

Ares Management Corporation

2024 ANNUAL LETTER



April 1, 2025

Dear Fellow Ares Shareholder,

2024 marked another year of significant achievements and new milestones for our company. Among them, we set new records for the amount of capital we raised and invested during the year. We also celebrated the 10-year anniversary of Ares Management's IPO and the 20-year anniversary of Ares Capital Corporation's IPO. We held an Investor Day for both companies, during which we highlighted the strong annual growth in shareholder value and relative stock outperformance that we have generated and outlined our near- and medium-term strategic growth initiatives for each company.

During 2024, we also announced the strategic acquisition of GCP International, a leading alternative manager of real assets with vertically integrated capabilities and a significant presence in several key markets across Asia (excluding China), Europe and the Americas. The acquisition, which closed in March 2025, provides significant scale and global expansion

for our real estate business and cements Ares as one of the largest investors and operators of logistics real estate across the globe.

With respect to our 2024 financial results, our assets under management ("AUM") grew approximately 16% to \$484 billion at year-end. This was driven by new capital commitments of \$93 billion, up more than \$18 billion from the prior year. In addition to our strong fundraising, we invested a record \$107 billion of capital on behalf of our fund investors. The combination of our strong fundraising and resilient capital deployment enabled us to generate record financial results with year-over-year Fee Related Earnings ("FRE") and Realized Income ("RI") both up 17% and 16%, respectively, and more than \$1 billion of GAAP Net Income. Our record RI of \$1.5 billion included a 93% contribution from our stable, recurring FRE, which we believe highlights the high-quality nature of our earnings (see Exhibit 1).

EXHIBIT 1

2024 Key Financial Metrics

\$484B

AUM*

\$293B

FPAUM

\$93B

Fundraising

\$107B

Deployment

\$2,957M

Management Fees

\$1,362M

Fee Related Earnings

\$1,467M

Realized Income

93%

FRE as % of Realized Income

\$1,111M

GAAP Net Income

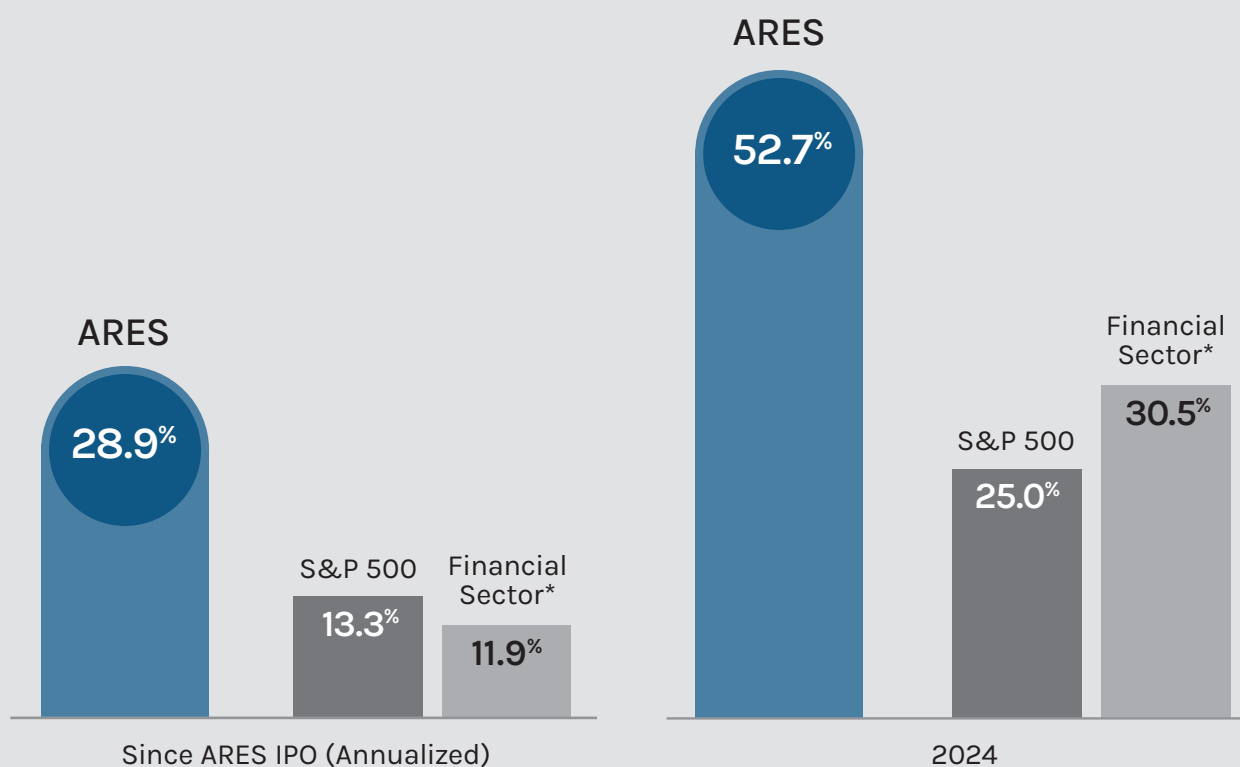
* AUM amounts include vehicles managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of ARCC and a SEC-registered investment adviser ("IHAM").

In 2024, ARES shares once again outperformed relevant major stock indices

For the year ended December 31, 2024, ARES generated a total stock return of 53%, more than doubling the return of the S&P 500 index. Since our IPO, ARES shares have generated an annualized total return of 28.9% compared to 13.3% for the S&P 500 index (see Exhibit 2).

EXHIBIT 2

ARES Total Stock Returns vs. Comparable Indices



Note: Data for "Since Ares IPO" from May 2, 2014, through December 31, 2024.

* Represents XLF, the Financial Select Sector SPDR ETF. XLF consists of a wide array of financial services firms.

Throughout the remainder of this letter, we will discuss the growth opportunities in our markets, our institutional fundraising and the exciting growth we are experiencing in our wealth management solutions business, our fundraising and investing activities across our investment groups, the benefits of our recent GCP International acquisition, and our differentiated culture, which we believe continues to set Ares apart. We will conclude with our outlook for the business.

Large and Growing Opportunity for Raising Capital and Investing in Private Markets

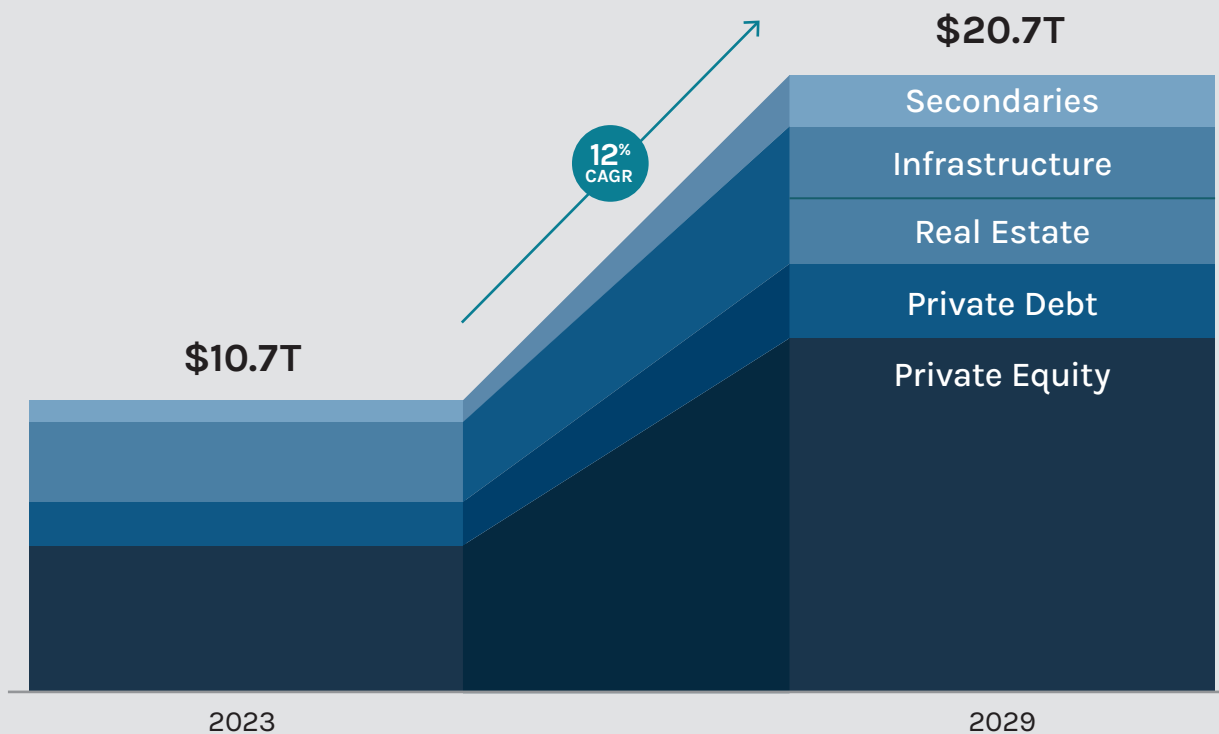
The market for alternative assets under management continues to grow based on strong investment performance and higher allocations as investors seek to expand their exposure to private market assets. We believe Ares has the scale, relationships and track record to capitalize on the expected growth in the market and raise significant capital across the major alternative asset classes.

Per Preqin data in Exhibit 3, global institutional AUM allocated to alternative assets is well over \$10 trillion and is expected to reach more than \$20 trillion by

2029, representing a compound annual growth rate of 12%.¹ We expect even stronger AUM growth to occur from individual investors as they remain only 3-5% allocated to alternative assets compared to at least 10% allocated by institutional investors. With a client solutions and investor relations team of over 440 professionals with deep global networks and partnerships targeting institutional and individual investors, we have strategically positioned Ares for substantial growth in our AUM in the years to come.

EXHIBIT 3

Market Growth of Institutional AUM in Select Alternative Asset Classes¹



In turn, it is imperative that Ares is able to source differentiated investment opportunities with attractive risk/return profiles in various macro-economic environments. To that end, we continue to expand our global investment capabilities by deepening our local market coverage, extending our geographic reach and adding new strategies. In 2024, we added approximately 100 new investment professionals, which brought our total to more than 1,100 across the firm. As shown in Exhibit 4, we estimate the addressable investment markets across the global Credit, Real Estate, Infrastructure, Private Equity and Secondaries asset classes are approximately \$90 trillion, with Ares' \$484 billion of AUM representing

only roughly 0.5% of that figure.² Further, these end markets are growing and evolving in their acceptance of private capital solutions compared to other traditional sources. For example, we estimate a \$2 trillion market opportunity for private investments in sports team franchises and their related ecosystems that was largely unavailable to institutional and retail investors only a few years ago. At Ares, we take pride in our demonstrated ability to identify underinvested opportunities early and to capitalize on the long-term growth opportunities yet to come. As such, we are confident in our ability to continue to scale our investment capabilities while seeking differentiated risk-adjusted returns for our investors.

EXHIBIT 4

Addressable Markets for Investing Private Capital in Select Alternative Asset Classes²

	Addressable Market (\$ in trillions)	Ares AUM (\$ in billions)	Ares Share of the Addressable Market
Credit	\$40T	\$349B	0.9%
Real Estate	\$20T	\$58B	0.3%
Infrastructure	\$15T	\$17B	0.1%
Private Equity	\$6T	\$24B	0.4%
Secondaries	\$12T	\$29B	0.2%
Total Addressable Market	\$90T+	\$484B	0.5%

Fundraising: Strengthening Institutional Channel & Expanding Wealth Horizons

In 2024, we set a full-year fundraising record of \$93 billion, which exceeded our previous annual fundraising record by more than \$15 billion. We believe our fundraising success is driven by our ability to generate differentiated performance across an expanding array of investment solutions and distribution channels. We are also becoming more diversified across our products. For example, nearly 65% of our 2024 fundraising was outside of our traditional closed-end LP fund business as 20% was derived from the wealth channel, 16% from institutional SMAs, 7% from our insurance affiliate, Aspida Holdings Ltd. (“Aspida”), and the remaining 22% from a mix of institutional open-end funds, publicly listed entities, CLOs and other vehicles.

Our institutional investor platform continues to represent the majority of our annual fundraising. In 2024, institutional investor equity commitments and related capital totaled over \$56 billion with strong support across our platform. We continue to deepen our relationships

with our existing LP base as these clients accounted for 85% of our institutional channel fundraising during the year. Ares welcomed more than 300 new institutional relationships into our funds in 2024.

Addressing the Large and Growing Opportunity in the Wealth Channel

The global retail opportunity is significant and growing, with a confluence of macro trends accelerating the allocations in the approximately \$80 – 90 trillion TAM for global wealth alone. Wealth invested by individuals is growing rapidly as populations age, with the baby boomer generation expected to pass down more wealth than any other generation in U.S. history over the next 20 years.³ Additionally, allocations to alternative investments from the wealth channel are projected to double through 2028, rising from 3% to 6% of the aggregate total addressable market (“TAM”).⁴

EXHIBIT 5

Ares Wealth Management Solutions (“AWMS”) Value Proposition

Our solutions provide private markets exposure across asset classes to the wealth channel globally.



* CADC’s investment adviser is a joint venture between affiliates of Ares and CION Investment Group, LLC and is controlled by Ares. CADC’s investment sub-adviser is a wholly owned subsidiary of Ares. CION Securities, LLC acts as the wholesale marketing agent and ALPS Distributions, Inc. acts as the distributor.

As managers reorganize and elevate their platforms to capture the opportunity, we believe Ares is among a few select large alternative investment managers with the talent, products and capabilities to fully serve the wealth channel’s evolving needs. Our expansive and dedicated wealth platform, Ares Wealth Management Solutions, comprises approximately 140 professionals spanning 10 global offices and is designed to offer the best of Ares’ private markets investing capabilities alongside a strong client experience for individuals. As of year-end 2024, we had eight semi-liquid solutions available across all major private market asset classes that meet the growing demand for durable income, diversified growth and exposure to new economy Real Assets (see Exhibit 5). In 2024, we raised over \$10 billion in equity commitments for these semi-liquid wealth solutions, which was approximately 3x greater than 2023. This puts us at over \$39 billion of AUM across our eight semi-liquid products (see Exhibit 6) and close to \$100 billion of AUM of funds in the retail channel at year-end.⁵

As we look forward, we aim to 1) continue our product innovation, 2) expand our distribution partners, and 3) deepen our distribution penetration as follows:

#1 CONTINUED PRODUCT INNOVATION

With our current suite of eight semi-liquid solutions, we have made tremendous strides in creating broad, multi-entry-point access to Ares’ leading capabilities across Private Credit, Private Equity and new economy Real Assets. As we look to further expand our suite of available solutions, we continue to work closely with advisors and their clients to understand their goals and collaborate with major platforms to align their needs with our capabilities.

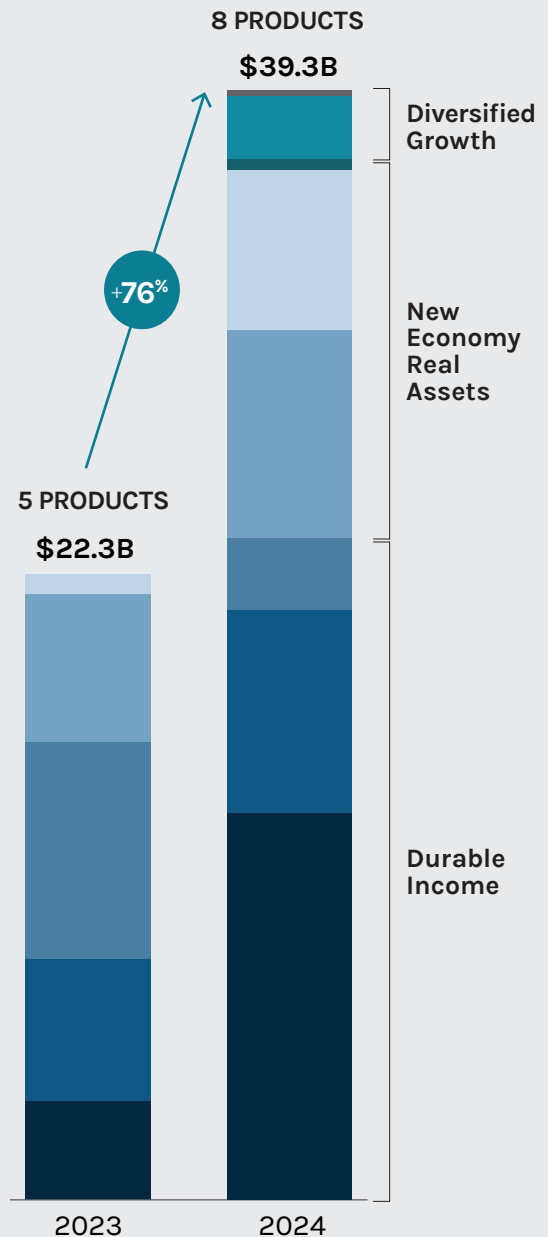
For example, in response to the growing demand for sports, media and entertainment (“SME”) exposure, Ares intends to launch one of the sports industry’s first dedicated semi-liquid vehicles in the wealth channel.

Additionally, we believe the defined contribution/ 401k channel is a significant opportunity, and we are prepared to execute in the channel if market conditions permit. As we continue our product expansion, investor needs are at the forefront of the conversation as we evaluate what we believe can enhance investor outcomes in the retail channel.

IN 2024, WE ADDED THREE NEW PRODUCTS AND NOW HAVE EIGHT SEMI-LIQUID WEALTH PRODUCTS

EXHIBIT 6

Semi-Liquid Wealth Product AUM Growth



#2 EXPAND DISTRIBUTION PARTNERS GLOBALLY

Over the past year, we have significantly expanded our distribution presence, with our products now available on 60 different platforms, a 50% increase from 2023. We have relationships with wirehouses and major global private banks, and we continue to make significant progress on penetrating the RIA, single family office, independent broker-dealer and regional bank distribution channels. We have also meaningfully expanded internationally with more than one-third of inflows in 2024 coming from outside of the U.S., up from less than 10% in 2023. We still have considerable room to expand our distribution partnerships, including expanding our offerings into the large addressable markets of Japan (\$15T), Canada (\$5T) and Latin America (\$1T).⁶

#3 DEEPEN DISTRIBUTION PENETRATION

While expanding the number of platform relationships is a key priority, deepening our penetration across these relationships through product availability and education is also a primary focus. Our team educates and services financial advisors and their clients to enhance their understanding of the value and diversification benefits of investing in alternative assets. Despite our progress, we are still in the early stages. We estimate that we have transacted with only a fraction of the over 300,000 financial advisors in the U.S. with even more work to do internationally. This highlights the vast opportunity ahead as we continue to deepen our penetration of the retail channel both domestically and internationally.

2025 Wealth Outlook & Beyond

While raising funds through the retail channel diversifies our AUM, it is important to match inflows with the deployment opportunity so that we can continue to seek attractive risk-adjusted returns for all investors.

As we look to 2025 and beyond, Ares has become an educational thought-leader on the private markets for financial advisors and their clients.

We believe secular tailwinds are in our favor and that we are in the early innings of this opportunity.

Key Business Milestones & Updates

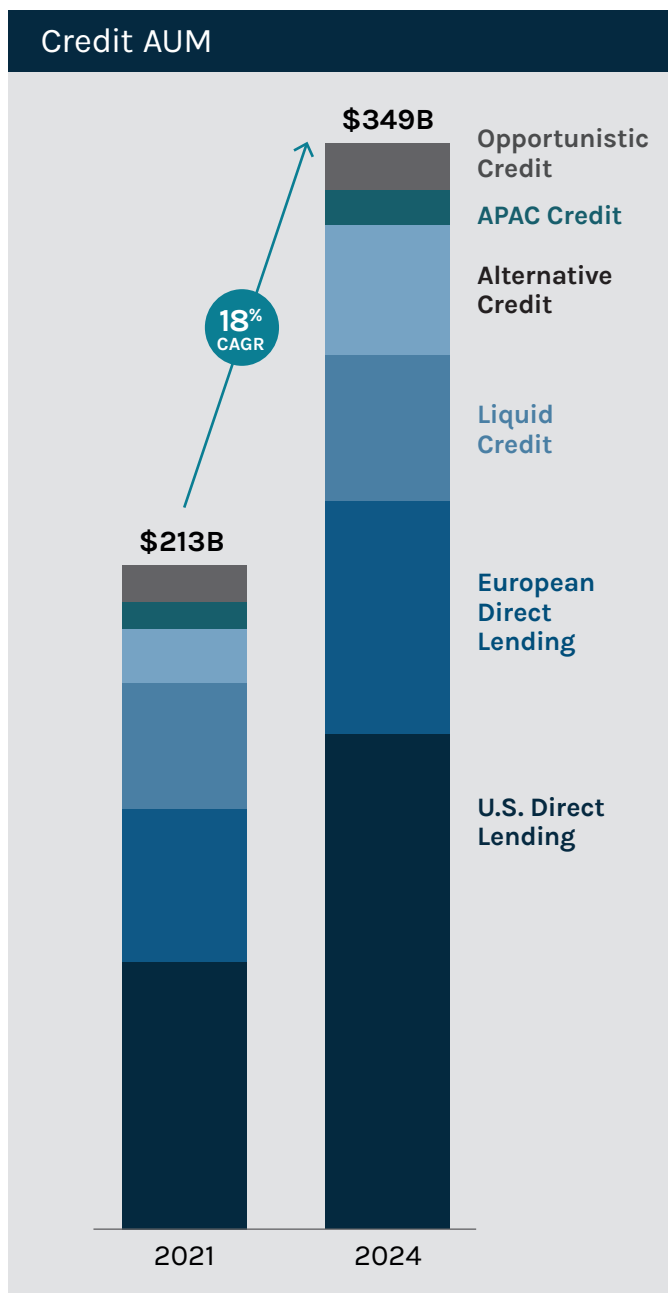
Credit: A Dynamic Opportunity Across Diverse and Growing Credit Markets

In 2024, our global Credit Group achieved remarkable growth with AUM increasing 17% to \$349 billion across our Direct Lending, Liquid Credit, Alternative Credit, Opportunistic Credit and APAC Credit strategies. This growth was driven by a record year of fundraising, including the closing of our third U.S. senior direct lending fund (SDL III), which raised \$33.6 billion in total available capital.⁷ We also held a final close for our sixth European direct lending fund (ACE VI) with over €17 billion of equity commitments and approximately €30 billion in total available capital.⁸ We believe ACE VI is the largest institutional fund in the global direct lending market (based on LP equity commitments), and our fundraise is a testament to our market-leading position in the region. In addition to these two institutional vehicles, our Credit products in the wealth channel saw strong momentum in 2024. For the year, we raised more than \$7 billion of investor capital for our three open-ended Credit products in the wealth channel.⁹

Significant fundraising across our diverse set of Credit strategies has driven growth in our Credit AUM to nearly \$350 billion.

Alternative Credit was one of our fastest growing strategies at Ares in 2024 with an increase of over 22% in AUM. This was largely driven by the new capital we raised in our core alternative credit vehicle and third-party insurance SMAs. The team invested over \$12.5 billion in a wide range of subsectors, including cash flowing portfolios of bank loans, equipment leases, digital infrastructure, mortgages, automobiles, sublines and consumer loans. With coverage of more than 30 subsectors and a team of approximately 80 investment professionals,¹⁰ we believe we have one of the largest platforms investing in non-investment-grade asset-based credit in the market today.

We have \$100 billion of dry powder across our Credit Group’s diversified investment strategies. While there is growing economic uncertainty and increased market volatility, we have significant capacity to continue investing opportunistically in these evolving global market opportunities.



Real Assets: Positioned to Accelerate Growth Across a Global Footprint

Ares has been expanding its investment capabilities and AUM in the logistics real estate and digital infrastructure markets to take advantage of trends driving the new economy.



We announced two acquisitions benefiting our Real Assets Group that enhance our global leadership position in logistics real estate. In the fourth quarter, we acquired the Mexico-based, logistics-focused asset management business of Walton Street, representing \$2.5 billion in AUM. In addition, we closed on our acquisition of GCP International earlier this year, which added complementary investment, development and operating capabilities in important new economy sectors, including logistics real estate and digital infrastructure. These acquisitions provide important

scale to our Real Assets Group and cements our position as one of the leading managers in real estate across the globe.

REAL ESTATE

Despite more difficult real estate market conditions over the past two years, Ares experienced strong investor demand for our Real Estate strategies across the U.S. and Europe. In 2024, we raised nearly \$10 billion of capital across Real Estate investment strategies compared to \$5.3 billion in 2023.

Our Real Estate Debt strategies saw heightened investor demand with inflows of over \$5 billion across the U.S. and Europe. In the third quarter, we held the final close for our fourth U.S. opportunistic equity fund (AREOF IV) and related vehicles with \$3.3 billion of equity commitments, representing a ~50% increase from the prior fund and related vehicles. AREOF IV is the largest institutional real estate equity fund we have raised in our history.

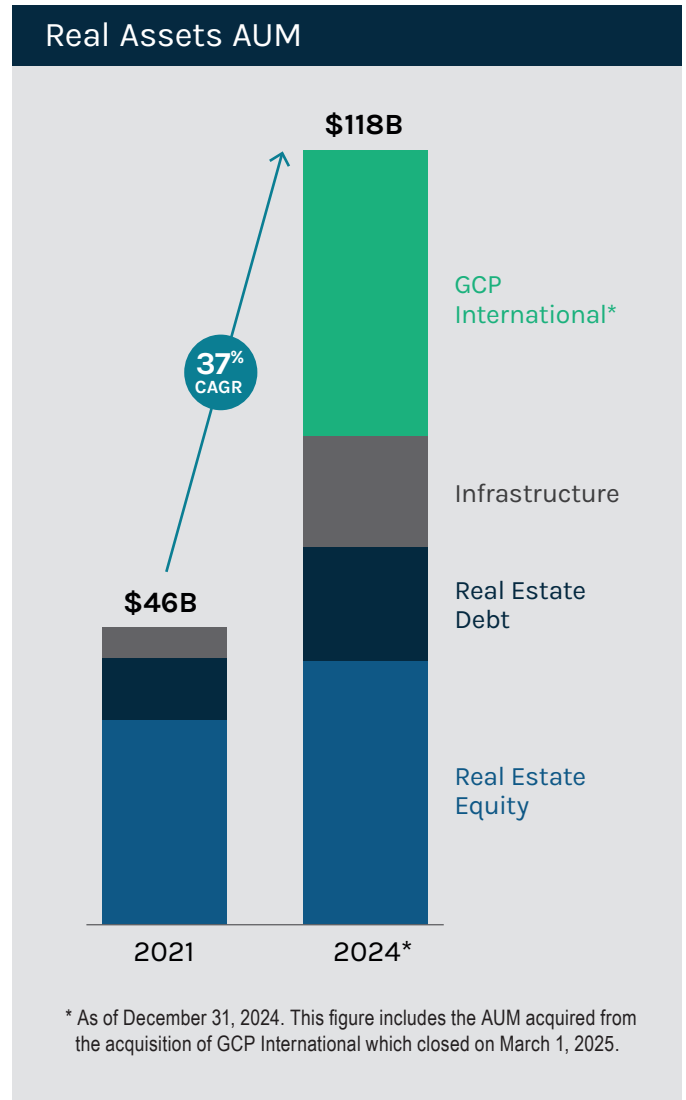
With over \$7.5 billion deployed in 2024 and nearly \$16 billion of available capital, we believe Ares is well positioned to capitalize on a recovering real estate market in the U.S. and Europe as both property values and deal volumes are anticipated to improve.

INFRASTRUCTURE

We have also continued to invest in our existing infrastructure opportunities and infrastructure debt capabilities to help ensure Ares is well positioned to benefit from the aforementioned trends. In addition, as banks have continued to retrench in the infrastructure lending sector, sponsors are seeking scaled debt providers that can meet the quantum of capital required to support critical projects. To that end, we raised over \$1.6 billion in Infrastructure AUM in 2024, including capital for our second climate infrastructure fund, sixth infrastructure debt fund and a new core infrastructure fund for the wealth channel.

We believe that infrastructure investing in private markets will represent a significant growth opportunity in the years to come.

We invested over \$2.0 billion across our strategies throughout the year, including \$1.3 billion deployed in Infrastructure Debt. We believe that the private markets will play a pivotal role in filling the global infrastructure financing gap, and our debt and equity strategies are well positioned for significant growth over time.



ACQUISITION OF
GCP INTERNATIONAL

Global Opportunities in the New Economy

An important part of our growth has been to successfully identify, acquire and integrate strategically significant private markets businesses that can further support and accelerate our growth. Over 20+ years, we have developed and refined an acquisition playbook that sources high quality businesses, executes business integrations and supports long-term enhanced growth across the platform. We believe GCP International is a unique platform that fits our stringent acquisition criteria while providing significant growth and synergy opportunities for the future.

GCP International is a global alternative asset management firm with \$43 billion of AUM¹¹ and a long history of building scaled platforms oriented to new economy sectors that benefit from attractive, long-term secular trends, including logistics real estate, digital infrastructure and self-storage. With operations in Japan, Europe, Vietnam, Brazil and the U.S., GCP International adds meaningful asset and geographic diversification to Ares and is highly complementary to our current Real Estate and Infrastructure platforms.

We believe the addition of GCP International will provide near- and long-term benefits by:

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- #1 Adding immediate scale in the Japanese real estate market with significant perpetual capital;
 - #2 Expanding our vertically integrated real estate capabilities to Europe and Asia; and
 - #3 Introducing data center development and asset management capabilities to Ares' platform.
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Demonstrated History of Managing High Conviction Strategies Globally



U.S.

Europe

Other

Japan

AUM			
\$5B	\$14B	\$5B	\$18B
FPAUM			
\$4B	\$12B	\$4B	\$12B
Strategies			
Industrial Value-Add	Industrial Development	Industrial Development	Industrial Development
Self Storage Value-Add	Industrial Income	Industrial Income	Industrial Income
Data Center	Data Center	Data Center	Data Center

\$43 Billion
AUM

\$32 Billion
FPAUM

Note: Data as of December 31, 2024. "Other" includes Brazil, Vietnam and the GLP International Vehicle. Totals may not sum due to rounding.

#1

Adds Immediate Scale in Japan With Significant Perpetual Capital

Ares has long held the view that the APAC region represents a significant and growing opportunity for alternative investment managers as private markets continue to follow the U.S. model and develop abroad. Asia is expected to contribute 50% of global GDP growth in 2025 and is home to three of the top five countries by expected GDP — China (#2), Japan (#4) and India (#5).¹²

We have primarily expanded our capabilities in the APAC region through strategic acquisitions in Credit (SSG Capital in 2020), Infrastructure Debt (from AMP

Capital in 2022) and Private Equity (Crescent Point in 2023). Through the acquisition of GCP International, we gained immediate scale in the Japanese real estate market with \$18 billion of AUM in the region, \$11 billion of which is in perpetual capital vehicles. Japan is the fourth largest commercial real estate market in the world, and importantly, GCP International is attractively positioned in the Japanese market with a longstanding track record, scaled investment platform and broad regional network.

#2

Vertical Integration Expands Investment Opportunities and Can Improve Investor Outcomes

Similar to Ares' existing capabilities as one of the largest vertically integrated logistics real estate managers in the U.S., GCP International has the capabilities, capital and scale to design, build, lease and operate real estate properties across Asia (Japan and Vietnam), Europe and South America (Brazil).

These vertically integrated capabilities drive significant benefits for fund investors seeking unique real estate assets, while providing Ares with a competitive moat and enhanced revenue streams for the asset management platform.



Ares
Capability Today

GCP International
Added Vertical Integration Capabilities

#3

Data Center Capability Creates a Compelling Growth Opportunity

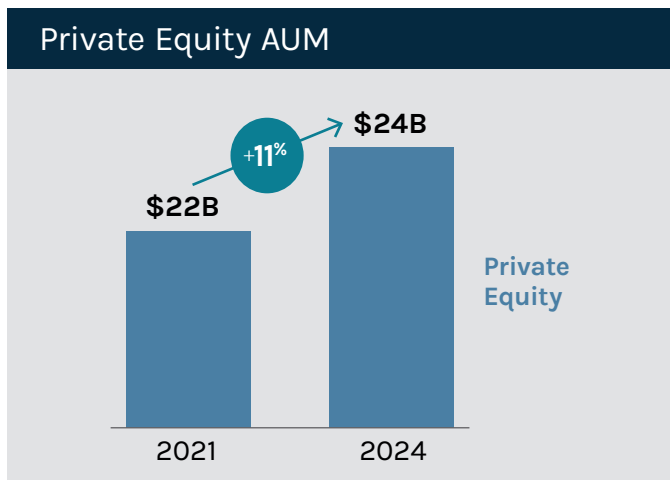
Over the last several years, the world has developed a significant need for computing power and data centers driven by the growth in cloud computing and artificial intelligence. Hyperscaler demand for data center capacity is expected to grow at a 23% CAGR over the next five years supporting \$1-2 trillion of investment demand for data center development.¹³ We believe that non-bank capital from alternative asset managers like Ares will play a pivotal role in developing these data center projects.

With a 65+ person data center team, GCP International has made significant investments in its in-house platform, which has the capabilities to invest in, develop and operate data centers globally.

The team includes individuals with significant leadership experience from several of the leading hyperscalers. GCP International has a pipeline of difficult-to-secure land in urban locations with access to power and certain pre-leasing agreements with leading hyperscale clients. Currently, the business has several large hyperscale data center projects in process representing over 1 GW of IT load, including approximately 500MW in projects currently underway. We believe that the opportunities ahead of the data center platform will be a significant driver of growth for Ares.

Private Equity: Focused on Fundamental Performance and Business Building

Overall, 2024 was a slow year for the private equity markets with global fundraising down 21% YoY and



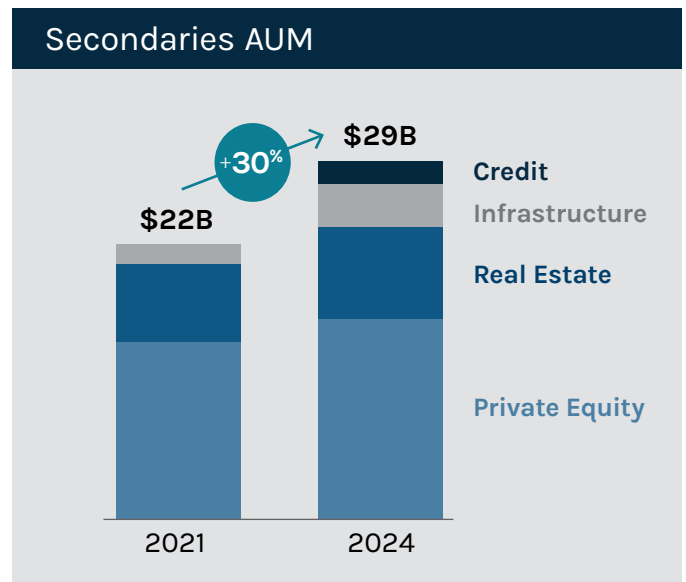
global M&A activity only up 10% YoY.^{14,15} While the impact of new tariff policies on the M&A market is unclear, there are several demand drivers that could improve private equity market conditions, including 1) demand from LPs for realizations and capital distributions, 2) GPs’ desire to raise new funds and to show DPI¹⁶ to investors, 3) potential for an easing regulatory environment, 4) interest rates declining from peak levels, 5) more active financing markets, 6) narrowing bid/ask spreads, and 7) the return of strategic buyers. For example, there is over \$3 trillion of unrealized value in global buyout portfolios, and more than 40% of these investments are four years or older.¹⁷

Ares’ fundraising and investing activities in Private Equity also reflected the slower market environment. In 2024, we raised \$0.5 billion in new private equity funds, and we invested \$0.4 billion across our portfolio companies. Assuming more favorable market conditions, we believe our Private Equity team is well positioned to drive further realizations of existing portfolio companies and continue investing in 2025.

Secondaries: Well-Positioned Liquidity Solutions Providers

In 2024, we saw significant growth in the secondaries market opportunity as GPs and LPs alike utilized secondary solutions to manage liquidity demands in what has been a transitioning valuation environment and a slower M&A and IPO market for private equity exits. Throughout the year, our Secondaries Group capitalized on this momentum as we raised over \$5 billion and invested over \$5 billion. A few notable highlights include the continued scaling of our private equity secondaries wealth management fund, the launch of our inaugural structured solutions fund, the continued raise of the third vintage of our infrastructure secondaries fund, and our continued market leadership in the Credit Secondaries business, which completed its largest transaction to date, representing nearly \$500 million of net asset value. Having launched organically in 2023, the Credit Secondaries business has already reached nearly \$2 billion of AUM and has been a significant growth driver for the Secondaries Group.

Heading into 2025, we continue to believe that the secondaries market is a promising area for Ares, as we seek to provide bespoke solutions among our more than 1,000 global sponsor relationships and nearly 2,700 institutional investor relationships around the globe.



Insurance: An Asset-Light Focus

The opportunity at the intersection of alternative investment management and insurance is large and growing, as insurers seek attractive risk-adjusted returns in the private markets in order to achieve a premium to the public markets. We remain committed to being an asset-light, third-party investment manager, and as such, we will continue to pursue this opportunity by serving third-party insurance clients and Aspida, an Ares-affiliated life insurance and annuity company.

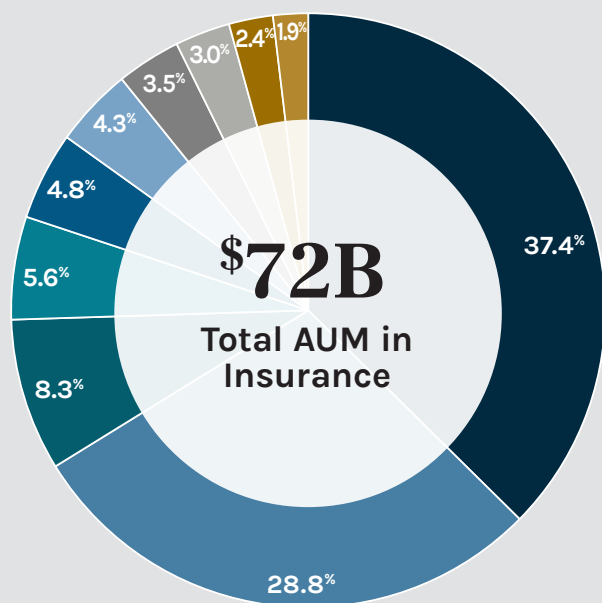
We have been investing on behalf of insurance companies for well over a decade, and third-party insurance clients represent our second largest investor base with over \$50 billion in AUM invested on their behalf at year-end. At the same time, Ares Insurance Solutions (“AIS”) has organically supported the build-out of Aspida, which leverages a scalable, user-friendly technology platform designed to deliver high quality customer service to its individual annuity and reinsurance clients. In 2024, we saw significant

demand for Aspida’s versatile platform offerings and the strength of its relationship with Ares. During the year, Aspida issued \$6.3 billion in annuities and reinsurance premiums, while also receiving more than \$3.0 billion in equity commitments and debt facilities to support its long-term growth. Today, the platform has \$20 billion in total assets.¹⁸ This is a remarkable milestone for Aspida, and the Ares team is proud to provide continued support through our capital investment and the AIS team, which acts as Aspida’s dedicated investment management, capital solutions and corporate development partner.

Aspida’s growth has helped to further diversify Ares’ fundraising base and our investment capabilities. When combining our third-party insurance clients and Aspida, Ares managed over \$70 billion of insurance assets across the platform as of year end 2024 (see Exhibit 7).

EXHIBIT 7

Ares’ AUM in the Insurance Sector



Strategy	AUM
Global Direct Lending	37.4%
Alternative Credit	28.8%
Other Businesses	8.3%
Private Equity	5.6%
Real Assets	4.8%
Global Liquid Credit	4.3%
Infrastructure Debt	3.5%
Real Estate Equity	3.0%
Opportunistic Credit	2.4%
Real Estate Debt	1.9%

Note: \$72 billion in AUM represents investments by insurance companies in various Ares funds, SMAs and co-investments versus one discrete insurance platform.

Strategy Spotlight



Reinforcing Ares' Leadership in Sports, Media and Entertainment

Through the launch of a dedicated strategy in 2020, Ares was an early mover in bringing institutional capital to sports, media and entertainment investing. Our inaugural SME fund and related capital totaled \$3.7 billion,¹⁹ and this fund was one of the first of its kind to offer dedicated flexible capital to this sector. This new strategy positioned Ares as a market leader in the growing SME investment landscape, which has an estimated \$2 trillion total addressable market.

Over the last decade, we have observed strong underlying fundamental trends driven by increases in demand from fans, networks and streaming platforms for live unscripted content. This demand and broader opportunity for sports teams has supported increased valuations and the desire for flexible capital to support long-term strategic growth plans. In addition, there is a growing number of attractive adjacent opportunities

in the broader sports, media and entertainment ecosystems, including media rights, amateur sports, analytics providers and music, among others.

Underscoring the expanding opportunity, in 2024 the National Football League ("NFL") voted to allow a select group of private capital firms, including Ares, to directly invest in NFL teams for the first time. Subsequently, in December of 2024, Ares' funds made a minority equity investment in the Miami Dolphins, which marked one of the first-ever private equity investments in the league. We look forward to supporting the continued growth of NFL teams – and the SME market more broadly – through Ares' dedicated SME team, robust relationship networks, and flexible capital.

We continue to see demand for this strategy in the institutional and wealth channels.

Culture: A Better Alternative

As a leading alternative investment manager, Ares strives to be a catalyst for shared prosperity for our stakeholders and our communities. Using our core values, we focus on optimizing investment outcomes and experiences through our unique culture that emphasizes collaboration, entrepreneurship, trustworthiness and a desire to be a force for good with a continuous process of improvement. We actively work and incentivize our employees to share information where appropriate, collaborate on transactions and utilize resources around the firm to help drive better investment results.

Beyond driving investment results, we seek to give back to the communities in which we live and work. Through the Ares Charitable Foundation (the "Ares Foundation"), we support charitable causes worldwide. Since its launch in 2021, the Ares Foundation has committed more than \$60 million²⁰ to a global portfolio of nonprofit organizations to help individuals

train and reskill for quality jobs, launch and scale businesses, and build personal financial knowledge to better ensure their economic mobility and pathways to self-sufficiency.

In addition, we believe our Alternative Credit team has been a pioneer in our industry by launching three funds within the Pathfinder family for which Ares and the funds' portfolio managers have pledged to donate at least 5-10% of carried interest profits to global health and education charities. As of the end of 2024, Ares had earned or accrued over \$30 million in these Alternative Credit funds targeted to be donated.²¹ Our colleagues are highly supportive as the program adds even greater meaning to their investing activities and reinforces their goal to deliver attractive returns for fund investors. Further, as we identify and execute on opportunities to scale the impact of this charitable tie-in, Ares aims to be a model for other alternative investment managers to follow.

Our Outlook for Continued Growth

2024 was a record year with many outstanding financial and strategic accomplishments, and we are entering 2025 with significant momentum and opportunity. With over \$133 billion of available capital to invest, we are well positioned to deploy opportunistically as the markets digest the changing and uncertain geopolitical and economic landscape. As the private markets continue to broaden and expand geographically, we are excited about the many growth initiatives and new products that we have in the pipeline for 2025 and beyond. For Ares, we believe that market volatility and change will create opportunities as we maintain an asset-light balance sheet and have the ability to adapt and move quickly in our investing activities.

With our global team and a growing investor base of nearly 2,700 institutional investors across our solution set, we believe we are in a strong position to deliver on our goals. We remain focused on further strengthening our business by investing in our strategies and our teams so we can capitalize on new opportunities and seek differentiated risk-adjusted returns for our investors. As we have demonstrated over the past decade, we are confident in our ability to navigate the market opportunities and manage the risks to deliver sustainable, long-term shareholder value for years to come.

We also wanted to highlight the recent strengthening of our management team. In February, we announced that we have promoted Kipp deVeer and Blair Jacobson to Co-Presidents of Ares.

As two highly-tenured business builders and leaders within Ares, we could not be more excited to have their experience, skills and deep market knowledge in their new positions, while we continue to elevate the next generation of leaders across the firm. Our team is as strong as it has been at any time in our firm's history, and we couldn't be more excited to take on these opportunities and challenges together.

We want to thank all of our employees for their commitment and dedication to the platform and our shareholders and credit partners for their continued support of our company.

Sincerely,



MICHAEL AROUGHETI
Co-Founder, Chief Executive Officer



ANTONY RESSLER
Co-Founder, Executive Chairman

Forward-Looking Statements

This letter contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which reflect our current views with respect to, among other things, future events, operations and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "predicts," "intends," "plans," "estimates," "anticipates," "foresees" or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. Some of these factors are described in our Annual Report on Form 10-K for the year ended December 31, 2024, under the

headings "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 1A. Risk Factors." These factors should not be construed as exhaustive and should be read in conjunction with the risk factors and other cautionary statements that are included in this letter and in our other periodic filings with the United States Securities and Exchange Commission, which are accessible on their website at www.sec.gov and pursuant to which such factors may be updated from time to time. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from those indicated in these forward-looking statements. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Therefore, you should not place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Additional Disclosures

Additional Disclosures The information contained in this letter is summary information that is intended to be considered in the context of Ares Management Corporation (NYSE: ARES) ("Ares") SEC filings and other public announcements that Ares may make, by press release or otherwise, from time to time. These materials contain information about Ares, its affiliated funds and certain of their respective personnel and affiliates, information about their respective historical performance and general information about the market. You should not view information related to the past performance of Ares and its affiliated funds or information about the market, as indicative of future results, the achievement of which cannot be assured. Certain Ares Funds may be offered through our affiliate, Ares Management Capital Markets LLC ("AMCM"), a broker-dealer registered with the SEC, and a member of FINRA and SIPC. Any discussion of specific Ares entities is provided solely to demonstrate such entities' role within the Ares organization and their contribution to the business, operations and financial results of Ares. This presentation does not constitute, and shall not be construed as, an offer to buy or sell, or the solicitation of an offer to buy or sell, any securities, investment funds, vehicles or accounts, investment advice, or any other service by Ares or any of its affiliates or subsidiaries.

Nothing in these materials should be construed as a recommendation to invest in any securities that may be issued by Ares or as legal, accounting or tax advice. None of Ares, its affiliated funds or any affiliate of Ares or its affiliated funds makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance. Certain information set forth herein includes estimates, projections and targets and involves significant elements of subjective judgment and analysis. Further, such information, unless otherwise stated, is before giving effect to management and incentive fees and deductions for taxes. No representations are made as to the accuracy of such estimates, projections or targets or that all assumptions relating to such estimates, projections or targets have been considered or stated or that such estimates, projections or targets will be realized.

These materials are not intended as an offer to sell, or the solicitation of an offer to purchase, any security, the offer and/or sale of which can only be made by definitive offering documentation. Any offer or solicitation with respect to any securities that may be issued by Ares will be made only by means of definitive offering memoranda or prospectus, which will be provided to prospective investors and will contain material information that is not set forth herein, including risk factors relating to any such investment.

An investment in Ares will be discrete from an investment in any funds or other investment programs managed by Ares and the results or performance of such other investment programs is not indicative of the results or performance that will be achieved by Ares or such investment programs. Moreover, neither the realized returns nor the unrealized values attributable to one Ares fund are directly applicable to an investment in any other Ares fund. An investment in Ares may be volatile and can suffer from adverse or unexpected market moves or other adverse events. Investors may suffer the loss of their entire investment.

Some funds managed by Ares or its affiliates may be unregistered private investment partnerships, funds or pools that may invest and trade in many different markets, strategies and instruments and are not subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. Fees vary and may potentially be high. 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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End Notes

1. Preqin, Future of Alternatives 2029.

2. Total Addressable Markets:

CREDIT: Includes the sum of APAC Credit, Other U.S. and EU Opportunities, EU Net Lease, EU Household Credit, EU Direct Lending, EU High Yield and Leveraged Loan, U.S. BBB-, U.S. Middle Market Financing, U.S. High Yield and Leveraged Loan, Commercial Finance, U.S. Consumer Debt, U.S. Private Equity Installed Base, U.S. Net Lease and U.S. CMBS. Please refer to the Ares Investor Day 2024 presentation and the slide titled "Our Credit Group Operates in a \$40 Trillion Total Addressable Market" for additional important information on the size of the total addressable market.

APAC Credit: Total Addressable Market Includes Special Situations estimated market of \$1.5 trillion based on the NPL market for Asia from Ares and S&P estimates. China NPL amount includes gross NPL and special mention loans from CBIRC. India NPL amount includes gross NPLs as reported by RBI. NPL amounts for Indonesia includes restructured, special mention loans and gross NPLs as of December 2022. The TAM also includes \$300 billion of corporate non-sponsor loans sourced from Asia Development Bank, Bloomberg, Dealogic and Ares estimates. Ares estimates assumes a 10% portion of the Asian syndicated loans and 10% portion of the Asian high yield market and 1% of the non-bank lending market. Data and assessment as of December 2022. Finally, the TAM includes \$100 billion of sponsored lending based on 2021 annual volumes of \$28 billion, assuming a 4 year weighted average life.

Other U.S. and EU Opportunities: Includes NAV Loans (Ares, White & Case, Collier Capital, 2022), U.S. Private Placements (Private Placement Monitor estimate as of December 31, 2023), U.S. Public ABS Markets (J.P. Morgan Weekly Volume Datasheet; Public ABS Outstanding as of December 31, 2023. Excludes consumer ABS), European CMBS (J.P. Morgan International ABS Weekly Volume Datasheet; as of December 31, 2023. CMBS Outstanding), European Public ABS (J.P. Morgan International ABS Weekly Volume Datasheet; as of December 31, 2023. Excludes consumer ABS.), and European CLOs (BofA Research as of December 31, 2023).

EU Net Lease: Realty Income, February 2024. Ares estimates that European Net Lease is 25% of the total market.

EU Household Credit: Bank for International Settlements, September 2023 & Australian Bureau of Statistics. (2023, December). Australian National Accounts: Finance and Wealth. Includes Australia as Alternative Credit has capabilities in Australia.

EU Direct Lending: Based on Ares' own data calculations using information from Deloitte, S&P Global Market Intelligence, Preqin and Ares' own observations. The addressable market is based on the approach outlined, which uses a 3-year life assumption. *Annual Direct Lending Market Volume: Ares deployment annualized (3-year average from 2021-2023) divided by Ares average annual market share from 2013 through 2023 according to the Deloitte Annual Market Share study. **Assumed Bank Market Share: Represents the assumed bank share of the market based on Ares' observations. ***Addressable Syndicated Loan Market Volume: Average S&P Market Intelligence loan volume for loans with tranche size less than €1.5 billion for 2023.

Debt Market Share Analysis (\$ in billions)	2023
Annual Direct Lending Market Volume*	\$197
Average Life of European Direct Lending Loans (Years)	x 3.5
Direct Lending Middle Market Loans Outstanding	\$690
Assumed Bank Market Share**	50%
Total Direct Lending & Bank Middle Market Loans Outstanding	\$1,380
Addressable Public Syndicated Loan Market Volume***	\$42
Average Life of European Direct Lending Loans (Years)	x 3.5
Est. Middle Market Loans Outstanding	\$146
Total Direct Lending Addressable Market	\$1,526

EU High Yield and Leveraged Loan: Sum of the WELL1 and HE00 indices as of 3/26/2024.

• WELL1: Credit Suisse Western European Leveraged Loan indices are designed to mirror the investable universe of the Western European leveraged loan market. Loans denominated in US\$ or Western European currencies are eligible for inclusion in the index. The indices were inceptioned on January 1998 and are published weekly and monthly. The indices are rebalanced monthly on the last business day of the month instead of daily rebalancing.

• HE00: ICE BofA Euro High Yield Index tracks the performance of Euro denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch). Qualifying securities must have at least one year remaining term to maturity, a fixed coupon schedule, and a minimum amount outstanding of Euro 100 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and euro domestic markets), 144a securities and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Defaulted, warrant-bearing and euro legacy currency securities are excluded from the Index.

U.S. BBB-: C0A0 index as of 4/8/2024.

• C0A0: ICE BofA US Corporate Index tracks the performance of US dollar denominated investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have an investment grade rating (based on an average of Moody's, S&P, and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings). Each security must have greater than 1 year of remaining maturity, a fixed coupon schedule, and a minimum amount outstanding of \$250 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and US domestic bond markets), 144a securities and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Callable perpetual securities qualify provided they are at least one year from the first call date.

Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. DRD-eligible and defaulted securities are excluded from the Index.

End Notes

U.S. Middle Market Financing: Traditional middle market total addressable market is based on the following: estimated Enterprise Value of Middle Market Companies of \$9.3 trillion is based on data from NAICS Association on Companies with \$100 million to \$ 1 billion in revenue (January 2024), J.P. Morgan's 2023 Next Street: The Middle Matters Report, Capstone Partners (March 2024), GF Data an ACG Company (Association for Corporate Growth), and Ares' view of the market. The financing opportunity on the \$9.3 trillion total Middle Market Enterprise Value is estimated to be 40%. This results in an estimated \$3.7 trillion debt opportunity, which is further reduced by \$0.7 trillion in estimated investment grade loans with \$100 million – \$1 billion in revenues held at banks based on data reported by the FDIC Shared National Credit Review and Ares' view of the market. This results in a \$3 trillion estimated middle market private debt opportunity. Additional addressable liquid market private debt opportunity of \$2.4 trillion is based on the Face value of the ICE BofA U.S. High Yield Index (H0A0) and Credit Suisse Leveraged Loan Index (CSLLI) of \$2.7 trillion as of 12/31/23 less the percent of U.S. High Yield and Leveraged Loan Market with Revenues <\$1 billion based on Ares' view of the market. This sums to a total addressable market for U.S. Direct Lending of approximately \$5 trillion.

U.S. High Yield and Leveraged Loan: Sum of H0A0 and CSLLI as of 3/26/2024.

- H0A0: ICE BofA US High Yield Index value tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings). Each security must have greater than 1 year of remaining maturity, a fixed coupon schedule, and a minimum amount outstanding of \$100 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and US domestic bond markets), 144a securities and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. DRD-eligible and defaulted securities are excluded from the Index.

- CSLLI: The Credit Suisse 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 frequency is daily, weekly and 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.

Commercial Finance: Federal Reserve Board, Statistical Release H8, "Assets and Liabilities of Commercial Banks in the United States. Seasonally adjusted, Table 2. See below additional notes. Adjusted to address government financing.

1. Loans to nondepository financial institutions: FN 17. Includes loans to real estate investment trusts, insurance companies, holding companies of other depository institutions, finance companies, mortgage finance companies, factors, federally-sponsored lending agencies, investment banks, banks' own trust departments, and other nondepository financial intermediaries.

2. All loans not elsewhere defined: FN 18. Includes loans for purchasing or carrying securities, loans to finance agricultural production, loans to foreign governments and foreign banks, obligations of states and political subdivisions, loans to nonbank depository institutions, unplanned overdrafts, loans not elsewhere classified, and lease financing receivables.

U.S. Consumer Debt: Source, New York FED, non-household related debt as of 12/31.

U.S. Private Equity Installed Base: Preqin data as of September 30, 2023.

U.S. Net Lease: Realty Income, February 2024. Ares estimates that U.S. Net Lease is 75% of the total market.

U.S. CMBS: J.P. Morgan; CMBS Weekly Volume Data Sheet – CMBS Outstanding as of December 31, 2023.

REAL ESTATE: MSCI Real Assets, as of July 2023.

INFRASTRUCTURE: Inframation. Addressable market estimated by Ares using an estimate of deal activity from 2024 to 2032 based on the historical growth rate of the asset class.

PRIVATE EQUITY: Preqin. Reflects private equity assets under management using most recent data as of May 2024. Excludes Venture Capital, Secondaries, and Fund of Funds.

SECONDARIES: Preqin. Includes Private Equity, Infrastructure, Real Estate and Private Debt AUM. Private Equity excludes Venture Capital. All strategies exclude Secondaries using most recent data as of May 2024.

ARES AUM: 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.

- Estimated per Ares analysis and PwC's 2023 Asset and Wealth Management Revolution report.
- Estimated per Ares analysis, Bain's 2023 Global Private Equity report and Morgan Stanley's 2022 report "Does Market Upheaval Tarnish the Golden Age of Alternatives".
- Retail Channel AUM of \$97.2bn consists of publicly-traded entities (ARCC, ACRE, ARDC) of \$35.2bn, semi-liquid wealth management products (AREIT, AI-REIT, CADEX, ASIF, AESIF, APMF, ACI, SME Opportunities) of \$39.3bn and the balance of the High Net Worth Channel of \$22.8bn which excludes the aforementioned funds.
- Sources: Latin America estimated per UBS Global Wealth Report 2024; Canada estimated per Cerulli Global Markets Report 2023; Japan estimated per Ares Wealth Management Solutions analysis.
- Including anticipated leverage and related vehicles.
- Including anticipated leverage and related vehicles.
- Includes our non-traded BDC, our open-ended European direct lending fund and our diversified credit interval fund.
- Includes certain investment professionals in other Ares strategies that collaborate with the Alternative Credit Team for potential investment sourcing and due diligence support.
- As of December 31, 2024.
- Source: IMF, World Economic Outlook, December 2024.
- PGIM: Data Center Growth Abounds in the Digital Age. Examples of hyperscalers include Amazon, Apple, Google, Meta, Microsoft, Oracle, Salesforce and SAP.
- Preqin Private Equity fundraising, Sourced March 28, 2025.
- Global M&A year-over-year activity by deal value. Source: LSEG, excluding withdrawn deals.
- Distributions to Paid-In Capital.
- Bain Global Private Equity Report, The Year Cash Became King Again in Private Equity, March 2024.
- As of December 31, 2024.
- Includes fund equity commitments, leverage and related vehicles.
- Includes certain 2024 grants that are in the process of being finalized. Final amounts are subject to change.
- Projected donations may vary from the figure above and will be contingent on achieving investment returns exceeding stated performance hurdles and earning carried interest. Represents inception to date accrued and realized incentive fees and carried interest.



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