

Ares Management Closes Oversubscribed Inaugural U.S. Senior Direct Lending Fund with Total Anticipated Capital of \$5 Billion

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LOS ANGELES--(BUSINESS WIRE)-- Ares Management Corporation (NYSE:ARES) announced today the final closing of its inaugural, commingled U.S. senior direct lending fund, Ares Senior Direct Lending Fund (“SDL” or the “Fund”). SDL was significantly oversubscribed relative to its initial target of \$2 billion in L.P. commitments, closing on approximately \$3 billion of total commitments. Including anticipated leverage, the total capital for SDL is expected to be approximately \$5 billion.

The Fund is a natural extension of Ares’ longstanding investment strategy of offering institutional and retail investors access to senior secured, directly originated loans to quality North American middle market companies through a variety of vehicles. SDL will leverage Ares’ leading, national origination capabilities to provide senior secured loans to defensively positioned companies in a private, commingled fund format.

SDL attracted a broad and diverse group of investors, including 21 investors new to Ares. Ares also benefited from 24 existing Ares investors committing to the Fund. The global investor base is comprised of pension funds, sovereign wealth funds, insurance companies, high net worth individuals, family offices, funds-of-funds, endowments and foundations.

“We greatly appreciate the strong support from both existing and new investors, and their confidence in Ares’ leading direct lending platform,” said Kipp deVeer, Partner and Head of the Ares Credit Group. “SDL has already started to benefit from the team’s significant investment activity, having committed to more than 20 investments to date representing over \$700 million of initial commitments since the first closing in July of 2018.”

“In today’s market environment, we have witnessed increased demand for a floating rate, senior secured loan fund where investors of various sizes can access this durable and defensively positioned asset class,” said Mitch Goldstein, Partner and Co-Head of the Ares Credit Group. “The enthusiasm and demand we received from our investors demonstrates the support for our direct lending team’s rigorous investment process and strong track record of performance across various market cycles, including the last recession.”

Mark Affolter, Partner and Co-Head of U.S. Direct Lending, added, “Based on recent volatility, we are seeing improving market conditions to invest in high-quality, senior secured loans with attractive pricing and terms. Our significant capital availability, deep and longstanding relationships and market-leading position with middle market sponsors and management teams provides significant advantages during times of market uncertainty.”

As of September 30, 2018, the Ares Credit Group manages \$60.4 billion in global direct lending assets under management, with \$39.2 billion in the U.S. and \$21.2 billion in Europe. Ares has one of the largest global direct lending teams with over 170 investment professionals in 12 offices throughout the United States and Europe. Since inception in 2004 and through September 30, 2018, the U.S. direct lending team has invested over \$42 billion in U.S. senior debt investments across more than 960 loans through various market cycles. Ares’ broad national coverage and direct

origination capabilities enable the team to be highly selective with an average closing rate of between 3-5%.

About Ares Management Corporation

Ares Management Corporation is a publicly traded, leading global alternative asset manager with approximately \$125 billion of assets under management as of September 30, 2018 and 18 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.

Forward-Looking Statements

Statements included herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future events or our future performance or financial condition. These statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in Ares’ filings with the Securities and Exchange Commission. Ares Management Corporation undertakes no duty to update any forward-looking statements made herein.

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