



Board Presentation

December 7th, 2021

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In addition, in light of the various investment strategies of such other investment partnerships, funds and/or pools, it is noted that such other investment programs may have portfolio investments inconsistent with those of the strategy or investment vehicle proposed herein.

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Benchmark (index) performance does not reflect the deduction of transaction costs, management fees, or other costs which would reduce returns. References to market or composite indexes, benchmarks or other measures of relative performance are for comparison purposes only. An investor cannot invest directly in an index.

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INCLUDING RATINGS. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

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



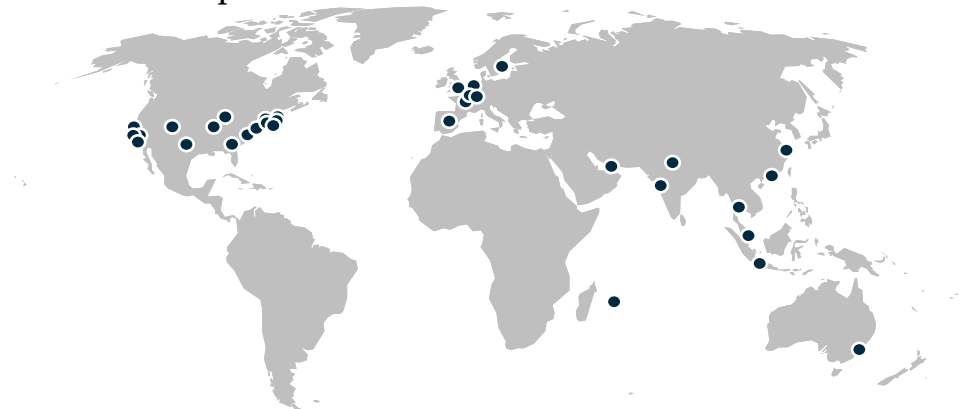
Ares Management

» With approximately \$282 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	\$282bn
Employees	~2,060
Investment Professionals	745+
Global Offices	30+
Direct Institutional Relationships	1,820+
Listing: NYSE – Market Capitalization	~\$22.4bn ¹

Global Footprint²



The Ares Edge

Power of a broad and scaled platform enhancing investment capabilities

Deep management team with integrated and collaborative approach

20+ year track record of compelling risk adjusted returns through market cycles

Pioneer and a leader in leveraged finance, private credit and secondaries

	Credit	Private Equity	Real Estate	Secondary Solutions	Strategic Initiatives
AUM	\$181.2bn	\$32.7bn	\$36.5bn	\$20.7bn	\$10.8bn
Strategies	Direct Lending	Corporate Private Equity	Real Estate Equity	Private Equity & Credit Secondaries	Ares SSG
	Liquid Credit	Special Opportunities	Real Estate Debt	Real Estate Secondaries	Ares Insurance Solutions ³
	Alternative Credit	Infrastructure and Power		Infrastructure Secondaries	Ares Acquisition Corporation

Note: As of September 30th, 2021. 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 October 28th, 2021

2. Jakarta, Mumbai and New Delhi offices are operated by third parties with whom Ares SSG maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.

3. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares' investment groups or invested in Ares funds and investment vehicles.



Translating Aspirations into Actions

» Today we act on our purpose through 3 distinct but interconnected sets of activities. Each began organically but now have dedicated full-time resources mandated to accelerate, enhance, and scale our impact.

IMPACT AT ARES

ARES | ESG GROUP

Adam Heltzer
Managing Director
and Global Head of ESG
(April 2020 Hire)

ESG Integration into the Investment
Platform and Ares' Operations

Corporate Sustainability

Responsible Investment

Thought Leadership

Cultural Integration

ARES **ONE**

Indhira Arrington
Managing Director and Global
Chief Diversity, Equity & Inclusion Officer
(January 2021 Hire)

Diversity, Equity & Inclusion

Diverse Experiences and Backgrounds

Culture of Inclusion and Collaboration

Sense of Community

Unique Perspectives

ARES | IN MOTION

Michelle Armstrong
Executive Director of the Ares Charitable
Foundation and Head of Philanthropy
(February 2021 Hire)

Philanthropy and Volunteerism

Ares Charitable Foundation /
Power of the Pledge

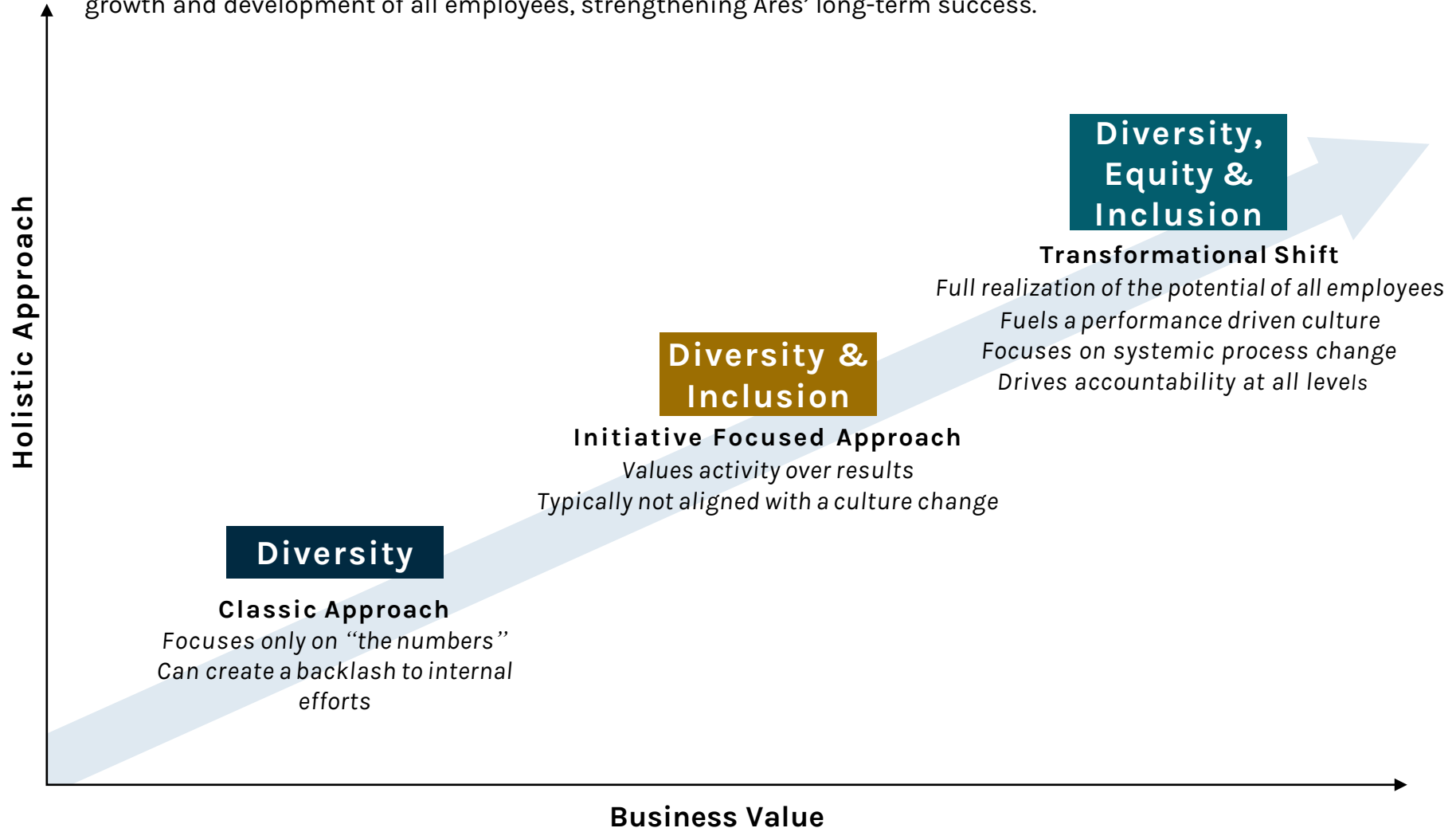
Volunteer and Community
Engagement

Charitable Matching

Focused Corporate Giving

Transformational Approach to DEI

» A comprehensive DEI strategy offers a holistic approach to address critical areas of opportunity integrated with business and talent priorities, whereby high levels of leadership commitment and fair processes support the growth and development of all employees, strengthening Ares' long-term success.



Diversity, Equity, and Inclusion Framework At Ares

Our **DEI framework** and strategy aspires to harness the **power of difference** to be a force for good and contribute to the long-term success of **Ares**, the **companies** in which we invest and the **communities** in which we operate. Our work is organized across **three key pillars**:



People and Culture

Business and
Investment Process

Community

« Data-Driven, Accountability-Based Approach »



Ares Special Opportunities Fund II (“ASOF II”)

ASOF II – Executive Summary

Recent Updates

- ASOF II¹ Has Closed on ~\$3.3 Billion of Commitments (vs Its \$4.0 Billion Target Fund Size and \$6.0 Billion Hard Cap²)
- ASOF II's First Close was in October 2021 and the Next Close Is Targeted for Mid-December 2021³

We Believe ASOF II Has a Purpose-Built Differentiated Strategy

- Finance Debt and Non-Control Equity Solutions in Middle Market Companies Undergoing Transformational Change or Stress
 - ~80% Debt and Structured Equity; ~20% Common Equity⁴
- Partner with Companies to Enhance Enterprise Value, Filling Void Between For-Control Private Equity and Private Debt
- Target a 15%+ Fund-Level Net IRR⁵

“All-Weather”, Flexible Deployment Across Private & Public Opportunities

- Seek to Consistently Invest in a Range of Private, Special-Situation Opportunities and Flex into Distressed Public Market Debt when Attractive
- Target Longer-Dated, Matched-Duration Investments and Recycle Proceeds in an Effort to Compound MIC

Enhanced Platform-Based Sourcing & Diligence

- We Believe ASOF Has Sourcing / Diligence Advantages from the Ares Platform of ~745 Investment Professionals, ~920 Sponsor Relationships and ~3,200 Portfolio Companies
- Leverage Private Equity Group's Deep Industry Experience and Relationships

Experienced Team with Demonstrated Track Record

- ASOF Partners Have an Average of 19 Years of Relevant Special-Situation, Stressed and Distressed Investing Experience
- ASOF I Fund-Level IRR: 64.7% Gross / 50.3% Net

Note: As of September 30, 2021. 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. Deployment includes \$240 million of commitments to signed transactions yet to close as of September 30, 2021, the consummation of which is subject to closing conditions. The \$160 million commitment to CSOD closed in October 2021. There is no guarantee that the other transaction will close. Refer to ASOF I Fund-Level Performance Summary, Performance Notes, Selected Terms and Endnotes in the Appendix for additional important information.



“All-Weather”, Flexible Capital Deployment¹

Target Best Relative Value Opportunities Across Private and Public Markets



Private Investments



- **Seek Consistent Deployment in Benign and Dislocated Market Environments**
- Relieve Capital Structure Complexity or Over-Leverage, Which Can Ease Constraints Around Liquidity, Covenants and Maturity
- Provide Capital with a Partnership Mentality
- Comprehensive Private Due Diligence and Control of Credit Documents When Possible Consistent with Ares PEG Approach

Opportunistic Special Situations

Comprehensive Recapitalization Solutions

Rescue Financings

Public-to-Private Conversions



Public Investments



- **Seek to Layer in Deployment During Volatility and Down-Cycles**
- Purchase Stressed / Distressed Debt, Hung Financing Syndications and Post-Reorganization Public Equities
- Target “Good” Companies with “Bad” Balance Sheets
- Seek to Leverage Position into a Private Follow-on Investment

Public-to-Private Candidates

Public-Only: Corporates

Public-Only: Structured

Opportunistic Purchases

Note: Refer to Selected Terms and Endnotes in the Appendix for additional important information.

Leverage Ares Platform to Seek Advantaged Deal Flow

» Leverage the scale and expertise of the Ares platform to source and diligence opportunities



~745
Investment Professionals

~920
Sponsor Relationships

~3,200
Companies

~60
Industries

Private Market Investment Review

Sourced by Special Opportunities, Corporate Private Equity,
Direct Lending and Liquid & Alternative Credit Teams

~550
Proprietary Opportunities Sourced

~45%
Deals Evaluated

~6%
Investments
Closed



Public Market Investment Review

Sourced Through Market Database Tools

**Database-Driven Sourcing of
CUSIP Fixed Income Securities**

**Relative-Value, Covenant, and
Margin of Safety Assessment**

**Selective
Investments
Made**



Note: Ares Platform statistics as of September 30, 2021. Private Market statistics reflects transactions evaluated between January 1, 2019 and October 22, 2021. Refer to Selected Terms in the Appendix for additional important information.



Talented & Experienced Team with Ability to Leverage Wider Ares Platform

ASOF Investment Team



Scott Graves
Partner, Co-Head of Private Equity,
Portfolio Manager & Head of
Special Opportunities
27 years of experience



Aaron Rosen
Partner & Co-Portfolio Manager
18 years of experience



Craig Snyder
Partner & Co-Portfolio Manager
19 years of experience



Felix Bernshteyn
Partner
16 years of experience



Matt Underwood
Partner
15 years of experience

Brad Friedman
Principal

Nick Mouradian
Principal

Nic Greer
Vice President

Noah Kaswell
Vice President

Steven Kutos
Vice President

Jim McConeghy
Vice President

Alex Stepien
Vice President

Sebastian Herrera
Associate

Yonah Hiller
Associate

Mathew Otten
Analyst

Matthew Soulas
Analyst

ASOF Investment Committee

Matt Cwiertnia
Partner – Co-Head of PE
26 Years

Scott Graves
Partner – Co-Head of PE & Head of
Special Opportunities; 27 Years

David Kaplan
Co-Founder & Co-Chairman of PE
32 Years

Greg Margolies
Partner – Head of Markets
33 Years

Tony Ressler
Co-Founder & Executive Chairman
36 Years

Aaron Rosen
Partner – ASOF Co-Portfolio Manager
18 Years

Bennett Rosenthal
Co-Founder & Co-Chairman of PE
35 Years

Michael Smith
Partner – Co-Head of Credit
26 Years

Craig Snyder
Partner – ASOF Co-Portfolio Manager
19 Years

ACOF | ~60 Additional Investment Professionals



Healthcare



Services /
Technology



Consumer /
Retail



Industrials



Europe



Portfolio
Management

Additional Sourcing and Due Diligence Support

~240
Direct
Lending
Professionals

~80
Liquid & Alt
Credit
Professionals

~200
Real Estate
Professionals

~25
Infra & Power
Professionals

~80 Dedicated Support Professionals

Note: ASOF Team as of September 30, 2021.



Current Market Considerations

	COVID-19 Outlook	<ul style="list-style-type: none"> • Reversion to pandemic mask mandates and lockdowns due to Delta variant • Vaccine efficacy and potential uneven recoveries across states remain top of mind
	Supply Chain Issues & Labor Shortages Creating Earnings Risk	<ul style="list-style-type: none"> • Supply chain disruptions could hamper earnings • Labor supply shortages have driven wage inflation up 4.6% year-over-year¹
	Inflation Risk / High Correlation of Markets w/ Monetary & Fiscal Stimulus	<ul style="list-style-type: none"> • Prolonged inflation could force the Fed to raise rates earlier and quicker than preferred • U.S. Debt to GDP forecasted to reach >200% by 2051 vs 106% peak year after World War II²
	Uncertain Central Bank Outlook on Accommodative Policy	<ul style="list-style-type: none"> • FOMC: 2 vice-chairs, a governor seat, and Fed Chair all up for grabs within next 6 months • Possible loss of credibility from multiple Fed governor trading scandals
	Charged Political & Social Environment / Wealth Gap & ESG Focus	<ul style="list-style-type: none"> • Transition at the White House and Democratic control of House of Rep. & Senate • \$3+ trillion proposed investment across infra, social programs and climate change
	Housing Prices Spike	<ul style="list-style-type: none"> • Case-Shiller index rose 19.7%, the highest annualized rate since the index began in 1987³ • U.S. median home prices near all-time highs
	Likely Increase in Taxes Could Dampen Growth	<ul style="list-style-type: none"> • Large stimulus injections from Congress could necessitate increased taxes • Decreases in 2020 tax revenue further complicates state & federal funding in 2021+
	Increased Influence of Retail Participation / Flows	<ul style="list-style-type: none"> • Trading by individuals has skyrocketed⁴ • Gamification of markets causing price volatility (e.g., Bitcoin, GameStop, AMC)
	Increased Prevalence of Structured Products / CLOs / SPACs	<ul style="list-style-type: none"> • 500+ SPACs looking for merger targets; Only 222 SPAC mergers YTD 2021⁶ • 97% of 2021-vintage pre-merger SPACs are trading below their debut price⁷
	Abundant Liquidity	<ul style="list-style-type: none"> • In the past, liquidity has spurred poor decision-making and inefficient use of assets across industries

1. Source: Bureau of Labor Statistics as of September 30, 2021. Total private average hourly earnings of all employees.

2. Source: Source: Congressional Budget Office ("CBO") as of March 2021.

3. Source: WSJ. Home-Price Growth Hit Record in July (September 28, 2021).

4. Source: Bloomberg. Hackers Breached Colonial Pipeline Using Compromised Password (June 4, 2021).

5. Source: WSJ. Individual-Investor Boom Reshapes U.S. Stock Market (August 31, 2020).

6. Source: MarketWatch. After a rush of SPAC deals, the competition for buyout targets is getting fierce: 'It's almost like a beauty pageant' (October 22, 2021).

7. Source: CNBC. Higher-quality SPAC sponsors must emerge for once red-hot space to turn around (September 28, 2021).



Endnotes

Performance Notes

1. Gross IRRs reflect returns to all partners. The cash flow dates used in the gross IRR calculation are assumed to occur at month-end. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses. For the special opportunities funds the gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRRs reflect returns to the fee-paying limited partners and, if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The gross IRRs for the corporate private equity and special opportunities funds are also calculated before giving effect to any bridge financings. Inclusive of bridge financings, the gross IRRs would be 15.7% for ACOF V, "N/A" for ACOF VI, and 63.3% for ASOF.
2. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the net IRR calculation are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees, carried interest as applicable, and other expenses and exclude commitments by the general partner and non-fee paying limited partners who do not pay either management fees or carried interest. The funds may utilize a credit facility during the investment period and for general cash management purposes. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.

Endnotes

“ASOF II – Executive Summary”

1. Ares Special Opportunities Fund II, L.P. (together with its parallel vehicles, “ASOF II” or the “Fund”).
2. The amount closed includes \$100 million of GP commitment. There is no assurance the Fund's target fund raise will be achieved. Hard cap excludes GP commitment.
3. There is no assurance the targeted second close date will be met.
4. There is no assurance that ASOF II will achieve its targeted weighting of debt & structured equity and common equity.
5. The target fund-level net IRR is being provided as a metric to evaluate the return potential and risk of an investment in the Fund. There is no assurance the Fund will achieve its target fund size or net fund-level return. Target returns reflect various assumptions and are for informational purposes only; actual returns may be substantially lower.

““All-Weather”, Flexible Capital Deployment”

1. The private and public deal types listed represent certain categories of investment strategies the ASOF Team intends to seek to employ on behalf of the Fund in portfolio construction, are not limiting factors with regard to security type or investment strategy and do not constitute restrictions on how the Fund may invest..

“Selected Terms: Transaction Type Descriptions”

1. The private and public deal types listed represent certain categories of investment strategies the ASOF Team intends to seek to employ on behalf of the Fund in portfolio construction, are not limiting factors with regard to security type or investment strategy and do not constitute restrictions on how the Fund may invest.
2. References to “downside protection” or similar language are not guarantees against loss of investment capital or value.
3. There is no assurance that any investment will meet or exceed return targets.

 ARES