

# Ares Management Closes Fourth European Direct Lending Fund at €6.5 Billion

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LONDON & LOS ANGELES--(BUSINESS WIRE)-- Ares Management, L.P. (NYSE:ARES) announced today the final closing of its fourth European direct lending fund, Ares Capital Europe IV ("ACE IV"). Within six months of its launch, ACE IV was significantly oversubscribed relative to its initial target of €4.5 billion, closing at its hard cap of €6.5 billion of total commitments. ACE IV is the largest European direct lending fund raised to date. This fundraise represents a significant increase from ACE IV's predecessor fund, Ares Capital Europe III ("ACE III"), which held its final close in May 2016 at €2.5 billion. Including anticipated leverage, the total available capital for ACE IV will be approximately €10.0 billion.

ACE IV attracted backing from a diverse group of more than 125 investors, including 59 investors new to Ares. The group of global investors included pension funds, insurance companies, sovereign wealth funds, endowments, a private banking platform and family offices. Overall, ACE IV received strong support from current investors, with approximately 70% of commitments coming from existing Ares investors. ACE IV will be the first Ares European direct lending fund to offer an unlevered sleeve, a structure that has brought a number of first time investors to the Ares platform.

ACE IV will continue Ares' strategy of providing flexible, one-stop and scaled capital solutions to mid-market companies across Europe. Ares has one of Europe's largest dedicated direct lending teams, with more than 40 investment professionals and offices in London, Paris, Stockholm and Frankfurt. These professionals cover the United Kingdom as well as Southern, Northern and Central Europe. The team has invested more than €12 billion since inception and approximately €4 billion in 25 new platform transactions and 25 add-ons over the last twelve months through March 31, 2018. ACE IV has already started to benefit from the team's robust investment pipeline, having committed to several investments to date.

"ACE IV's scale underscores the attractive investment opportunities available in the European market today and the confidence that investors have in Ares as a strong steward of their capital," said Blair Jacobson, Co-Head of the Ares European direct lending strategy and Partner in the Ares Credit Group. "We are pleased that investors have continued to support our strategy as our deployment has increased over time. Our momentum is a result of the growth in our origination capabilities, the acceptance of direct lending across the European countries where we have a meaningful and long-standing presence, and the benefits of incumbency, which are becoming even more pronounced."

"With the increased scale of our platform, we can lead increasingly larger transactions to support the growth, acquisitions and changing needs of European middle market companies," said Michael Dennis, Co-Head of the Ares European direct lending strategy and Partner in the Ares Credit Group. "However, we remain very active in the lower end of the market as well. Approximately half of our investments last year were in companies with EBITDA of €15 million or less, as our large capital base gives us the ability to support their financing needs beyond our initial debt investment."

Ares was one of the first managers to operate in the European direct lending market since launching in 2007. Over the past 11 years, the team has completed more than 150 direct lending investments alongside nearly 100 private equity sponsors. The European direct lending platform is part of the Credit Group at Ares, which manages approximately \$85 billion in global assets under management

as of March 31, 2018, pro forma for ACE IV. This includes approximately \$55 billion in direct lending across the U.S. and Europe. The Ares European direct lending strategy has grown to become one of the region's largest with over \$20 billion of assets under management as of March 31, 2018 and pro forma for ACE IV.

"ACE IV follows the success we have had in our U.S. direct lending business, where we have consistently invested in our origination and portfolio management capabilities ahead of asset growth," added Kipp deVeer, Partner and Head of the Ares Credit Group. "We look forward to continue investing in the U.K. and European private credit markets, and with this fund, we will be able to provide a wide range of credit investment solutions to our stakeholders. We are grateful for the support of our investors and their confidence in the strength of our leading market position."

### **About Ares Management**

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$112.5 billion of assets under management as of March 31, 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. For more information, visit [www.aresmgmt.com](http://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, L.P. undertakes no duty to update any forward-looking statements made herein.

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