

Ares Management Closes Inaugural Junior Capital Direct Lending Fund at \$3.4 Billion

Dec 21, 2017 6:30 AM

Final Close Well in Excess of Initial \$2.5 Billion Target

LOS ANGELES--(BUSINESS WIRE)-- Ares Management, L.P. (NYSE:ARES), a leading global alternative asset manager, announced today that it has held the final close for its junior capital direct lending fund, Ares Private Credit Solutions (“APCS” or the “Fund”). The Fund held its final closing with \$3.4 billion of total commitments, which exceeded the initial fundraising target of \$2.5 billion. The commitments are from a global and diverse investor base consisting of more than 50 investors. Approximately 60% of the investors in APCS are new to the Ares platform.

The Fund targets the growing junior capital needs of upper middle market companies in North America and will focus primarily on investing in companies backed by private equity sponsors. This market segment is increasingly seeking differentiated financial solutions as more traditional financing sources, such as high yield investors, continue to focus on larger companies. Ares’ direct lending team has a significant track record of making debt investments and equity co-investments to middle market and upper middle market borrowers, having previously deployed approximately \$9.5 billion in second lien and mezzanine securities since 2004.

“We are very thankful for the continued support from our existing investors and we welcome the new investors to the Ares platform,” said Michael Arougheti, President and Chief Executive Officer of Ares Management. “We believe that the success of the fundraise, which closed well in excess of our initial target, clearly illustrates the tremendous market opportunity and our leading market position in the U.S.”

“Our U.S. direct lending team has a strong performance track record since our inception in 2004, having invested approximately \$48 billion in the asset class, while delivering strong returns with below market loss rates over the last thirteen years,” added Kipp deVeer, Partner and Head of the Ares Credit Group. “APCS will allow us to further expand the addressable market opportunity as we continue to grow our product set and platform in U.S. Direct Lending.”

“APCS began investing in April of 2017 and has already experienced strong deployment with approximately 20% of investor commitments called to-date,” said Jim Miller, Partner and Co-Head of U.S. Direct Lending at Ares. “We expect the fund will benefit from our ability to source investments from our existing relationships and our strongest incumbent portfolio companies as they graduate into the upper middle market. We appreciate the support from our new and existing investors, and we will work diligently to invest their capital with a view to generating long-term value,” added Michael Smith, Partner and Co-Head of the Ares Credit Group.

The Ares U.S. direct lending platform is part of the Ares Credit Group, which manages approximately \$70.5 billion in global assets under management, including more than \$40 billion in direct lending assets in the U.S. and Europe as of September 30, 2017. The Ares Credit Group has 225 investment professionals with investments in more than 1,500 companies across over 140 funds. The Ares U.S. direct lending team has strong direct origination capabilities with more than 132 dedicated investment professionals in the U.S. across seven originating offices, including New York, Chicago, Los Angeles, Dallas, Bethesda, San Francisco and Atlanta.

About Ares Management, L.P.

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$106 billion of assets under management as of September 30, 2017 and more than 15 offices in the United States, Europe, Asia and Australia. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its three distinct but complementary investment groups in Credit, Private Equity and Real Estate is a market leader based on assets under management and investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole. For more information, visit www.aresmgmt.com.



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Source: Ares Management, L.P.