

BlueCove and Ares Management Announce Strategic Partnership

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NEW YORK--(BUSINESS WIRE)-- BlueCove Limited ("BlueCove"), the London-based scientific fixed income manager, and Ares Management Corporation ("Ares") (NYSE: ARES), a leading global alternative investment manager, announced today that they have reached an agreement under which Ares will acquire a minority equity stake in BlueCove with the option to acquire control of the business over a multi-year term. Terms of the transaction were not disclosed.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20230227005980/en/>

BlueCove has been purpose-built to play a leading role in the development of scientific fixed income asset management as a mainstream investment style. Scientific investing provides investors with both a complement and an alternative to the traditional, active discretionary investment process that has dominated active fixed income management for decades. Potential advantages for investors include an increased probability of repeatable outcomes, a technology-enabled increase in investment breadth, increased investment process transparency, excess returns that tend to exhibit a low correlation with those of discretionary managers, and a medium-term opportunity to harvest natural alpha from an underrepresented investment methodology.

Alex Khein, CEO and Co-founder at BlueCove, said: "We are delighted to announce this strategic partnership with Ares, a market-leading alternative management firm. We believe that over the last decade, the supply of data, increased market breadth, globalisation of fixed income markets, and significant research development mean that optimal conditions for scientific investing in liquid fixed income are now in place. Our partnership with Ares highlights a shared strategic view and joint desire for BlueCove to solidify its market leadership in this exciting sector."

Hugh Willis, Executive Chairman and Co-founder at BlueCove, added: "We have great respect for Ares as a business and our two firms share a similar entrepreneurial culture. We believe that this transaction has the potential to significantly accelerate our mission of bringing scientific fixed income investing to a global client base in the years to come."

Kipp deVeer, Partner and Head of the Credit Group at Ares, said: "We are excited to partner with BlueCove, a recognized leader in the field of scientifically managed fixed income. We believe in the compelling secular growth prospects for the sector, and together with the BlueCove team, we will be at the forefront as the opportunity continues to evolve."

Boris Okuliar, Partner and Co-Head of Liquid Credit at Ares, added: "BlueCove immediately stood out as an ideal partner in this sector given its specialized team across investment, research, and engineering capabilities and institutional infrastructure. We look forward to working closely with the team and anticipate that there will be future opportunities to leverage their knowledge and experience employing advanced technology-driven data and analytics."

The transaction is expected to close in the second or third quarter of 2023 and is subject to customary closing conditions, including regulatory approvals. Upon closing of the transaction, Mr. Okuliar will join as a member of BlueCove's Board of Directors.

About BlueCove

BlueCove is an institutional scientific fixed income asset manager with \$1.8 billion of assets under management, as of February 28, 2023. It brings together market-leading fixed income industry investment, engineering, and business infrastructure professionals, with the specific purpose of researching and developing state-of-the-art scientific investment processes applicable to fixed income investment management. The firm was founded in 2018 by Hugh Willis and Alex Khein, previously Co-founder and CEO/Executive Chairman, and COO/CEO respectively of BlueBay Asset Management.

About Ares Management

Ares Management Corporation is a leading global alternative investment manager offering clients complementary primary and secondary investment solutions across the credit, private equity, real estate, and infrastructure asset classes. We seek to provide flexible capital to support businesses and create value for our stakeholders and within our communities. By collaborating across our investment groups, we aim to generate consistent and attractive investment returns throughout market cycles. As of December 31, 2022, Ares Management Corporation's global platform had approximately \$352 billion of assets under management, with over 2,550 employees operating across North America, Europe, Asia Pacific, and the Middle East. For more information, please visit www.aresmgmt.com.

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 our filings with the Securities and Exchange Commission. Ares Management Corporation undertakes no duty to update any forward-looking statements.

BlueCove Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Any forward-looking statements herein are inherently subject to material business, economic and competitive risks and uncertainties, many of which are beyond BlueCove's control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. There can be no assurance that an investment strategy or approach will be successful. Historic market trends and behaviours are not a reliable indicator of future market behaviour or performance, nor can they be used to reliably infer the future performance of any investment strategy or approach.

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