

# Ares Management Corporation Closes \$3.7 Billion Pathfinder Alternative Credit Fund

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*Final Close for Ares' Flexible Capital Pathfinder Fund at Hard Cap, Exceeding \$2.0 Billion Target*

*First Institutional Fund to Utilize Predefined Structure to Donate Significant Future Carried Interest to Support Charitable Initiatives*

LOS ANGELES--(BUSINESS WIRE)-- Ares Management Corporation (“Ares”) (NYSE: ARES), a leading global alternative investment manager, announced today the final closing of its Ares Pathfinder Fund, L.P. (together with its parallel vehicles, “Pathfinder” or the “Fund”). With \$3.7 billion in total commitments closed, the Fund was significantly oversubscribed at its hard cap and exceeded its original target of \$2.0 billion.

Pathfinder is managed by Ares' Alternative Credit team, which pursues a differentiated strategy of providing tailored financial solutions for owners of large, diversified portfolios of assets that generate predictable and contractual cash flows throughout market cycles. Pathfinder is the team's flagship global Fund that invests in alternative credit assets that are often sourced in the financing gaps found between the credit, private equity and real estate sectors. As of December 31, 2020, the Ares Alternative Credit strategy managed approximately \$13 billion in assets under management across more than 25 funds and has a dedicated team of approximately 40 investment professionals.

Pathfinder also has a unique social impact purpose. Ares and Pathfinder's portfolio managers have committed to donating at least 10% of the Fund's carried interest profits to global health and education charities. Ares will partner with non-profit organizations that it has identified with a track record of delivering high value per charitable dollar contributed. Ares believes Pathfinder is the first institutional private investment fund to utilize a predefined structure to make such a substantial commitment to charitable activities.

Pathfinder attracted strong interest from over 80 global investors with representation across North America, Europe, Asia, Australia and the Middle East diversified by type across public and corporate pension funds, sovereign wealth funds, insurance companies, endowments and foundations, family offices and asset managers. The Fund was well-received by new and existing clients of Ares, with approximately 34% of commitments representing investors new to Ares.

“We are grateful for this strong vote of confidence from our investors in our alternative credit strategy and its new flagship fund,” said Kipp deVeer, Partner and Head of the Ares Credit Group. “We see distinct similarities between today's alternative credit market and the corporate direct lending market of ten years ago. We have strong conviction that there is a sizable and growing market to make attractive investments in this important asset class and we intend to continue to invest time, capital and resources to support this growth.”

“Since the expansion of our alternative credit strategy a few years ago, we have experienced strong demand for our strategy, leading to a doubling of our assets under management over the past two years. Investors appreciate our emphasis on downside protection and capital protection, and the uncorrelated, income-oriented returns that we seek to deliver across market cycles,” said Keith Ashton, Partner and Co-Head of Alternative Credit. “As market leaders in alternative credit

investing, we look forward to continuing to provide our business partners with innovative, flexible capital solutions that fall outside of traditional, well-defined markets.”

“We are very pleased to see our investors’ shared enthusiasm for Pathfinder’s alternative credit opportunities and their support for Ares’ commitment to investing in global health and education to help save lives and drive greater equality,” said Joel Holsinger, Partner and Co-Head of Alternative Credit. “Pathfinder’s dual purpose seeks to provide compelling risk adjusted investment returns, while also delivering resources to global charities as they work to have a real impact on the lives of people who live in extreme poverty.”

#### **About Ares Alternative Credit**

Ares' Alternative Credit strategy focuses on direct lending and investing in assets that generate contractual cash flows and fills gaps in the capital markets between credit, private equity and real estate. Ares Alternative Credit targets investments across the capital structure in specialty finance, lender finance, loan portfolios, equipment leasing, structured products, net lease, cash flow streams (royalties, licensing, management fees), and other asset-focused investments. Co-Headed by Keith Ashton and Joel Holsinger, Ares Alternative Credit leverages a broadly skilled and cohesive team of approximately 40 investment professionals as of December 31, 2020.

#### **About Ares Management Corporation**

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating integrated groups across Credit, Private Equity, Real Estate and Strategic Initiatives. Ares Management’s investment groups collaborate to deliver innovative investment solutions and consistent, attractive investment returns for fund investors throughout market cycles. As of December 31, 2020, Ares Management's global platform had approximately \$197 billion of assets under management with more than 1,450 employees operating across North America, Europe and Asia Pacific. For more information, please visit [www.aresmgmt.com](http://www.aresmgmt.com).

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