

Ares Australia Management Launches Ares Global Credit Income Fund

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The Fund Offers Australian Investors Access to a Higher Income Strategy with a Focus on Capital Preservation and Additional Diversification from Traditional Investments in Their Portfolios

SYDNEY--(BUSINESS WIRE)-- Ares Australia Management (“AAM”), the strategic joint venture between one of the leading global credit and alternative investment managers Ares Management Corporation (NYSE: ARES) (“Ares”) and Fidante Partners, today launched its first Australian product, the Ares Global Credit Income Fund (the “Fund”).

The Fund was developed to meet the strong demand from Australian investors for strategies that aim to deliver high levels of income with a focus on capital preservation while lowering concentration risks in their investment portfolios.

“In this volatile, uncertain and low interest rate environment, investors are focused on finding reliable sources of higher income without risking severe capital losses and with better risk diversification than traditional investments in their portfolios,” said Ares Australia Management Head Teiki Benveniste. “In Australia, a lot of investors looking for higher levels of income have historically invested in Australian bank equity or hybrid securities. Fixed income investments also have significant exposure to banks and structured products backed by local mortgages. The Ares Global Credit Income Fund seeks to meet this need for higher income and diversification in a different way.”

The Fund is an actively-managed dynamic and flexible strategy designed for shifting markets to generate steady income with a focus on capital preservation. Ares has delivered compelling risk-adjusted returns to investors for more than two decades through different cycles, with a demonstrated record of outperforming in times of market dislocation. Ares’ U.S. and London-based senior portfolio managers average more than 20 years of investing experience and have a long history of attractive performance in underwriting and managing credit across the Fund’s investable asset classes: corporate bonds, bank loans and asset backed securities.

The Fund has a target distribution of 3% to 4% per annum paid monthly. Seeking to generate stable income, the Fund expects to invest in a highly diversified portfolio of carefully selected credit issuers.

“Ares Australia Management’s ambition is to become one of Australia’s leading credit and alternative asset managers,” added Mr. Benveniste. “With approximately 1,200 employees across the world and US\$149 billion¹ of assets under management, Ares Management Corporation has a leading and award-winning investment platform that originates and manages investments across the full credit spectrum including corporate bonds, bank loans, private direct lending and asset-backed finance, as well as other alternative asset classes such as private equity, real estate and infrastructure. AAM will provide Australian investors access to these investment solutions to meet their investment needs.”

The Ares Global Credit Income Fund is the first of several products that AAM expects to launch in Australia over the next two years.

Looking specifically at the opportunity set in credit, over US\$110 billion of Ares' total AUM of US\$149 billion is managed across the full credit spectrum.¹

David Sachs, Partner in Ares Management Corporation's Strategy and Relationship Management Group said: "At Ares, a continued focus on capital preservation is paramount, and with local market presence in the United States and Europe, I believe Ares is well-positioned to capitalise on the convergence of the traditional and non-traditional credit markets. There is a US\$4 trillion opportunity set across the U.S. and European corporate bond, bank loan and alternative credit markets. With our multi-asset framework designed to capture real-time shifts in relative value across asset classes, market dislocations, and idiosyncratic credit opportunities, we focus on assets that offer enhanced income and shorter duration."

"Our time-tested investment process with a focus on capital preservation has also delivered a low historical default rate. In corporate bonds and bank loans, Ares' strategies have shown resilience in times of stress versus the broader market," Mr. Sachs added.

Challenger Funds Management Chief Executive Nick Hamilton said: "The joint venture with Ares is designed to bring Australian investors access to one of the world's leading alternative credit managers. With the disruption seen globally from COVID-19, there is no more important time for the depth and skill of Ares who invest across the credit universe, an asset class that will continue to grow in importance for investors in Australia. The disruption across markets today is bringing the Ares investment team opportunities and the launch of the Ares Global Credit Income Fund is ideally timed."

About Ares Australia Management

Ares Australia Management is a credit and alternative investment manager formed through a strategic joint venture between Ares Management Corporation and Fidante Partners to coordinate marketing and investment management of investor capital from Australia and New Zealand for Ares' various credit, private equity and real estate strategies. Ares Australia Management aims to provide local investors with access to expertise in credit and other alternative investments to deliver high-quality diversified returns for investors' portfolios.

About Ares Management Corporation

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating three integrated businesses across Credit, Private Equity and Real Estate. Ares Management's investment groups collaborate to deliver innovative investment solutions and consistent and attractive investment returns for fund investors throughout market cycles. Ares Management's global platform had US\$149 billion in assets under management as of March 31, 2020 with more than 1,200 employees in over 20 offices in more than 10 countries. Please visit www.aresmgmt.com for additional information.

About Fidante Partners

Fidante Partners is an investment management company that partners with specialist asset management firms to deliver compelling opportunities to an international investor base. Fidante is one of Australia's leading multi-boutique asset managers with more than A\$56 billion of funds under management as of 31 March 2020. Fidante Partners is part of Challenger Limited.

The Fidante Partners boutique stable includes Alphinity Investment Management, Ardea Investment Management, Ares Australia Management, Avenir Capital, Bentham Asset Management, Eiger

Capital, Greencape Capital, Kapstream Capital, Lennox Capital Partners, Merlon Capital Partners, NovaPort Capital, Resonance Asset Management, WaveStone Capital and Whitehelm Capital.

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 (United States). None of Ares, Ares Australia Management, Challenger Limited or Fidante Partners undertakes any duty to update any forward-looking statements made herein.

Nothing in this press release constitutes an offer to sell or solicitation of an offer to buy any securities of Ares, Ares Australia Management, Challenger Limited, Fidante Partners, or an investment fund managed by Ares, Ares Australia Management, Fidante Partners or their respective affiliates.

This media release is provided by Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (“Fidante Partners”). Fidante Partners is the responsible entity of and issuer of interests in the Ares Global Credit Income Fund (Fund). Ares Australia Management Pty Limited ABN 51 636 490 732 (AAM) is the investment manager of the Fund. AAM is an Authorised Representative No. 001280423 of Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante Partners). This media release has been prepared without taking into account any person's objectives, financial situation, needs or residency. Any person receiving the information in this media release should consider the appropriateness of the information, in light of their own objectives, financial situation or needs before acting on the information. The Fund is not intended for U.S. persons and is not being offered in the United States or to U.S. persons. Persons receiving this information should obtain and read the Product Disclosure Statement (PDS) and Additional Information Booklet (AIB) relating to the Fund before making any decision about whether to acquire the Fund.

¹ Ares Management Corporation, as at 31 March 2020

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