

Ares Management Closes Senior Direct Lending Fund II at \$14 Billion with Expected Leverage

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Ares Holds Final Closes of Oversubscribed Senior and Junior U.S. Direct Lending Funds Within the Past Two Months Totaling \$19 Billion Including Expected Leverage

LOS ANGELES--(BUSINESS WIRE)-- Ares Management Corporation (“Ares”) (NYSE: ARES), a leading global alternative investment manager, announced today the final closing of Ares Senior Direct Lending Fund II (“SDL II” or the “Fund”). With total equity commitments of approximately \$8 billion, SDL II was significantly oversubscribed relative to its initial target of \$4.5 billion. The Fund is over 2.6x the size of its 2018 predecessor fund of \$3 billion. Including anticipated leverage, the total capital base for SDL II is expected to be approximately \$14 billion. SDL II, together with the recently announced final close of Ares Private Credit Solutions II (“PCS II”) at \$5.1 billion in October of 2021, brings the total commingled fund capital raised by the Ares U.S. direct lending team for the second vintages of these two flagship fund families to over \$19 billion, including anticipated leverage.

Through SDL II, Ares provides directly originated senior secured loans to middle market companies primarily in North America. Ares has deployed the same strategy in SDL II as its predecessor fund, SDL I, with investments in companies of \$10 million to over \$150 million of EBITDA where Ares acts primarily as the lead investor. Ares seeks to invest in companies that maintain a strong competitive position in their respective markets with experienced management teams and strong free cash flow characteristics. SDL II has already deployed significant capital with the Fund committing over 30% of its investable capital base across a diverse portfolio of over 70 companies.

The Fund benefits from the significant direct origination capabilities, incumbency and scaled capital base of the Ares U.S. direct lending platform that allows the team to identify, evaluate and execute on attractive investment opportunities in the middle market. With over 380 portfolio companies and more than \$85 billion of capital invested since its inception, we believe that the direct lending team’s experience will benefit borrowers and provide opportunities for investors to receive attractive risk adjusted returns. Ares operates a leading global direct lending platform, with over \$125 billion in assets under management in North America, Europe and the Asia-Pacific region.

“We are thankful for the continued support of both new and existing investors for our second senior direct lending fund,” said Kipp deVeer, Partner and Head of the Ares Credit Group. “The over \$19 billion of capital between PCS II and SDL II is a testament to the capabilities, scale and market leading position of the Ares U.S. direct lending platform.”

“Ares’ established investment approach, which emphasizes direct origination and lending to businesses with high quality management teams and strong sponsorship has remained consistent over the last seventeen years,” said Mitch Goldstein, Partner and Co-Head of the Ares Credit Group. “We believe our senior team’s experience of investing together through multiple cycles and prolonged dislocations is a strong differentiator in the market today.”

“As investors continue their hunt for yield, we believe directly originated senior secured loans in North American middle market companies offer attractive relative value in a low interest rate environment while also providing investors with opportunities for attractive current income with reduced volatility,” said Mark Affolter, Partner and Co-Head of U.S Direct Lending.

“We are pleased to provide our flexible capital solutions to our borrowers, who increasingly seek to partner with lenders of scale such as Ares,” said Dave Schwartz, Partner and Co-Head of U.S Direct Lending. “We look forward to continuing to be a capital provider of choice to leading financial sponsors and middle market companies.”

SDL II attracted strong support from a broad and diverse group of investors from North America, Europe, Asia, Africa and the Middle East with support from both existing investors and new investors to the Ares platform. SDL II’s 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.

About Ares Management Corporation

Ares Management Corporation (NYSE: ARES) 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 September 30, 2021, Ares Management Corporation's global platform had approximately \$282 billion of assets under management, with approximately 2,000 employees operating across North America, Europe, Asia Pacific and the Middle East. For more information, please visit www.aresmgmt.com. Follow Ares on Twitter @Ares_Management.

Ares Credit Group

The Ares U.S. direct lending team is part of the Ares Credit Group, which managed approximately \$181 billion in global assets under management, as of September 30, 2021. The Ares Credit Group has over 325 investment professionals with investments in more than 2,900 companies across over 210 funds.

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, including the ability to obtain and maintain the anticipated leverage for SDL II. 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 Management Corporation’s 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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