

These materials not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS") and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. The Fund is not authorized or recognized by the MAS and Interests are not allowed to be offered to the retail public. Accordingly, these materials and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Interests may not be circulated or distributed, nor may the Interests be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 4A of the SFA, (ii) to a relevant person under Section 305(1) of the SFA, (iii) to any person pursuant to an offer referred to in Section 305(2) of the SFA, or (iv) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Since these materials are not a prospectus as defined in the SFA, statutory liability under the SFA in relation to the content of prospectuses does not apply, and the offeree should consider carefully whether the investment is suitable for him. Certain resale restrictions apply to the offer and investors are advised to acquaint themselves with such restrictions.

Where the interests are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the interests pursuant to an offer made under Section 305 except:
(c) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency5) for each transaction, whether such amount is to be paid for in cash or by exchange of units in a collective investment scheme, securities, securities-based derivatives contracts or other assets, and further for corporations, in accordance with the conditions specified in Section 305(3) of the SFA;
(d) where no consideration is or will be given for the transfer;
(e) where the transfer is by operation of law;
(f) as specified in Section 305A(5) of the SFA; or
(g) as specified in Regulation 36 and 36A of the SFA.

Country-Specific Disclaimers

NOTICE TO INVESTORS IN SOUTH KOREA
Neither the Fund nor any of its affiliates is making any representation with respect to the eligibility of any recipients of these materials to acquire Interests under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Interests are being offered and sold in Korea only to persons prescribed by Article 301, Paragraph 2 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act, and none of the Interests may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, Interests may not be re-sold to Korean residents unless the purchaser of the Interests complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Interests.

NOTICE TO RESIDENTS OF SWITZERLAND
This document and its contents are considered as "advertising" according to the Swiss Federal Act on Financial Services of 15 June 2018 (FinSA). The Fund is established under the laws of Delaware and the Cayman Islands. The legal documents of the Fund are available free of charge for institutional and professional investors according to the FinSA at 245 Park Avenue, 44th Floor, New York, NY 10167. Investors should not make any investment decision without having received the complete fund documentation.

NOTICE TO INVESTORS IN TAIWAN
The Interests have not been registered in the Republic of China (Taiwan), nor is approval by the Financial Supervisory Commission, Executive Yuan, the Republic of China ("FSC") compulsory. Investors should review the financial information and relevant documents, consult with an independent consultant, and bear the risks of this investment. Subscribers within the territory of the Republic of China (Taiwan) are required to meet certain requirements set forth in the Rules Governing Offshore Funds and conditions promulgated by the FSC. Investors cannot resell the Interests except in accordance with resale restrictions nor solicit any other purchasers for this offering.

NOTICE TO INVESTORS IN THE UNITED ARAB EMIRATES (ABU DHABI AND DUBAI)
By receiving these materials, the person or entity to whom it has been issued understands, acknowledges and agrees that neither these materials nor the Interests have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates ("UAE"), the UAE Securities and Commodities Authority (the "SCA") or any other authority in the UAE, nor has the entity conducting the placement in the UAE received authorization or licensing from the Central Bank of the UAE, the SCA or any other authority in the UAE to market or sell the Interests within the UAE. The SCA accepts no liability in relation to the Fund and is not making any recommendation with respect to an investment in the Fund. No services relating to the Interests including the receipt of applications and/or the allotment or redemption of such Interests have been or will be rendered within the UAE by the Fund. Nothing contained in these materials is intended to constitute UAE investment, legal, tax, accounting or other professional advice. These materials are for the information of prospective investors only and nothing in these materials are intended to endorse or recommend a particular course of action. Prospective investors should consult with an appropriate professional for specific advice rendered on the basis of their situation. No offer or invitation to subscribe for Interests or sale of the Interests has been or will be rendered in, or to any persons in, or from, the Dubai International Finance Centre.

NOTICE TO INVESTORS IN THE UNITED KINGDOM
In the United Kingdom, these materials are being distributed only to and is directed only at (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) high-net-worth entities falling within Article 49(2) of the Order, and (iii) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons must not act on or rely on these materials or any of its contents. Any investment or investment activity to which these materials relate is available only to relevant persons and will be engaged in only with relevant persons. Recipients must not distribute, publish, reproduce, or disclose these materials , in whole or in part, to any other person.

Notwithstanding the above, this document is only being made available to investors in the United Kingdom who fall within the definition of a "professional client" as that term is defined in Directive 2014/65/EU.

NOTICE TO RESIDENTS OF VIETNAM:
The marketing documents only constitute an offer to purchase securities as contemplated hereunder to professional investors in Vietnam who are permitted to participate in offshore indirect investments under the laws of Vietnam.

ARES

NHRS
New Hampshire Retirement System

To:	Independent Investment Committee
From:	Raynald Leveque, Chief Investment Officer
	Shana Biletch, Investment Officer
Date:	June 11, 2024
Re:	**Recommendation: Ares Senior Direct Lending Fund III**
Item:	Action: ☒ Discussion: ☐ Informational: ☐

<u>Recommendation</u>

Based on the strategic fit within the New Hampshire Retirement System (NHRS) portfolio, as well as the due diligence conducted by the NHRS Investment Team (Investment Staff) and the Callan Private Markets Team, Staff recommends the Independent Investment Committee (IIC) approve a **commitment up to $100 million to the Ares Senior Direct Lending Fund (Fund III)**.

Ares Management Corporation (Ares) is a global alternative investment manager founded in 1997 with approximately $420 billion in assets today. Their investment platform includes private credit, private equity, real assets, and secondaries.

The recommended fund commitment will build upon NHRS's core allocation to direct lending within its private credit portfolio. Additionally, NHRS will benefit from the expertise of one of the industry's largest, most premier credit General Partners (GPs). The proposed commitment to Ares will deepen the System's existing relationship with Ares. NHRS committed $75 million to the Ares Pathfinder II Specialty Finance strategy in the Fall of 2023.

Our investment consultant, Callan, conducted independent due diligence, and their attached report supports Staff's recommendation to commit to Fund III. This memorandum will provide a high-level overview of the opportunity. Additional details can be found in Callan's due diligence report.

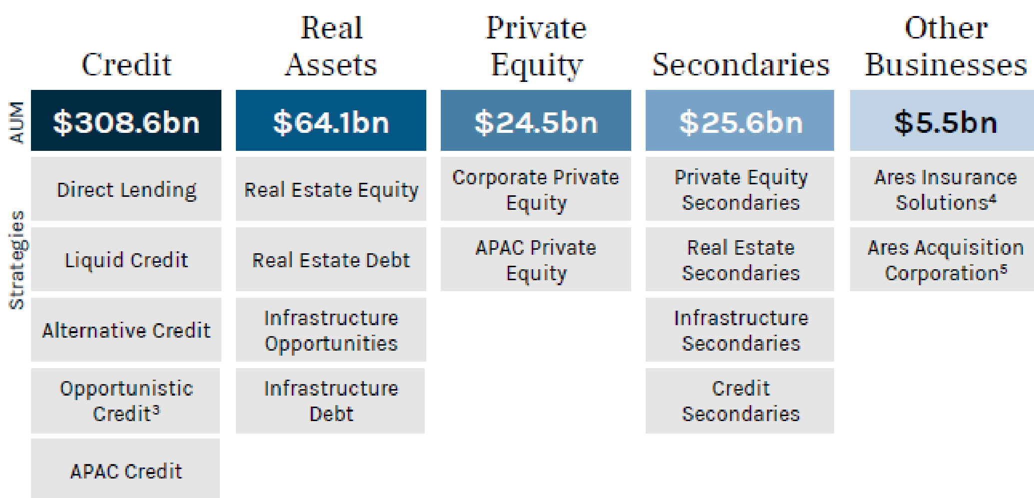
The Investment Staff's diligence process included a review of documentation from Ares, several virtual meetings with Ares, and an on-site meeting with key decision makers of the Ares team. Key factors assessed in the due diligence process included the strength of the firm, Ares' investment philosophy, and management of Fund III, its fit within the NHRS portfolio, as well as the performance history of prior vintages of the Senior Direct Lending strategies. The Investment Staff also collaborated with our Investment Consultant, Callan to assess their independent diligence of Ares and Fund III.

General Partner

Ares is one of the world's oldest and longest-tenured asset managers. Founded in 1997, Ares has over 2,300 employees in over 30 offices globally. Ares has invested in private credit since 2004 and has built a strong franchise in private markets that includes private credit, private equity, real assets, and alternative secondaries. The majority of Ares' AUM is in credit strategies across liquid and private markets.

Ares is well-known as a leading manager of credit strategies that span the spectrum across the non-Investment Grade universe, focusing on solutions for investors searching for yield and low-correlation assets that provide a high degree of diversification. Ares has built a high-quality business within private credit that provides a broad array of solutions as one of the direct lenders in the global markets to companies of various sizes. Ares' breadth allows them to accumulate vast amounts of data on borrowers and competitors, strengthening their underwriting capabilities and deal-level accuracy.

Outside of the $284.8 billion in Private Credit, Ares manages approximately $39.1 billion in AUM in private equity, $65.4 billion in real assets (real estate & infrastructure), $24.7 billion in secondaries (private equity, real estate, and infrastructure), and $4.8 billion in strategic initiatives (Insurance, funds in the Asia-Pacific region and other niche strategies).



Source: Ares

Ares Direct Lending Team

Mitch Goldstein and Mark Affolter serve as the primary portfolio managers of Fund III and have worked together for over 15 years. They are part of an eight-member Investment Committee (IC) that leads the strategy. Fund III's leadership team is supported by the private credit platform of 350 investment professionals, with approximately 180 of them focusing on U.S. direct lending.

Investment Strategy

Ares will continue its investment approach of investing in directly originated senior secured loans of high-quality, middle-market companies. The fund will invest primarily in North America and the majority of its investments will be backed by financial sponsors.

The investment team's industry reputation and size enable them to be highly selective in pursuing lending opportunities. Ares' positioning in lending enables the team to negotiate favorable economics and generate high returns on their investments. The size and breadth of the Ares platform promotes collaboration across asset classes and is a critical advantage in deal sourcing and monitoring.

Ares Investment Process

Ares sources new investments through existing relationships with private equity sponsors, peers, commercial banks, and intermediaries (advisors, consultants), as well as through contacting company management teams. Ares is distinguished by its scale in providing capital solutions to companies, its successful track record and its broad geographic footprint.

Potential deals are screened several times before being presented for a final vote by the U.S. Direct Lending Platform's Investment Committee. Emphasis is placed on a company's financial strength and ability to withstand leverage if it suffers financial difficulties. The deal sourcing team benefits from the industry research conducted by Ares' deep bench of over 70 credit research analysts. A majority vote is required for an investment's approval. The IC is comprised of primary Portfolio Managers Mitch Goldstein and Mark Affolter, as well as Michael Arougheti, Kipp deVeer, Michael Dieber, Jim Miller, Kort Schnabel and Michael L. Smith.

The sourcing team remains involved over the life of an investment by working alongside the portfolio monitoring team following implementation. Ares monitors investments through frequent dialogue with company management and thorough financial reviews of companies' financial reports. The team is proactive in placing companies on watch lists. The portfolio monitoring team's deep industry experience and restructuring expertise is critical in addressing underperforming companies.

Track Record & Performance

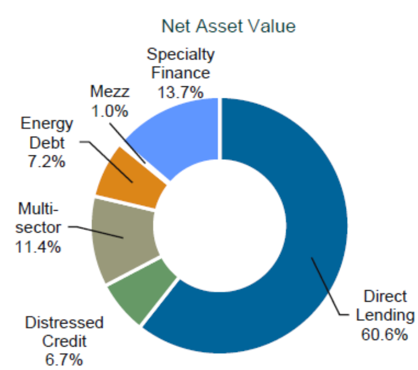
The NHRS Investment Team and Callan reviewed the performance of the prior funds.

NHRS Strategic Allocation

Fund III will be categorized as a Direct Lending allocation of the NHRS Private Credit asset class within the portfolio's Alternative Investments. The Private Credit actual allocation is 4.8% as of December 31, 2023. In December, the NHRS IIC and BoT voted to approve an increase in the System's target private credit allocation from 5% to 10%. The change will take effect over a multiyear timeframe.

As of December 31st, direct lending strategies represent approximately 60% of the overall Net Asset Value plus potential exposure within Private Credit.

Current Private Credit Portfolio Composition



Source: Callan

The IIC approved the Private Credit pacing allocation of $400 million to be allocated in calendar year 2024. This commitment is in line with the System's plan to maintain a core allocation to direct lending strategies and represents the first allocation to Private Credit in 2024. Furthermore, it will increase our exposure to a top-performing Private Credit General Partner and deepen the System's existing relationship with Ares.

Strengths & Rationale

While Ares has several strengths that make them an ideal General Partner for the NHRS, these are some of the critical factors.

Resources of the Direct Lending Team

Ares has one of the largest direct lending teams in the industry. Their existing relationships with financial sponsors, as well as their ability to act as the lead lender, enable them to be highly selective in sourcing investment opportunities.

Performance Track Record

The team has a successful 19-year track record of investing in senior secure loans.

Market Environment

Increased regulatory requirements on public companies have prevented more companies from going public. Additionally, banks have reduced their lending to middle-market companies following the Global Financial Crisis. These factors have created opportunities for private market lending. Ares stands to benefit from its well-established presence in the middle-market direct lending space.

Key Risks & Mitigants

The Potential for Higher Default Rates Going Forward

Prolonged inflationary pressures could harm borrowers and cause them to default on their loans. The strategy's focus on noncyclical, high-quality companies mitigates some of this risk. The Ares team is also proactive in working with underperforming companies to reduce losses in the portfolio.

Competition in Private Credit

Recent demand for private credit strategies has contributed to more strategies coming to market. As a result, Private credit asset managers have faced greater competition in sourcing investments. Ares, however, is distinguished in the marketplace due to their reputation and scale.

Callan

June 11, 2024

New Hampshire Retirement System (NHRS)

Ares Senior Direct Lending Fund III

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Overview of Offering

Fund Summary	
Fund Name	Ares Senior Direct Lending Fund III ("SDL III")
Partnership Domicile	Delaware Limited Partnership
Fund Counsel	Proskauer Rose LLP Richards, Layton & Finger, P.A. (as to matters of Delaware law) Matheson (as to matters of Irish law) Maples and Calder (as to matters of Cayman Islands law)
Auditor	Ernst & Young
Reporting Currency	USD

Strategy Summary	
Strategy Description	Senior U.S. Direct lending
Geography (% by region)	Primarily North America
Sector/Industry Focus	Diversified
Seniority (% senior secured; % subordinated, % equity)	Nearly 100% of investment commitments in senior secured first lien positions
Target Return (gross & net IRRs; levered and unlevered)	Levered net returns: 10 to 12%+; unlevered net returns: 7 to 9%
Leverage	Target 1.0x to 1.5x (max 2.0x); unlevered vehicle available
Leverage Funding Source(s)/Pricing/Tenor	To be determined.
Subscription Line ($mm, provider, tenor)	Capped at 40% of aggregate commitments
Target Fund Size / Hard Cap	$10 billion
Target Fundraise Timing	N/A
GP Commit	Lesser of 1% of LP Commitments and $100 million

General Partner Summary	
Firm/Headquarters	Los Angeles, CA, United States
General Partner	SDL Management III Ltd
Firm Ownership	Ares Management Corporation held its initial public offering in May 2014. Ares is owned approximately 40.4% by members of its senior management team, 54.2% by public ownership, and 5.5% by SMBC as of March 31, 2024.
Firm/Team Leadership	Michael Arougheti, Mitch Goldstein
Registered w/ US SEC	Ares Management LLC is registered with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser. SEC Registration 801-63800
Regulatory/Legal (any audits; outstanding litigation)	Ares has no outstanding regulatory exams. Other than as disclosed in public filings, no actions are pending or threatened

	at the current time that are material to Ares Management Corporation, the Ares Funds, or Ares.

Fees	
Fund Term (invest and harvest)	Investment Period: 3 years from final closing deadline (subject to two, one-year extensions) Harvest Period: 4 years from the end of investment period (subject to two, one-year extensions)
Recycling (terms)	Recycling of principal during the investment period
Extension	The investment period and fund term may be extended with the mutual consent of the Limited Partner and the General Partner.
Management Fee	Levered Vehicle: 0.85% on invested assets Unlevered Vehicle: 1.00% on invested assets $100m commitment size discount of 5 bps
Waterfall Summary	12.5% carried interest Unlevered Vehicle: 5% hurdle; Levered Vehicle: 7% hurdle European waterfall
Expense ratio/cap	Capped at the greater of $10 million and 0.1% of aggregate commitments
Fee Waivers / Offsets	100% fee offset subject to exceptions in PPM

Executive Summary

NHRS has retained Callan to provide an investment opinion regarding the potential hire of Ares (the “Firm” or “Ares”). The proposed commitment will be a $100 million commitment to the unlevered vehicle of Ares’ Senior Direct Lending Fund III (the “Fund” or “SDL III”). Ares’ Senior Direct Lending Strategy focuses on directly originating debt capital to North American private equity sponsor-backed middle market companies with target EBITDA of $10 million to $150 million. Investments will be directly originated through the Ares network and overseen by an Investment Committee with senior leaders across the firm from the Private Credit Group. 100% of the portfolio is expected to be in directly-originated floating rate senior secured loans. Proceeds will be used primarily to fund sponsor-backed LBO’s and for add-on acquisition transactions. Deal economics and structural protections on private loans to upper middle market companies have attractive risk return characteristics in the current environment given the combination of high base rates, recent widening of credit spreads and better covenants. The Strategy targets a net unlevered return of 7% to 9%+. The Strategy is expected to make cash distributions quarterly.

Founded in 1997, Ares Management is a global alternative investment manager with 30 offices and over 600 investment professionals worldwide. Ares is publicly listed (NYSE: ARES) with an approximate market capitalization of $19.1 billion. Ares is owned approximately 45.6% by members of its senior management team, 48.7% by public ownership and 5.7% by SMBC, a Japanese multinational bank. Ares has $352 billion in assets under management across five core verticals including credit, private equity, real estate, secondary solutions and strategic initiatives. The credit business is the largest business at Ares with $214.2 billion in AUM. The firm is led by Tony Ressler and Michael Arougheti who handle the firm’s strategic initiatives and David Kaplan, Bennett Rosenthal, and Kipp deVeer who are the heads of the private equity and credit groups.

Recommendation

Pending the completion of the New Hampshire Retirement System’s successful legal review of the funds, a $100 million commitment to the Ares Senior Lending Fund III unlevered vehicle is recommended based on portfolio fit and the overall partnership merits as reviewed in the body of this report. A $100 million commitment represents approximately 0.85% of NHRS Investment Pool's total assets and would move the NHRS Investment Pool closer to its target allocation to private credit of 5%.

Ares’ Senior Lending Fund would be a diversifying addition to the NHRS private credit portfolio with its focus on stable cash flows and strong downside protection. The strategy team originates and underwrites senior, upper-middle market corporate loans to companies as part of purchase by private equity sponsors. Over 90% of the portfolio is expected to be in senior secured loans. The Ares lending team has invested with the same discipline and process since inception, with prior funds raised and invested through various economic environments. Over time, the team has demonstrated differentiated sourcing capabilities while leveraging strong, long-term relationships with private equity sponsors. The team is experienced in structuring deals with strong downside protection which have led to low loss ratios and attractive risk adjusted returns.

Evaluation Process

In conducting a review of the proposed NHRS investment, Callan reviewed due diligence materials requested by NHRS and prepared by Ares. Callan also conducted a virtual onsite with members of the Ares team. Supplemental calls were held as necessary. Callan reviewed and analyzed the following materials, and conducted and participated in additional evaluations and research including:

- Due diligence questionnaires;
- Forms ADV;
- Historical return and benchmarking analysis;
- Litigation and regulatory activity review;
- Investment case studies;
- Investment memos;
- Proposed term sheets; and
- Limited partner quarterly reports and fund financial statements.

It should also be highlighted that Callan has had maintained consistent dialogue with Ares and its capabilities. Past interactions include periodic meetings with the firm over time.

Summary of Key Findings

Merits

- **Deep, seasoned investment team –** The Ares lending team is comprised of 180 dedicated investment professionals globally with deep experience in credit investing through multiple cycles. The team has proven experience in disciplined credit underwriting when lending to sponsor-backed businesses while maintaining a sharp focus on downside protection.
- **Upper middle market focus –** Ares' SDL strategy is well positioned to provide sizeable senior direct lending solutions in the upper middle market where there is less competition from other lenders and banks. Further, historical data points to higher recoveries of defaulted loans to larger companies than those of smaller companies through a cycle.
- **Proven track record in the direct lending space –** Ares has built a strong track record of investing in the upper middle market space. Since 2004, Ares has invested $142 billion in U.S. direct lending across over 2,280 deals. Ares U.S. Senior Direct Lending track record has generated a realized pro-forma net levered return of 13.1% with a realized loss rate of 1 bps.
- **Broad alternatives investment platform –** The Ares lending strategy resides within the larger, globally diversified alternative investment platform which includes private equity, distressed, and real estate capabilities. This brings broad scope and infrastructure providing the lending team a sourcing and execution edge relative to smaller, single-strategy lending platforms.
- **Competitive Fees –** The Ares SDL III fund has a 0.85% management fee on invested assets for the levered vehicle and a 1% management fee on the unlevered vehicle. These fees are lower than the typical direct lending strategy management fee of 1% to 1.5%. $100m and above investors will also benefit from a 5 bps fee discount.

Considerations

- **Growth of private credit asset class –** Private credit is an increasingly popular asset class as investors look for yield, often reallocating out of traditional fixed income into private credit. There has been a particular influx of capital into private lending strategies where economics and structures are under pressure. New entrant activity has also been robust as capital is abundant.

  Mitigants
  - Ares has one of the longest tenures in the sponsor-backed lending space having lent through multiple credit cycles relative to much of the competition
  - Ares is one of a handful of direct lenders who is able to commit to and hold relatively large amounts (i.e., $500+ million) to finance sponsor-backed transactions
  - Ares SDL has a sourcing edge relative to its competitor given its strong reputation among sponsors for the execution of financing sponsor-backed companies

- **Inflationary environment with rising interest rates –** The U.S. macroeconomic backdrop is one of inflation and rising interest rates which could have a negative impact on credit investments, particularly those with fixed-rate exposure.

  Mitigant

  - Ares SDL is expected to be majority comprised of floating rate private loans whose interest rates will adjust upwards in a rising rate environment. Further, the strategy targets investments that are relatively recession resistant.

- **Illiquidity –** The Ares SDL lending portfolio will be invested in directly-originated illiquid loans that have a limited buyer universe.

  Mitigants

  - The majority of loans will have cash interest payments providing liquidity to investors.
  - The typical loan will be repaid within two-to-four years with proceeds from the sale of the underlying company or through a debt refinancing.

Performance Overview

The following is a summary of gross unlevered performance by Ares U.S. Senior Direct Lending team. The Ares U.S. track record as shown in the table below is a representative track record put together by Ares that includes investments originated for strategies across the firm. SDL I and II are Ares' Senior Direct Lending funds which have performed well on both a gross and net IRR. SDL I has generated strong gross IRRs of 9.4% and a net unlevered IRR of 7.1%. Ares has been able to generate consistent gross unlevered performance across their representative track record and the SDL fund series. The consistent strong performance is attributed to Ares' focus on leveraging existing relationships in the space, strong investment due diligence process, and active portfolio monitoring.

Ares U.S. Senior Direct Lending Track Record since Inception

Fund	#	Invested Capital	% of Cost	Realized Value	Unrealized Value	Total Value	Gain/(Loss)	Gross TVPI	Gross IRR	Net IRR	Net TVPI
U.S. Senior TR	2,280	$111,073	85.6%	$63,320	$67,496	$130,816	$19,743	1.18x	9.4%	7.1%	1.13x
SDL I	241	$6,687	5.1%	$4,033	$4,116	$8,149	$1,462	1.27x	9.0%	6.9%	1.21x
SDL II	244	$11,978	9.2%	$3,137	$10,433	$13,570	$1,592	1.16x	12.2%	9.5%	1.12x
Total	2310	$129,738	100.0%	$70,490	$82,045	$152,535	$22,797	1.18x	N/A	N/A	N/A

As of December 31, 2023

Full attribution available upon request

Net performance metrics may be higher than gross due to recycling of capital and leverage

Organization and Team

Ares Overview

Ares Management Corporation is one of the largest global alternative managers with a suite of products, including private equity, real estate, and public and private credit. The Firm, publicly traded on the NYSE under the symbol ARES, was founded in 1997 by a team of experienced investment professionals including Tony Ressler (current Executive Chairman), Michael Arougheti (current CEO and President), David Kaplan, and Bennett Rosenthal.

The firm is led by Tony Ressler and Michael Arougheti who handle the firm's strategic initiatives and David Kaplan, Bennett Rosenthal, and Kipp deVeer who are the heads of the private equity and credit groups. Ares is managed by a board of directors along with the firm's Executive Management Committee which handles certain operational and day-to-day management and meets on a weekly basis. Additionally, the firm has a Management Committee which comprises asset class heads and other senior management professionals.

Today, Ares Management is a global alternative investment manager with over 35 offices and over 1,000 investment professionals worldwide. Ares is publicly listed with an approximate market capitalization of $41.1 billion. The manager has $428 billion in assets under management across five core verticals as follows:

Credit	Private Equity	Real Estate	Secondary Solutions	Other Businesses
$308.6 bn	**$24.5 bn**	**$64.1bn**	**$25.6 bn**	**$5.5 bn**
Direct Lending	Corporate Private Equity	Real Estate Equity	Private Equity & Credit	Insurance Solutions
Liquid Credit	APAC Private Equity	Real Estate Debt	Real Estate	Acquisition Corporation
Alternative Credit		Infrastructure Opportunities	Infrastructure	
Opportunistic Credit		Infrastructure Debt	Credit	
APAC Credit				

Note: Figures above are as of March 31, 2024

Ownership and Alignment

About half of the Firm ownership is still in the hands of senior management. Specifically, Ares Management Corporation held its initial public offering in May 2014. Ares is owned approximately 40.4% by members of its senior management team, 54.2% by public ownership, and 5.5% by SMBC as of March 31, 2024. The GP has a strong history of supporting its Funds and will be investing $100 million of GP capital in Ares SDL III.

Investment Team

Ares U.S. direct lending investment team employed 217 people as of March 2024 across the United States. Ares U.S. direct lending investment team is supported by an operational team of 1,084 employees. The U.S. direct lending investment professionals are dedicated to Ares' U.S. Direct Lending strategies and focus on originating, underwriting, and monitoring loans. The team has investment experience across multiple cycles and deep networks in the U.S. The success of the Credit team is partially due to Ares' collaborative environment of professionals working together across asset classes and strategies.

Ares U.S. Senior Direct Lending team is led by co-portfolio managers, Mark Affolter and Mitch Goldstein., Mark Affolter has significant experience investing in the sponsor-backed lending space. Prior to Ares, he worked at CIT and GE Capital where he focused on sponsor-backed companies. Mitch Goldstein is the Co-Head of Credit. Prior to joining Ares Management in May 2005, he worked at Credit Suisse First Boston, where he was a Managing Director in the Financial Sponsors Group. The strategy's two co-PMs have worked at Ares for over 10 years and have diverse backgrounds which provide significant value in deal sourcing, underwriting, and monitoring credits.

The investment committee for Ares Senior Direct Lending Fund consists of:

Committee Member	Title
Michael Arougheti	Co-Founder & CEO
Kipp deVeer	Co-Head of Credit Group
Mitch Goldstein	Co-Head of Credit Group
Michael Smith	Co-Head of Credit Group
Mark Affolter	Co-Head of U.S. Direct Lending
Jim Miller	Co-Head of U.S. Direct Lending
Kort Schnabel	Co-Head of U.S. Direct Lending
Michael Dieber	Co-Head of U.S. Direct Lending

Ares employs 217 investment professionals focused on the U.S. Direct Lending Strategy which 74 are Partners and Managing Directors. A breakdown by function is as follows:

Ares U.S. Direct Lending Investment Team

	# of Investment Professionals	Years of experience in industry	Years of experience at Ares
By Level:			
Partner	35	25	12
Managing Director	39	18	8
Principal	20	12	6
Vice President	22	8	5
Associate	101	4	2
Total:	**217**	**67**	**33**

*Information represents U.S. Direct Lending investment professionals as of March 31, 2024

Ares investment team is supported by robust finance, legal and operations teams consisting of 1,084 people. A breakdown of each function is as follows:

Finance, Legal and Operations Team

	# of Operations Professionals	Avg. Years of experience in industry:	Avg. Years of experience at Ares:
By Level:			
Finance & Accounting	457	-	4
Operations	171	-	5
Legal and Compliance	180	-	4
Information Technology	276	-	3
Total:	1,084	-	-
Finance, Legal and Operations Team			

Please note that back-office professionals are considered firmwide shared resources and industry experience is not tracked for these professionals. Information as of Mach 31, 2024 and represents individuals at all levels.

Team Evolution

Ares has continued to grow the team as their direct lending platform has grown. The firm has grown significantly over the past year with 1471 new hires and 66 departures. Turnover has been relatively high for the year with a total of 15 investment professionals departing over the last two years. However, the turnover among investment professionals has been concentrated at the associate level with more stability in the senior and mid-senior levels.

Joiners and Leavers

		By Role	
Joiners	**#**	**Leavers**	**#**
Investment	36 (dates 2017-2023)	Investment	46 (dates: 2017-2023)
Operations	-	Operations	-
Legal & Compliance	-	Legal & Compliance	-
Investor Relations	1 (dates 2017-2023)	Investor Relations	2 (dates 2017-2023)
Administration	-	Administration	-
Total		**Total**	
		By Year	
Joiners	**#**	**Leavers**	**#**
2017	8	2017	5
2018	6	2018	10
2019	4	2019	5
2020	2	2020	6
2021	4	2021	4
2022	10	2022	10
2023	2	2023	5
Total	**36**	**Total**	**46**

By year Information related to U.S. Direct Lending Vice President level and above investment professionals. Back-office professionals are considered cross firm resources and are not represented in this table. Additionally, there were 171 additions at the senior associate and below level investment professionals from 2017 to 2023 and 68 departures at the senior associate and below level investment professionals from 2017 to 2023.

Investment Strategy

Overview

Ares' Senior Direct Lending Strategy focuses on directly originating debt capital to North American private equity sponsor-backed middle market companies with a target EBITDA of $10 million to $150 million. Investments will be directly originated through the Ares network and overseen by an Investment Committee with senior leaders across the firm from the Private Credit Group. 100% of the portfolio is expected to be in directly originated floating rate senior secured loans. Proceeds will be used primarily to fund sponsor-backed LBOs and for add-on acquisition transactions. Deal economics and structural protections on private loans to upper-middle market companies have attractive risk-return characteristics in the current environment given the combination of high base rates, the recent widening of credit spreads, and better covenants.

Ares frequently leverages its sector expertise in originating and underwriting new loans. This expertise allows Ares to have a deeper understanding of the underlying businesses and allows Ares to form stronger relationships with sponsors. For example, in the specialty healthcare space, Ares has a dedicated team that sources and reviews specialty healthcare deals. These opportunities have barriers to entry due to deal and company complexity. In the Sports, Media, and Entertainment space, relationships with team owners are essential to driving deal flow given the limited participants transacting in the space. Below shows multiple sectors where Ares has significant expertise.

Software	Financial Services	Specialty Healthcare	Infrastructure Debt	Consumer	Sports, Media, & Entertainment
~$25bn Invested	~$23bn Invested	~$21bn Invested	~$11bn Invested	~$9bn Invested	~$9bn Invested

Deal Sourcing

Ares sources its deals through its investment team by generating a broad pipeline of opportunities that are refined based on broad macroeconomic trends and financial market research along with company-specific research. Ares relies on its senior professionals' vast experience in the middle market direct lending space, long-standing relationships, and its sector expertise to generate significant deal flow. The Ares platform maintains relationships with over 850 sponsors and various companies and intermediaries to further build out its pipeline.

Due Diligence

After the deal team runs an initial screening of an investment in the pipeline and decides to proceed, a thorough due diligence process is initiated. The main objects Ares tries to drill down on in this process are the quality of the business, the potential future growth potential, and the consistency and sustainability of the company. From time-to-time, Ares may hire an advisor to help assess various elements of the business. Ares conducts a full quantitative analysis of the company's financials including detailed modeling, a sensitivity analysis, and liquidity analysis. Ares analyzes the business with various assumptions on market conditions and makes projects based on these inputs. Additionally, Ares has sector-specialized teams that cover sectors including software, specialty healthcare, consumer, and sports and media. These professionals will help the investment team during the due diligence process and have deep insights into their assigned sub-sector.

Monitoring/Risk Management

The deal team maintains responsibility and management of investments that they source and underwrite. The firm has a 25-person dedicated portfolio management team who works closely with the deal team to monitor over 450 portfolio companies and to conduct quarterly calls to walk through all portfolio companies' performance and valuation. After the quarterly calls, the portfolio management team works with the deal team and auditors to come to a consensus about the valuation of each security. The portfolio management team leads more serious covenant breaches and liquidity issues including restructuring investments while the deal team handles minor covenant breaches. The team has taken over companies several times in the most severe cases and has successfully exited the investments.

Portfolio Construction

Ares SDL fund III is expected to invest 100-250 assets consisting of almost 100% senior secured first lien loans. The fund is expected to generate unlevered net returns of 7 to 9%+. These returns are expected to be generated from attractive unlevered loan yields and upfront fees. The portfolio targets 6 to 8% in annual current income distributions. The portfolio will be diversified across less cyclical businesses and companies within the upper middle market.

Ares SDL III vehicle summary fund statics are presented below.

Projected Portfolio Composition		**Target Return Characteristics**	
Borrower EV Range	$500mm to $1.5bn+	Unlevered Loan Yield	~6-8%
Borrower Revenue Range	$15mm to $5.0bn+	Leverage	N/A
Loan Size	$50-$100mm+	Cost of Leverage	N/A
Loan Originations Outstanding	150-250+ deals	Target Distributions	~6-8%
Direct Originations/Primary Loans	Majority	Net Unlevered Fund Return	7-9%+

Ares SDL III Expected Portfolio

Projected Portfolio Composition		**Industry Exposures***
Number of issuers	150-250+	Automotive
Number of Assets	150-250+	Capital Goods
Number of Full Realizations	TBD	Business Services
Gross Capital Deployment	$15bn+	Consumer Durables
Originations/Primary Loans	>95%	Consumer Services
Secondary Loans	<5%	Diversified Financials
Lead / Participant	Majority	Energy
First Lien Loans	Nearly 100%	Food & Staples Retailing
		Healthcare
		Household & Personal Products
		Materials
		Media & Entertainment
		Retailing
		Technology Software
		Technology Hardware & Equip
		Other

*Ares does not have industry targets

Investment Exit Strategy

Portfolio investments are generally exited by 1) natural liquidation of the loan over its life through principal and interest payments; 2) refinancing of an existing loan by a third-party financing source, or 3) the pay down of loans from capital received through proceeds of asset sales or the sale of the company.

Comparable Firms/Strategies

Callan utilized a set of firms/funds in the evaluation of Ares Senior Direct Lending Fund that Callan has met with and that focus on the upper middle market direct lending space. The comparable strategies below invest predominantly in deals and generally will take a first lien debt position in the capital structure. The returns for the comparable set below are levered but leverage levels may differ for each. For a peer comp analysis of unlevered return, please refer to Exhibit C on page 27.

Fund	Status	Fund Size/ Target	Team Structure	Team Background	Strategy	Fund Term	Expected Hold Periods	Expected Returns	Unlevered Performance
Ares Senior Direct Lending Fund III	Fundraising	$10bn	Dedicated team	Led by co-portfolio managers, Mark Affolter, Jim Miller, Michael Dieber, and Kort Schnabe The co-PMs have expereince from GE Capital, Silver Point, and CIT.	Strategy focuses on directly originating debt capital to North American private equity sponsor-backed middle market companies with target EBITDA of $10 million to $150 million.	7 years	1-4 years	7-9% net, unlevered	SDL I: 7.1% SDL II: 9.8% Net IRR (3/31/24)
Antares Senior Loan Fund II	Fundraising	$4bn	Dedicated team	Internal – leadership came from GE Capital	Strategy predominantly invests in senior secured and unitrache deals in North America. Firm focuses on strong private equity sponsor backed lending. Plays a leadership role on majority of its transactions.	7 years	2-4 years	8% net unlevered IRR	Fund I: 7.4% Fund II: 20.7% (3/31/24)
Golub Capital Partners 14	Fundraising	$2.5bn	Dedicated team	Internal - leadership came from Bankers Trust, Centre Partners	Strategy targets sponsor backed middle market companies with EBITDA generally less than $100 million. Firm directly originates transactions and generally acts as lead arranger and holds nearly 100% of each transaction.	10 years	2-3 years	10.5-13.5% net, levered	GCP 11: 9.8%, GCP 12: 10.9%; GCP 14: 9.3% net levered IRR (12/31/23)

HPS Specialty Lending Fund VI	Fundraising	$5.5bn	Dedicated and Independent Direct Lending team and shared investment professionals across HPS's private credit platform	Team led by Mike Patterson formerly of GS; deep team with experience through cycles; Value Enhancement Team provides work-out experience	Strategy is opportunistic, targeting middle to upper middle market companies oftentimes in special situations. Fund intends to primarily originate loans and debt securities, will also have the ability to acquire loans and debt securities in secondary transactions.	3 year investment period; 7 year term	2 to 4 years	7 to 9% net unlevered;	Fund II: 7.0%; Fund III: 6.0%; Fund 2016: 7.0%; Fund V: 9.0% net IRR (12/31/23)
KKR Lending Partners IV	Fundraising	$2.0bn	Dedicated team	Team has prior expereince at Wells Fargo, HPS, and Deutsche Bank	Strategy focuses on upper middle market sponsor backed borrowers with 50mm+ in EBITDA and the ability to control terms and structure by leading transaction.	4 year investment period; 7 year term	2 to 4 years	8-10% net unlevered IRR	Fund I: 1.8%; Fund II: 1.5%; Fund III: 12.5% net levered IRR (03/31/24)
Blue Owl First Lien Fund III	Fundraising	$1bn	Dedicated team	Firm is led by Doug Ostrover since its inception in 2016. Leadership came from GSO, KKR, and Goldman Sachs.	Strategy focuses on investments in loans to primarily sponsor-backed medium and large middle-market companies with EBITDA in the $10 million to $250 million range.	3 year investment period; 7 year term	Evergreen	8% net unlevered IRR	Blue Owl First Lien Fund I: 8.1% Fund II: 10.3% (12/31/23)
Sixth Street Lending Partners	Open	$4bn	Dedicated team	Internal – leadership came from Goldman Sachs, TPG Capital, and Silver Point Capital	Strategy focuses on providing flexible capital solutions to upper middle market to large sized companies in the United States, Europe and Asia.	10 years (BDC with option to IPO)	1-3 years	IPO Case: 16-20%; Build & Liquidate: 11-12% net unlevered	SLX: 15.9% ROE (3/31/24)

Fee Comparison

Ares SDL III fees are shown below compared to similar strategies that invest in the upper middle market direct lending space. Ares SDL III offers attractive fees compared to peers. Ares fees are lower than the peer set due to economies of scale of the Ares platform and a desire to attract more capital given the strength of the current opportunity set.

Fund	Fees
Ares Senior Direct Lending Fund III	1.00% on invested assets (unlevered vehicle) 12.5% carried interest 5% hurdle (unlevered vehicle)
Antares Senior Loan Fund II	1.0% mgmt. fee on invested capital European waterfall 5% hurdle 10.0% carried interest
Golub Capital Partners 14	1.0% on fair value of assets European waterfall 8% hurdle 20% carried interest
HPS Specialty Lending Fund	1.5% mgmt. fee on invested capital during commitment period; 1.25% management fee on invested capital thereafter 15% carried interest 5% preferred return (unlevered); 7% preferred return (levered)
KKR Lending Partners IV	0.85% mgmt. fee on invested capital 10% carried interest 5% preferred return (Levered vehicle)
Blue Owl First Lien Fund III	1.0% on commitment
Sixth Street Lending Partners	1% of drawn capital; post liquidity event fee of 1.25% of gross assets 12.5% pre liquidity event incentive fee; 17.5% post liquidity event incentive fee 1.5% quarterly non-cumulative hurdle

**Source: Pitchbook, Preqin, and GP provided data*

Deal Examples

The following is a summary of recent case studies by the Ares U.S. Direct Lending team.

Beacon Pointe

Ares invested in Beacon Pointe, a leading Registered Investment Advisor ("RIA") providing wealth management and financial planning services, by providing a first lien term loan, DDTL, and revolver. The company had over 100 financial advisors providing wealth management and related services to both individual households and corporate clients. This provided the firm with a diversified source of recurring revenue. The firm also had a modest amount of revenue generated through 401k advisory and insurance brokerage services. The transaction was a sponsor-backed transaction with KKR as the equity sponsor and Ares acted as the joint lead arranger, bookrunner, and administrative agent for the debt financing.

- **Underwriter –** Ares U.S. Direct Lending Team
- **Industry –** Consumer Finance
- **Company –** Beacon Pointe
- **Financing –** $470 million senior credit facility consisting of a $30 million revolver, a $290 million first lien term loan, and a $150 million delayed draw term loan.
- **Sponsor –** KKR
- **Transaction Rationale –** The transaction had strong pricing with a spread of L+5.25% and an OID of 2% on the revolver and term loan, and 1% on the delayed draw term loan. The transaction had call protection of 102 and 101 in the first two years. Ares viewed the deal as a strong opportunity given the company's strong historical performance, favorable industry tailwinds, and high free cash flow. Ares also has reviewed multiple similar transactions in the RIA space in the past and has a dedicated financial sector team which gave Ares an edge in underwriting the credit and leading the deal.
- **Underwriting Timeline –** The underwriting timeline for the deal was as follows:
  - **December 2021 –** Ares deal team underwrote and closed on the deal.
  - **December 2023 –** The deal is performing well and is currently marked at 1.18x gross MOIC.

Candle Media

Ares invested in Candle Media, a media platform formed by Blackstone and a group of senior media executives to acquire high-growth media assets. Ares SDL II provided approximately $31.7 million in the form of an OpCo Term loan, OpCo delayed draw term loan, and a HoldCo PIK Note. Candle Media acquired an anchor asset in August 2021, Hello Sunshine, which was a successful media company founded by Reese Witherspoon. Candle Media wanted to acquire an additional complementary asset, Moonbug, which is a leader in children's intellectual property development. Ares helped finance this acquisition as well as future acquisitions and working capital needs through the delayed draw OpCo term loan.

- **Underwriter –** Ares U.S. Direct Lending Team
- **Industry –** Media
- **Company –** Candle Media
- **Financing –** $500 million OpCo Term loan, $200 million OpCo delayed draw term loan, and a $500 million HoldCo PIK Note
- **Sponsor –** Blackstone
- **Transaction Rationale –** The transaction included strong economics with the term loan priced at L+6.00% on the OpCo loans and a 10.25% PIK coupon on the Holdco loan. The OpCo loans also featured a 2% OID and the HoldCo had an OID of 2.5%. Ares had high conviction with the transaction due to the quality of the assets including Hello

Sunshine and Moonbug which was to be acquired at close, attractive industry tailwinds, and a strong sponsor with an equity cushion. Additionally, due to Ares' scale, deep sponsor relationship, and ability to close underwrite to a tight timeframe, Ares was able to lead the deal as lead arranger and bookrunner.

- **Underwriting Timeline –** The underwriting timeline for the deal was as follows:
  - **August 2021 –** Candle Media acquires its first anchor asset, Hello Sunshine
  - **December 2021 –** Ares closes on the transaction and the add-on acquisition of Moonbug closes.
  - **December 2023 –** The deal has performed strongly so far and is currently marked at a 1.18x gross MOIC.

Youth Enrichment Brands

Ares invested in Youth Enrichment Brands, a leading provider of youth sports camps in the United States across 1,000 camps in 48 states, by providing a revolver and term loan. Youth Enrichment Brands, formerly US Sports Camps, is the sole licensed operator of Nike Sports Camps with an exclusivity agreement with Nike that has been in place for over 25 years. Ares worked with the private equity sponsor, Roark Capital, to support the strategic acquisition of i-9 Sports. i-9 focused on community-based sports leagues and is highly synergistic with the Youth Enrichment Brand's national sports camps.

- **Underwriter –** Ares U.S. Direct Lending Team
- **Industry –** Consumer
- **Company –** Youth Enrichment Brands
- **Financing –** $62.5 million commitment consisting of a $7.5 million revolver and a $55 million first lien term loan
- **Sponsor –** Roark Capital
- **Transaction Rationale –** The deal featured strong economics with a coupon of L+5.50% on the revolver and L+5.75% on the term loan. The revolver had a 2.25% OID and the term loan had a 2% OID. The deal was also structured with a step up or down provision on the coupon payments dependent on the company's total net leverage. The company had strong free cash flow with minimal capex. Additionally, the sports camps are diversified across types of sports, age groups, and geographical locations. The deal had an attractive LTV with a significant equity cushion.
- **Underwriting Timeline –** The underwriting timeline for the deal was as follows:
  - **October 2021 –** Ares closed on the deal.
  - **December 2023 –** The deal continues to perform well and is currently marked 1.16x gross MOIC in Fund I and 1.14x gross MOIC in Fund II.

Business Management

Fund Accounting and Valuation

Ares utilizes a program called, Advent Geneva, for portfolio accounting and administration. Ares will provide fund financial statements on a quarterly basis and audited financial statements on a yearly basis, which are expected to be audited by Ernst & Young LLP. The fund reports valuations on a quarterly basis and the portfolio management team along with the deal team work to appropriately value each of the fund's investments at fair value. These teams also work together to create a set of assumptions about yields and market conditions to ensure an accurate final valuation. Ares will work with multiple valuation firms from time to time to assist in valuing the portfolio's assets.

Legal and Compliance

Ares' compliance program is led by its Global Chief Compliance Officer and a team of compliance professionals which includes the compliance department and, in some cases, the General Counsel. The team reviews compliance policies and procedures on a regular basis to ensure effectiveness. At least yearly, Ares' CCO reports the results of compliance testing and the annual assessment to the Executive Management Committee. To ensure compliance with policies and procedures, Ares engages with ACA Compliance Group to conduct monthly and project-based testing. The results of these tests are maintained by the team and reviewed to ensure follow-ups are addressed appropriately.

IT and Cybersecurity

Ares adopts the SEC Cybersecurity guidance and NIST Cybersecurity Framework in evaluating controls and preparedness of the firm. Ares has IT security including firewalls, anti-virus software, and data encryption. A third party performs quarterly testing of vulnerabilities in the network. The following are additional preventative measures Ares takes to prevent cyber-attacks:

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- Anti-virus / anti-malware monitoring on the perimeter network
- Employee training on an annual basis
- Content filtering for web traffic
- Extensive vendor due diligence process including references
- Two-factor authentication for all VPN access
- DDoS protection and monitoring

ESG

Ares ESG efforts are led by the Global Head of ESG, Adam Heltzer who is supported by a dedicated team of internal resources responsible for ESG strategy and the implementation of ESG firm-wide. The ESG team has continued to grow over the years and Ares expects this group to continue to grow. ESG was recognized by the firm in 2012 as an important factor in the investment process and adopted a Responsible Investment Program to initiate its ESG efforts. Ares takes the approach that incorporating ESG considerations into the investment process can have positive impacts on performance as well as in local communities.

See Ares response to Callan ESG template in Exhibit E.

Diversity, Equity, Inclusion and Respect (DEIR)

Diversity, Equity, Inclusion and Respect is a strategic priority for Ares from the top-down and grassroots perspective. The firm has actively recruited on historically diverse college campuses and has policies in place to ensure diverse candidates are included in the interview process. The firm also has created a DEI Council, led by Tony Ressler, Co-founder and Executive Chairman, and Jessica Dosen, Head of Human Resources. In early 2021, the firm hired Indhira Arrington, Head of DEI at Ares, who reports to the CEO and Jessica Dosen. The DEI Council meets monthly to discuss strategy, priorities, and status of current initiatives.

The following are the firm's DEI statistics*.

	Total	% Female	% African/ Caribbean / Black	% Hispanic	% U.S. Veteran
Firm	2,924	40.5%	5.5%	6.4%	N/A
Investment	1,034	22.9%	3.2%	3.3%	N/A
Non-Investment	1,890	50.2%	6.0%	8.0%	N/A

*As of March 31, 2024

Litigation

No material current or past litigation for Ares which has not been reported in public fillings. Ares also notes that Ares and its direct subsidiaries and employees have been included in certain proceedings in the normal course of business.

Key Service Providers

Below are Ares Senior Direct Lending Fund's service providers and systems:

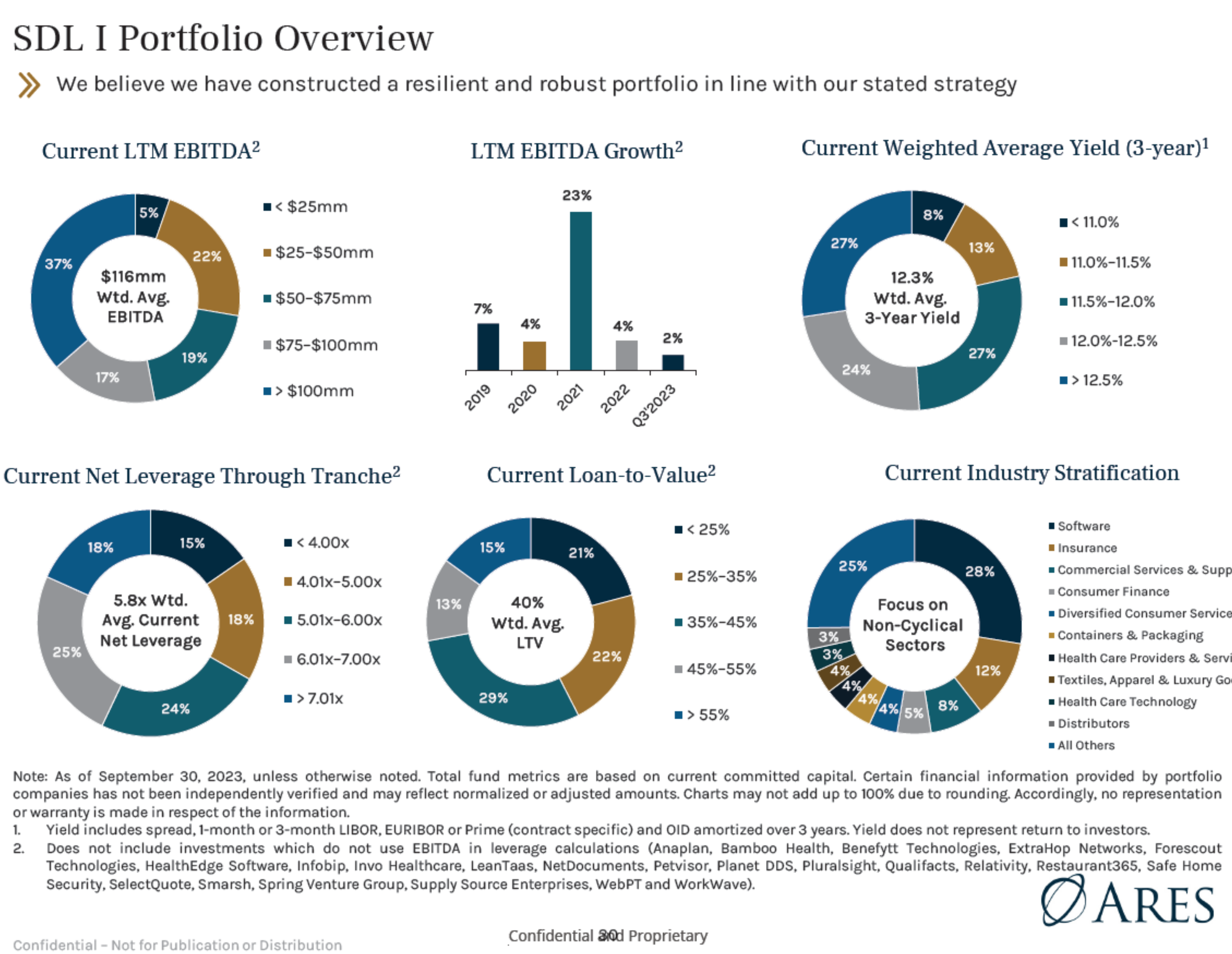
Ares Service Providers and Systems

Service	Firm
Auditor	Ernst & Young LLP
Legal Counsel	Proskauer Rose LLP Richards, Layton & Finger, P.A. (as to matters of Delaware law) Matheson (as to matters of Irish law) Maples and Calder (as to matters of Cayman Islands law)
Compliance Consultant	ACA Group, Promontory Financial Group, "Big Four" Firms' Consulting Services
Administrator	SEI Investment Manager Services
Fund Accounting	Advent Geneva
Valuation Services	Duff & Phelps, Houlihan Lokey, Valuation Research Corporation, and Lincoln International
Accounting and portfolio management shadow accounting system	Advent Geneva, Allvue Everest OMS
Portfolio monitoring system	Allvue Everest OMS
IT System Administration	IT functions outsourced include development and day-to-day application support. Review and oversight of outsourced functions are retained internally.

	Outsourced functions include: Systems monitoring Application Support DR Managed Services Patch Management Data Center Hosting The vendors who provide these outsourced functions include: SS&C (since 2013), Oracle (since 2017), SunGard (since 2014), Coresite (since 2013) and CenturyLink (since 2010).
HR Support	HireRight (Background Checks)
Cyber Security	Please refer to Exhibit B
Document Custodian Services	Bank of New York Mellon
Portfolio Management and Monitoring	Allvue Everest OMS

Exhibit A: SDL Fund I & II Current Portfolio Construction

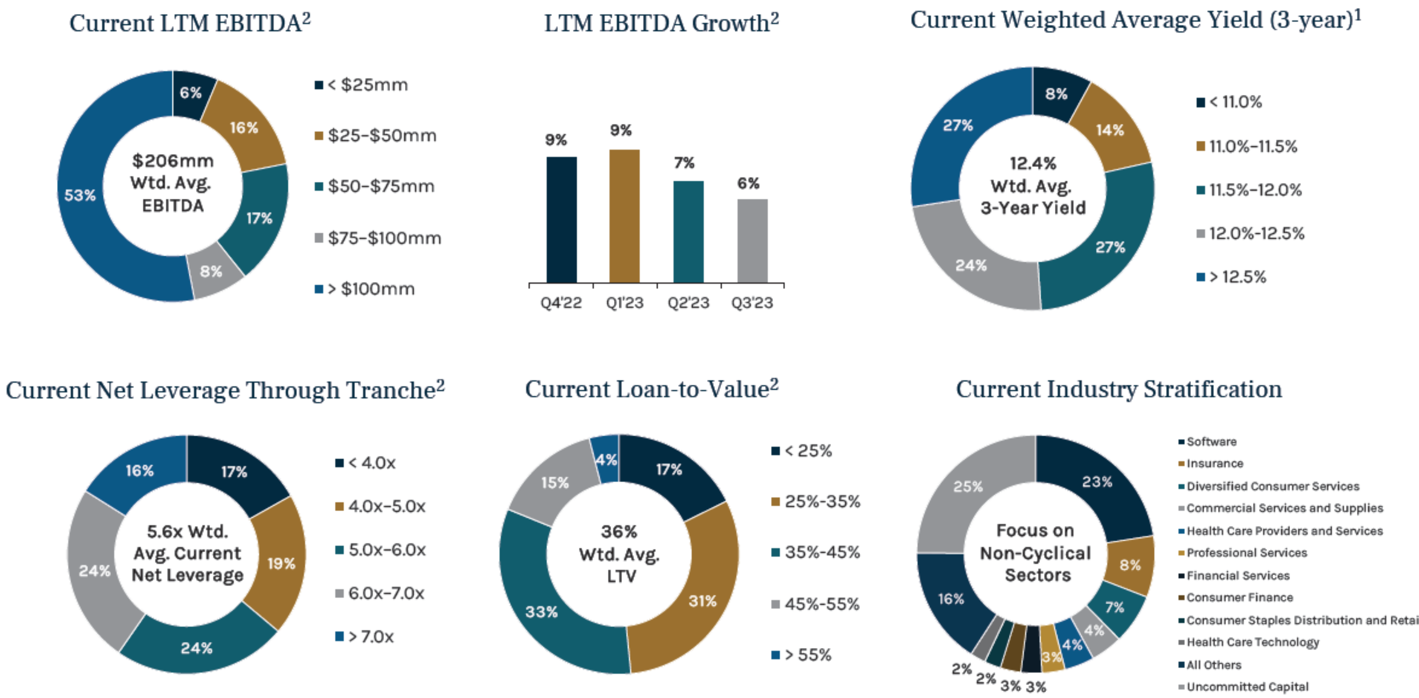
Below is the portfolio breakdown of the Ares Senior Direct Lending Fund I portfolio as of March 2024.



Source: Ares, March 2024

SDL II Portfolio Overview

» We have been actively deploying capital and seek to construct a diversified portfolio



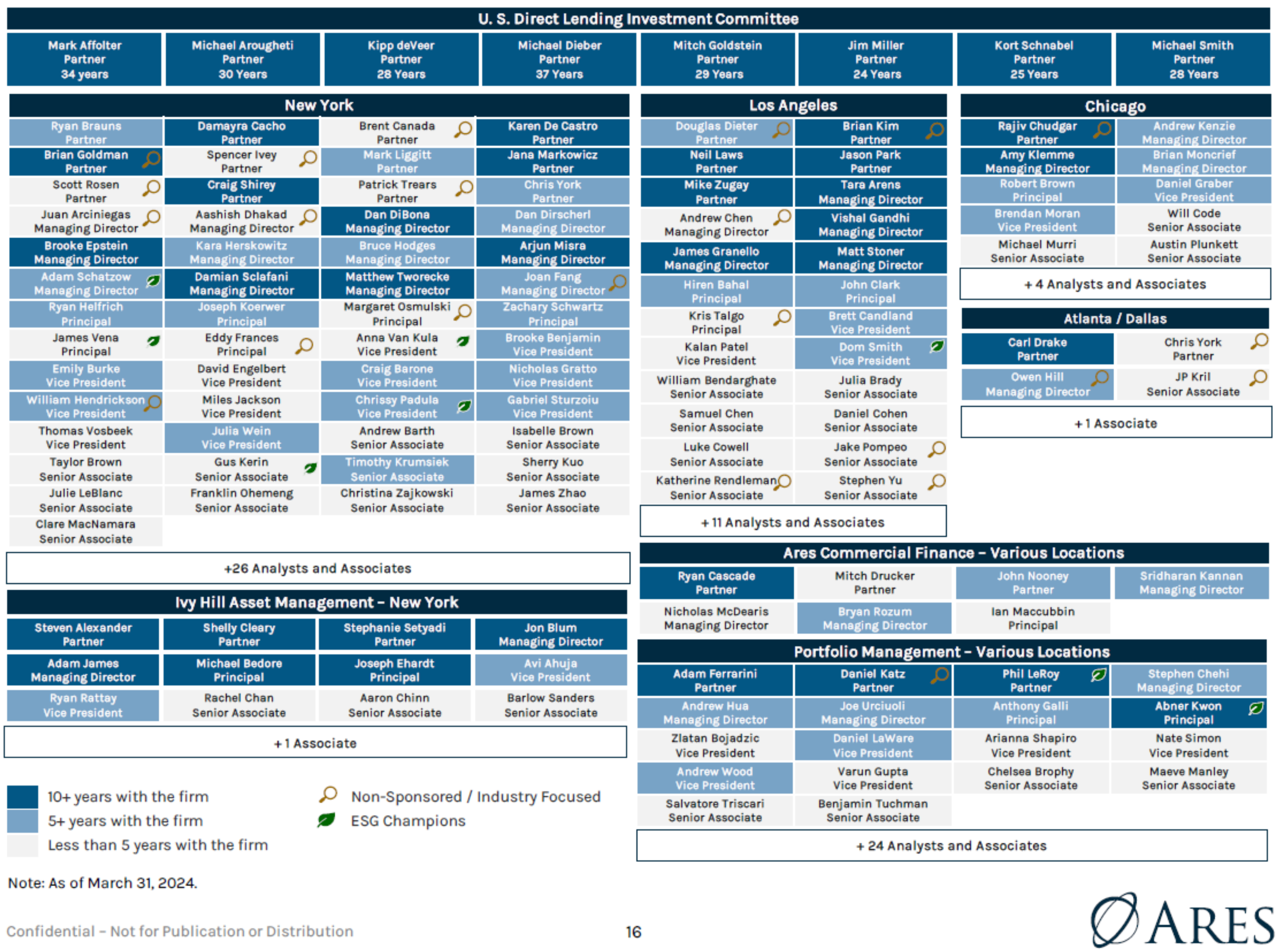
Note: As of September 30, 2023, unless otherwise indicated. Total fund metrics are based on current committed capital. Certain financial information provided by portfolio companies has not been independently verified and may reflect normalized or adjusted amounts. Charts may not add up to 100% due to rounding. Accordingly, no representation or warranty is made in respect of the information. Diversification does not assure profit or protect against market loss.

1. Yield includes spread, 1-month or 3-month LIBOR, EURIBOR or Prime (contract specific) and OID amortized over 3 years. Yield does not represent return to investors.
2. Does not include investments which do not use EBITDA in leverage calculations (Anaplan, Bamboo Health, Benefytt Technologies, ExtraHop Networks, Forescout Technologies, HealthEdge Software, Infobip, Invo Healthcare, LeanTaas, NetDocuments, Petvisor, Planet DDS, Pluralsight, Qualifacts, Relativity, Restaurant365, Safe Home Security, SelectQuote, Smarsh, Spring Venture Group, Supply Source Enterprises, WebPT and WorkWave).

ARES

Source: Ares, March 2024

Exhibit B: Ares Direct Lending Team



Source: Ares

Exhibit C: Manager Peer and Performance Analysis

Manager Peer Group

The following table provides a broad direct lending credit peer group developed by Callan. The table is sorted by IRR and grouped by vintage years beginning in 2018. The performance below represents unlevered returns.

Fund Name	Vintage Year	Fund Size	Net IRR	Net TVPI	As of Date
Audax Direct Lending Solutions Fund	2018	1,650	9.20%	1.20x	3/31/2024
THL Credit Direct Lending IV	2018	782	8.99%	1.29x	9/30/2023
BlackRock Middle Market Senior Fund	2018	-	8.90%	1.35x	12/31/2023
Blue Owl First Lien Fund	2018	2,638	8.09%	1.15x	12/31/2023
Monroe Capital Private Credit Fund III	2018	1,420	8.00%	1.30x	3/31/2024
Ares Senior Direct Lending Fund	**2018**	**3,000**	**7.10%**	**1.27x**	**3/31/2024**
Churchill MM Senior Loan Fund II	2018	$2,000	6.30%	1.20x	12/31/2023
2018 Vintage Year					
Blue Owl Diversified Lending 2020	2021	2,345	12.12%	1.12x	12/31/2023
OHA OLEND	2021	3,000	11.10%	1.08x	12/31/2023
Audax Direct Lending Solutions II	2021	3,000	10.20%	1.10x	3/31/2024
Ares Senior Direct Lending Fund II	**2021**	**8,000**	**9.80%**	**1.16x**	**3/31/2024**
NB Private Debt Fund IV	2021	8,100	9.50%	1.18x	3/31/2024
Churchill MM Senior Loan Fund IV	2021	1,933	8.70%	1.10x	12/31/2023
Deerpath Capital VI	2021	1,500	8.56%	1.19x	12/31/2023
BlackRock Diversified Private Debt	2021	2,726	8.50%	1.11x	12/31/2023
2021 Vintage Year					
Blue Owl First Lien Fund II	2023	-	10.32%	1.09x	12/31/2023
Monroe Capital Private Credit Fund V	2023	-	8.90%	1.03x	3/31/2024
Carlyle Direct Lending Fund IV	2023	-	8.79%	1.07x	9/30/2023
HPS Core Senior Lending Fund II	2023	10,000	7.90%	1.17x	9/30/2023
Barings NA Private Loan III	2023	-	0.00%	1.00x	12/31/2023
Ares Senior Direct Lending Fund III	**2023**	**-**		**No LP Capital Called**	
2023 Vintage Year					

Source: Pitchbook, Preqin & GP provided data.

Historical Performance
Net Returns

Peer Group Benchmarking

The Ares Direct Lending Fund Series has been investing in senior direct lending investments since 2004 through their BDC and SDL strategies. The firm has significant experience investing across robust and benign market cycles through the fund series. The strategy focuses on senior loans and unitranche investments with an emphasis on downside protection. The firm also has proprietary sourcing capabilities which contribute to the strategy's outperformance against peers.

The Ares Direct Lending Fund series has produced strong return profiles on both an IRR and TVPI basis.

Fund	VY	Fund Size ($m)	Net IRR	Net TVPI
Ares Senior Direct Lending Fund I	2018	$2,967	7.10%	1.27x
Ares Senior Direct Lending Fund II	2022	$8,000	9.80%	1.16x

As of March 31, 2024

Public Market Equivalent

Seen in the following table, Callan also created a Public Market Equivalent (PME) analysis employing a Long-Nickels methodology for the Ares Senior Direct Lending Unlevered track record investments versus the Morningstar LSTA Leveraged Loan Index as well as the Merrill Lynch High Yield Index. The PME calculates the investors' returns if the funds' contributions and distributions were used to purchase the two index proxies rather than the funds. Separately, we also included a PME analysis of the Morningstar LSTA Leveraged Loan Index and Merrill Lynch High Yield Index with an added premium of 200 bps for the illiquidity and complexity premiums of the investments the team will focus on.

The analysis reflects significant outperformance over the public loan market across market cycles with modest underperformance relative to the Morningstar LSTA + 2% PME benchmark. The magnitude of outperformance indicates the sourcing of unique investments that may offer a differentiated return profile than that of the broader liquid credit markets.

Ares Unlevered PME Analysis, as of 12/31/23

Fund	Net IRR	Morningstar LSTA LL PME	Merrill High Yield Index	Morningstar LSTA LL + 2.00% PME	Merrill High Yield Index + 2.00% PME
Ares Senior Direct Lending Fund I	6.88%	5.50%	2.41%	7.61%	4.49%
Ares Senior Direct Lending Fund II	9.48%	6.55%	1.15%	8.67%	3.15%

Exhibit D: Senior Investment Professional Biographies

See below for biographies of senior Ares Direct Lending:

Mark Affolter *Partner, Portfolio Manager & Co-Head of U.S. Direct Lending*	Mr. Affolter is a Partner in the Ares Credit Group and serves as Co-Head for U.S. direct lending, serving on the U.S. Direct Lending Investment Committee. He also serves on the Ares Sports, Media and Entertainment Investment Committee and acts as a co-lead for the strategy. Prior to joining Ares in 2008, Mr. Affolter was a Managing Director at CIT, where he focused on building its sponsor finance business. Previously, Mr. Affolter was a Senior Managing Director at GE Capital in its sponsor finance business and a Senior Vice President at Heller Financial, leading its mezzanine finance business in corporate finance. He currently serves on the Regional Committee of Washington University and holds an A.B. from Washington University in Economics.
Michael J. Arougheti *Director, Co-Founder, Chief Executive Officer and President of Ares*	Mr. Arougheti is a Co-Founder of Ares and the Chief Executive Officer and President, as well as a Director of Ares Management Corporation. He is a member of the Ares Executive Management Committee, the Ares Enterprise Risk Committee and is on the Board of Directors of the Ares Charitable Foundation. He additionally serves as Co-Chairman of Ares Capital Corporation ("ARCC"), Co-Chairman of Ares Acquisition Corporation ("AAC") and as a director of Ares Commercial Real Estate Corporation ("ACRE"). Mr. Arougheti also is a member of the Ares Credit Group's U.S. Direct Lending and Pathfinder Investment Committees and the Ares Equity Income Opportunity Strategy Portfolio Review Committee Prior to joining Ares in 2004, Mr. Arougheti was employed by Royal Bank of Canada ("RBC") from 2001 to 2004, where he was a Managing Partner of the Principal Finance Group of RBC Capital Partners and a member of the firm's Mezzanine Investment Committee. Mr. Arougheti oversaw an investment team that originated, managed and monitored a diverse portfolio of middle-market leveraged loans, senior and junior subordinated debt, preferred equity and common stock and warrants on behalf of RBC and other third-party institutional investors. Mr. Arougheti joined RBC in October 2001 from Indosuez Capital, where he was a Principal and an Investment Committee member, responsible for originating, structuring and executing leveraged transactions across a broad range of products and asset classes. Prior to joining Indosuez in 1994, Mr. Arougheti worked at Kidder, Peabody & Co., where he was a member of the firm's Mergers and Acquisitions Group. Mr. Arougheti also serves on the board of directors of Operation HOPE, a not-for-profit organization focused on expanding economic opportunity in underserved communities through education and empowerment. Additionally, Mr. Arougheti is a member of the PATH Organization Leadership Council. Mr. Arougheti received a B.A. in Ethics, Politics and Economics, cum laude, from Yale University.
Kipp deVeer *Director, Partner, Head of Credit Group*	Mr. deVeer is a Director and Partner of Ares Management Corporation and Head of the Ares Credit Group. He is a member of the Ares Executive Management Committee and the Ares Diversity, Equity and Inclusion Council. He also serves as a Director and Chief Executive Officer of Ares Capital Corporation. Mr. deVeer is a member of the Ares Credit Group's U.S. Direct Lending, European Direct Lending and Pathfinder Investment Committees. Prior to joining Ares in 2004, Mr. deVeer was a partner at RBC Capital Partners, a division of Royal Bank of Canada, which led the firm's middle market financing and principal investment business. Mr. deVeer joined RBC in October 2001 from Indosuez Capital, where he was Vice President in the Merchant Banking Group. Previously, Mr. deVeer worked at J.P. Morgan and Co., both in the Special Investment Group of J.P. Morgan Investment Management, Inc. and the Investment Banking

	Division of J.P. Morgan Securities Inc. Mr. deVeer received a B.A. from Yale University and an M.B.A. from Stanford University's Graduate School of Business.
Michael Dieber *Partner, Co-Head of Portfolio Management, U.S. Direct Lending*	Mr. Dieber is a Partner and Co-Head of Portfolio Management, U.S. Direct Lending, in the Ares Credit Group. Prior to joining Ares in 2008, Mr. Dieber was a Managing Director at Conway, Del Genio, Gries & Co., a financial advisory boutique with a focus in restructuring. Previously, Mr. Dieber was a Partner in the Restructuring Group at Ernst & Young LLP. Mr. Dieber began his career in the audit practice of Ernst & Young. He holds a B.S. in Economics from the University of Pennsylvania Wharton School.
Mitch Goldstein *Partner, Co-Head of Credit Group*	Mr. Goldstein is a Partner and Co-Head of the Ares Credit Group. He serves on the Ares Executive Management Committee. He additionally serves as Co-President of ARCC and Vice President and interested trustee of CION Ares Diversified Credit Fund. He is a member of the Ares Credit Group's U.S. Direct Lending, Pathfinder, Pathfinder Core and Commercial Finance Investment Committees and the Ivy Hill Asset Management Investment Committee. Prior to joining Ares Management in May 2005, Mr. Goldstein worked at Credit Suisse First Boston, where he was a Managing Director in the Financial Sponsors Group. At CSFB, Mr. Goldstein was responsible for providing investment banking services to private equity funds and hedge funds with a focus on M&A and restructurings as well as capital raisings, including high yield, bank debt, mezzanine debt, and IPOs. Mr. Goldstein joined CSFB in 2000 at the completion of the merger with Donaldson, Lufkin & Jenrette. From 1998 to 2000, Mr. Goldstein was at Indosuez Capital, where he was a member of the Investment Committee and a Principal, responsible for originating, structuring and executing leveraged transactions across a broad range of products and asset classes. From 1993 to 1998, Mr. Goldstein worked at Bankers Trust. He also serves on the Board of Managers of Ivy Hill Asset Management GP, LLC. Mr. Goldstein graduated summa cum laude from the State University of New York at Binghamton with a B.S. in Accounting and received an M.B.A. from Columbia University's Graduate School of Business.
Jim Miller *Partner, Portfolio Manager & Co-Head of U.S. Direct Lending*	Mr. Miller is a Partner in the Ares Credit Group and serves as Co-Head for U.S. direct lending, serving on the U.S. Direct Lending Investment Committee. He also serves on the Ares Sports, Media and Entertainment Investment Committee and acts as a co-lead for the strategy. Prior to joining Ares in 2006, Mr. Miller was a Vice President at Silver Point Capital, where he focused on building its sponsor finance business, which led the firm's middle market financing and principal investing. Previously, Mr. Miller was a Vice President at GE Capital, where he was responsible for a variety of investing and investment banking services to private equity funds including high yield, bank debt, mezzanine debt and rescue financing. Mr. Miller holds a B.A. from Fairfield University in Economics and an M.B.A. from Columbia University's Graduate School of Business.
Kort Schnabel *Partner, Co-Head of U.S. Direct Lending*	Mr. Schnabel is a Partner in the Ares Credit Group and serves as Co-Head for U.S. Direct Lending, serving on the U.S. Direct Lending Investment Committee. Additionally, he serves as Co-President of Ares Capital Corporation (Nasdaq: ARCC). He also serves on the Ares Sports, Media and Entertainment Investment Committee and acts as a co-lead for the strategy. Prior to joining Ares in 2001, Mr. Schnabel was in the Corporate Development Group at Walker Digital Corporation, a business and technology research and development firm, where he was responsible for corporate finance, merger and acquisition and strategic planning activities. Previously, Mr. Schnabel was in the Corporate Finance Group at Morgan Stanley, where he performed financial analyses for mergers and acquisitions, leveraged buyouts and equity/debt offerings. Mr. Schnabel holds a B.A., cum laude, from the University of Pennsylvania in Economics.

Michael Smith *Partner, Co-Head of the Ares Global Credit Group*	Mr. Smith is a Partner and Co-Head of the Ares Global Credit Group. He serves on the Ares Executive Management Committee. Additionally, he serves as a Director of Ares Capital Corporation (Nasdaq: ARCC) and previously served as Co-President of Ares Capital Corporation from July 2014 to October 2022 and Executive Vice President from May 2013 to July 2014. He is a member of the Ares Credit Group's U.S. Direct Lending and Commercial Finance Investment Committees, the Ivy Hill Asset Management Investment Committee, the Ares Private Equity Group's Special Opportunities Investment Committee, the Ares Secondaries Group's Private Equity Investment Committee, and the Ares Infrastructure Group's Infrastructure Opportunities, Climate Infrastructure Partners and Infrastructure Debt Investment Committees. Prior to joining Ares in 2004, Mr. Smith was a Partner at RBC Capital Partners, a division of Royal Bank of Canada, which led the firm's middle market financing and principal investment business. Previously, Mr. Smith worked at Indosuez Capital in their Merchant Banking Group, Kenter, Glastris & Company, and at Salomon Brothers Inc, in their Debt Capital Markets Group and Financial Institutions Group. Mr. Smith serves on the Board of Directors of the University of Notre Dame's Wilson Sheehan Lab for Economic Opportunity (LEO), which helps service providers apply scientific evaluation methods to better understand and share effective poverty interventions. Mr. Smith received a B.S. in Business Administration from the University of Notre Dame and a Masters in Management from Northwestern University's Kellogg Graduate School of Management.

Exhibit E: Environmental, Social, and Governance (ESG) Questionnaire

The following is Ares' response to Callan's ESG questionnaire.

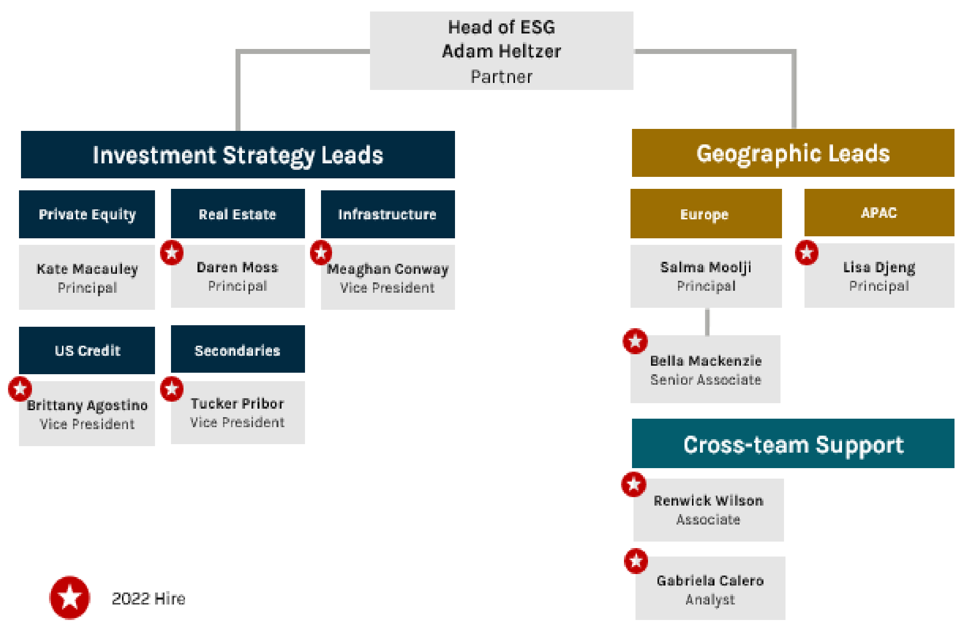
Diversity, Equity, Inclusion & Respect (DEIR)	
Does the firm have a policy or initiative regarding diverse hiring practices?	Yes
Diverse-, Women-, or Disabled-Owned (DWDO) Ownership > 50%	No
DWDO Ownership Type	Not applicable

Environmental, Social & Governance	
Does the firm maintain a firm-wide ESG, SRI, sustainability, and/or responsible investment policy?	Yes. In recognition of the importance of considering environmental, social and governance ("ESG") factors in its investment process, in 2012 Ares Management adopted a Responsible Investment Program to guide its ESG integration activities across the investment platform and has updated its policy as practices evolve. Ares believes that integrating ESG factors into the investment and portfolio management processes across the platform helps enable Ares to not only generate attractive and differentiated risk adjusted returns across the investment strategies, but also drive positive change in local communities and the world at large. Ares enhanced its Responsible Investment Program in October 2021 to convey Ares objectives for integrating ESG factors, the principles behind Ares approach, the governance framework to help ensure continuous improvement, and the implementation steps that bring Ares approach to life throughout the investment lifecycle in a more formalized and scalable structure. Additionally, Ares published a Climate Change Addendum in 2022. Ares' Responsible Investment Program is publicly available on Ares website at: https://www.aresmgmt.com/about-ares-management-corporation/esg
Is the firm a signatory to UNPRI or other responsible investment bodies or standards?	Ares is a signatory of the UNPRI and engages actively with its steering groups focused on specific strategies, including private credit and private equity. Beginning in 2023, Ares plans to publish its annual PRI transparency report. These reports are not yet available. Additionally, the UNPRI asked Ares to chair its inaugural Private Debt Advisory Committee ("PDAC"), which will focus on the role of private lenders in addressing climate change. The committee is comprised of prominent GPs and LPs in the private credit space.
Does the firm employ full-time dedicated ESG professionals?	Yes.
Who is responsible for the administering the ESG policy?	Ares hired its first dedicated ESG resource in 2012, who focused on establishing a Responsible Investment Program and engaging with investment teams to promote ESG integration across the investment lifecycle. In April 2020, Ares named Adam Heltzer as Head of ESG. Mr. Heltzer, is a full-time, dedicated internal resource hired to lead Ares' global ESG initiatives, working in close coordination with the investment teams and portfolio companies across the Ares platform. Information about his background can be found below: Mr. Heltzer is a Managing Director and the Global Head of ESG in the Ares Strategy and Relationship Management Group, where he leads the Firm's environmental, social and

governance efforts, in addition to focusing on ESG integration across the investment platform. Prior to joining Ares in 2020, Mr. Heltzer was the Head of ESG and Sustainability at Partners Group, where he focused on ESG integration across the investment platform, including the development of sustainable investment products. Previously, Mr. Heltzer was a Global Leadership Fellow at the World Economic Forum (WEF), where he focused on facilitating partnerships among the Forum's agribusiness members and public and non-profit sector counterparts. Mr. Heltzer holds a B.A. from the University of Michigan in Political Science and U.S. History, an M.B.A. from Harvard Business School and an M.P.A. from Harvard Kennedy School.

Does the Firm have an ESG committee?

Ares' dedicated ESG team is led by Adam Heltzer, Partner and Head of ESG, who is responsible for Ares' corporate ESG strategy globally and implementing Ares' firm-wide Responsible Investment program. Adam Heltzer joined Ares in 2020 and reports directly to Ares' CEO, Michael Arougheti. Over time, the ESG team has continued to scale adding 11 individuals dedicated to the effort, striving to ensure consistency of approach and alignment of interests between Ares corporate ESG efforts and each of Ares strategies.



Specific to Ares direct lending business, U.S. Credit-focused ESG efforts are led by Brittany Agostino, Vice President, and European Credit-focused ESG efforts are led by Salma Moolji, Principal. Brittany Agostino is based in New York and is responsible for coordinating and overseeing the ESG efforts of Ares U.S. Credit Group and brings over nine years of ESG and investment experience to Ares including a tenure at Goldman Sachs Asset Management as North American Sustainability Lead. Salma Moolji is based in London and is responsible for leading ESG efforts within Ares European business lines, including European Direct Lending, and developing the firmwide climate change strategy. Prior to Ares, Ms. Salma Moolji was the ESG-Impact Climate Change Lead at British International Invest, and brings ESG experience from both the private sector and the United Nations.

In addition to Ares dedicated ESG team, Ares has also established a deep bench of ESG champions, which comprise investment, portfolio management and investor relation professionals, embedded within each strategy that are charged with the implementation of both firmwide and strategy-specific ESG objectives. Ares believes that Ares integrated approach of partnering dedicated ESG resources with decentralized task forces, like the ESG champions

	that are embedded directly within Ares businesses, enables Ares to engage the stakeholders who work most closely with Ares investments, and more effectively implement Ares ESG strategies. Under this model Ares aim to benefit from a centralized team that is capable of setting strategic goals and coordinating firmwide policy while also empowering individuals within Ares investment groups to own and oversee ESG directly as part of the daily operations of Ares businesses.
To what degree are ESG considerations a focus of the investment strategy?	Generally, investments within the U.S. Direct Lending platform are made following a diligence process designed to identify attractive risk-adjusted opportunities that fit within the investable universe of a given fund's guidelines, with a significant focus on risk assessment, including relevant and material ESG-related criteria, and downside protection. As is the case with respect to the comprehensive evaluation of all target investments, the consideration of relevant ESG factors is embedded into Ares' U.S. Direct Lending investment process and is the responsibility of the specific investment team evaluating an investment. Since ESG and other key diligence matters vary significantly by company, industry, sub-sector and geography and given that materiality considerations vary depending on investment type and relative position within the capital structure of a company, the consideration all relevant factors, including ESG, for each investment is primarily the investment team's responsibility.
Does the strategy utilize proprietary or external ESG analytical tools to guide investment decisions?	Across its investment strategies, Ares uses an array of ESG research, resources, tools and practices to integrate ESG factors into its investment processes, valuations and decisions. Please see below for a current list of resources: • UNPRI Signatories and PRI guiding principles • Global Reporting Initiative (GRI) • SASB Materiality Map • Research tools and rating agencies including but not limited to MSCI and Sustainalytics (primarily used in Liquid Credit business) • RepRisk For U.S. Direct Lending, the Investment Team includes detail on key ESG considerations during the initial "early read" presentation to the Investment Committee. For new investments since October 2020, the Investment Team also provides a comprehensive ESG assessment within the final Investment Committee memorandums. This ESG assessment includes a scoring of the environmental, social and corporate governance factors resulting in an overall conclusion score based on the Investment Team's findings. The ESG assessment also allows for the Investment Committee to clearly evaluate the Investment Team's findings on material ESG topics and determine the intensity of monitoring post-close. For investments that have "Medium" or "Significant" risk scoring in the investment committee memos, a discussion of such risk areas is typically included for each quarterly valuation process which is presented to the vast majority of the Investment Committee. In addition, Ares Investment Teams may present to Ares Investment Committee informal company updates between quarterly valuation meetings depending on a given company's performance trends. Updates on ESG risks may be included as part of such updates. Formally, Ares portfolio management and deal teams meet with the majority of Ares Investment Committee on a recurring basis to discuss watchlist or "extra monitor" names, where key ESG risks may also be discussed. The U.S. Direct Lending strategy uses SASB materiality maps to guide ESG evaluation of each individual deal to include in their Investment Committee memo. In SDL III, Ares will use Novata, a third-party technology provider focused on bringing ESG transparency to private companies,

	to collect over 20 core ESG KPIs, including factors focused on carbon emissions, diversity data and governance. Ares is also using Persefoni to take a broader carbon footprint of the majority of the USDL investment portfolio.
What methods does the strategy use to achieve ESG/Impact considerations?	The Ares U.S. Direct Lending team is actively engaged in regular dialogue with many of its portfolio companies, their management teams and financial sponsors. This communication allows Ares Investment Team the ability to track material developments, which includes ESG factors, on an ongoing basis with any issues being raised to the Investment Committee. This also encourages borrowers and management teams to remain on top of key ESG issues so they can report such material developments to us. To assess adequate ESG related capability and sufficiency of management team resources, as part of all new investments, Ares Investment Team determines whether the company and the financial sponsor each have an ESG policy as a baseline. Informally, Ares Investment Teams also take into strong consideration whether the borrower or financial sponsor have dedicated ESG leads responsible for implementing their strategy. Ares believe borrowers and financial sponsors exhibit a wide degree of sophistication and maturity as it relates to ESG initiatives and dedicated resources.
Does the strategy define track ESG or impact KPIs for investments?	As a baseline, Ares has collected 6 qualitative ESG related KPIs across Ares U.S. and European direct lending portfolios. To build upon this baseline, over the last year, Ares piloted an ESG data collection effort across 75 total borrowers[1] utilizing Novata, a third party technology provider focused on bringing ESG transparency to private companies, to collect over 20 core ESG KPIs, including factors focused on carbon emissions, diversity data and governance. Separately, Ares has executed over 20 SLLs across the U.S. and Europe which include defined ESG related performance targets that borrowers must achieve to receive modest pricing benefits. To further expand these initiatives, in relation to each investment made by SDL II, Ares will consider whether or not to request that each portfolio company begin providing ESG data via Novata to facilitate the further collection of ESG KPIs.
Does the strategy provide reporting to investors that highlights ESG metrics of investments?	As a leading global direct lender, Ares team remains committed to providing Ares insights to advance ESG best practices within the direct lending asset class. While Ares believe Ares portfolio is well positioned, Ares are committed to tracking ESG considerations to improve Ares ability to identify and evaluate potential risks pre-investment and promote better ESG performance within Ares portfolio companies and help improve long-term performance post close. As such, Ares actively monitor the portfolio for ESG risks and intend to expand the key ESG KPIs tracked and reported to investors. Similar to the prior funds, Ares intends to share ESG reporting for all commingled funds and separately managed accounts on an annual basis.

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Firm	Is an Investment Manager Client of Callan*	Is Not an Investment Manager Client of Callan*
Ares	X	

*Based upon Callan manager clients as of the most recent quarter end.