

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

**FORM 8-K
CURRENT REPORT**
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported) **February 8, 2024**

ARES MANAGEMENT CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36429
(Commission
File Number)

80-0962035
(IRS Employer
Identification No.)

2000 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067
(Address of principal executive office) (Zip Code)

(310) 201-4100
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	ARES	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 8, 2024, the registrant issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2023. The text of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information disclosed under this Item 2.02, including Exhibit 99.1 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On February 8, 2024, the registrant issued a press release announcing the declaration of a quarterly dividend of \$0.93 per share of its Class A common stock, payable on March 29, 2024 to its Class A common stockholders of record as of March 15, 2024. The registrant also issued a detailed earnings presentation announcing its financial results for the fourth quarter and year ended December 31, 2023. The text of the press release and earnings presentation is included as Exhibit 99.1 and Exhibit 99.2, respectively, to this Form 8-K.

The information disclosed under this Item 7.01, including Exhibit 99.1 and 99.2 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:	
<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of Ares Management Corporation, dated February 8, 2024
99.2	Earnings Presentation of Ares Management Corporation, dated February 8, 2024
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARES MANAGEMENT CORPORATION

Dated: February 8, 2024

By: /s/ Jarrod Phillips
Name: Jarrod Phillips
Title: Chief Financial Officer
(Principal Financial & Accounting Officer)



ARES MANAGEMENT CORPORATION REPORTS FOURTH QUARTER AND FULL YEAR 2023 RESULTS

NEW YORK--Ares Management Corporation (NYSE:ARES) today reported its financial results for its fourth quarter and full year ended December 31, 2023.

GAAP net income attributable to Ares Management Corporation was \$174.0 million and \$474.3 million, respectively, for the quarter and year ended December 31, 2023. On a basic basis, net income attributable to Ares Management Corporation per share of Class A and non-voting common stock was \$0.88 and \$2.44, respectively, for the quarter and year ended December 31, 2023. On a diluted basis, net income attributable to Ares Management Corporation per share of Class A and non-voting common stock was \$0.86 and \$2.42, respectively, for the quarter and year ended December 31, 2023.

After-tax realized income was \$400.4 million and \$1,185.7 million, respectively, for the quarter and year ended December 31, 2023. After-tax realized income per share of Class A and non-voting common stock was \$1.21 and \$3.65, respectively, for the quarter and year ended December 31, 2023. Fee related earnings were \$368.7 million and \$1,163.7 million, respectively, for the quarter and year ended December 31, 2023.

"In 2023, we generated significant year-over-year growth in many of our key financial metrics, continued our fundraising momentum, and accelerated our investment activity, resulting in a strong quarter to end the year," said Michael Arougheti, Chief Executive Officer and President of Ares. "We raised \$21 billion in the fourth quarter and more than \$74 billion for the year, our second highest level ever, as we continue to expand our investment platform and generate compelling investment performance."

"We ended the year with a record level of available capital of \$111 billion, positioning us to invest opportunistically and drive continued strong growth in our key financial metrics," said Jarrod Phillips, Chief Financial Officer of Ares. "We are experiencing growing contributions from the more recent investments we have made to expand our investment platform, and we are excited about their future growth in the coming years."

Common Stock Dividend

Ares declared a quarterly dividend of \$0.93 per share of its Class A and non-voting common stock, payable on March 29, 2024 to its Class A and non-voting common stockholders of record at the close of business on March 15, 2024.

Dividend Reinvestment Program

Ares has a Dividend Reinvestment Program for its Class A common stockholders that will be effective for the quarterly dividend on March 29, 2024. Equiniti Trust Company is engaged to administer the plan on behalf of Ares. Additional information can be located on the Investor Resources section of our website.

Additional Information

Ares issued a full detailed presentation of its fourth quarter and full year 2023 results, which can be viewed at www.aresmgmt.com on the Investor Resources section of our home page under Events and Presentations. The presentation is titled "Fourth Quarter and Full Year 2023 Earnings Presentation."

2024 Annual Stockholders Meeting

The Board of Directors set April 5, 2024 as the record date for Ares' 2024 Annual Meeting of Stockholders. The 2024 Annual Meeting of Stockholders will be held on June 4, 2024.

Conference Call and Webcast Information

Ares will host a conference call on February 8, 2024 at 11:00 a.m. (Eastern Time) to discuss fourth quarter and full year results. All interested parties are invited to participate via telephone or the live webcast, which will be hosted on a webcast link located on the Home page of the Investor Resources section of our website at www.aresmgmt.com. Please visit the website to test your connection before the webcast. Domestic callers can access the conference call by dialing +1 (800) 245-3047. International callers can access the conference call by dialing +1 (203) 518-9783. All callers are asked to dial in 10-15 minutes prior to the call so that name and company information can be collected. For interested parties, an archived replay of the call will be available through March 8, 2024 to domestic callers by dialing +1 (800) 753-5212 and to international callers by dialing +1 (402) 220-2673. An archived replay will also be available through March 8, 2024 on a webcast link located on the Home page of the Investor Resources section of our website.

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 December 31, 2023, Ares Management Corporation's global platform had approximately \$419 billion of assets under management with approximately 2,850 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 contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which reflect our current views with respect to, among other things, future events, operations and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "predicts," "intends," "plans," "estimates," "anticipates," "foresees" or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. Actual results may vary materially from those indicated in these 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 does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Nothing in this press release constitutes an offer to sell or solicitation of an offer to buy any securities of Ares or an investment fund managed by Ares or its affiliates.

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Earnings Presentation
Fourth Quarter and Full Year 2023

Important Notice

This presentation is prepared for Ares Management Corporation (“Ares”) (NYSE: ARES) for the benefit of its public stockholders. This presentation is solely for information purposes in connection with evaluating the business, operations and financial results of Ares and certain of its affiliates. Any discussion of specific Ares entities is provided solely to demonstrate such entities’ role within the Ares organization and their contribution to the business, operations and financial results of Ares. This presentation may not be referenced, quoted or linked by website, in whole or in part, except as agreed to in writing by Ares.

This presentation contains “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. Forward-looking statements can be identified by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “foresees” or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of Ares, as well as those described in the “Risk Factors” section of our filings with the Securities and Exchange Commission (“SEC”). These factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included in our periodic filings. Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and speak only as of the date of this presentation. Ares assumes no obligation to update or revise any such forward-looking statements except as required by law.

Certain information discussed in this presentation was derived from third party sources and has not been independently verified and, accordingly, Ares makes no representation or warranty in respect of this information and assumes no responsibility for independent verification of such information.

The following slides contain summaries of certain financial and statistical information about Ares. The information contained in this presentation is summary information that is intended to be considered in the context of Ares’ SEC filings and other public announcements that Ares may make, by press release or otherwise, from time to time. Ares undertakes no duty or obligation to publicly update or revise these statements or other information contained in this presentation. In addition, this presentation contains information about Ares, its affiliated funds and certain of their respective personnel and affiliates, and their respective historical performance. You should not view information related to the past performance of Ares and its affiliated funds as indicative of future results.

Certain information set forth herein includes estimates and targets and involves significant elements of subjective judgment and analysis. No representations are made as to the accuracy of such estimates or targets or that all assumptions relating to such estimates or targets have been considered or stated or that such estimates or targets will be realized. Further, certain fund performance information, unless otherwise stated, is before giving effect to management fees, carried interest or incentive fees and other expenses.

This presentation does not constitute, and shall not be construed as, an offer to buy or sell, or the solicitation of an offer to buy or sell, any securities, investment funds, vehicles or accounts, investment advice, or any other service by Ares or any of its affiliates or subsidiaries. Nothing in this presentation constitutes the provision of tax, accounting, financial, investment, regulatory, legal or other advice by Ares or its advisors.

Management uses certain non-GAAP financial measures, including Assets Under Management, Fee Paying Assets Under Management, Fee Related Earnings and Realized Income to evaluate Ares’ performance and that of its business segments. Management believes that these measures provide investors with a greater understanding of Ares’ business and that investors should review the same supplemental non-GAAP financial measures that management uses to analyze Ares’ performance. The measures described herein represent those non-GAAP measures used by management, in each case, before giving effect to the consolidation of certain funds within its results in accordance with GAAP. These measures should be considered in addition to, and not in lieu of, Ares’ financial statements prepared in accordance with GAAP. The definitions and reconciliations of these measures to the most directly comparable GAAP measures, as well as an explanation of why we use these measures, are included in the Glossary. Amounts and percentages may reflect rounding adjustments and consequently totals may not appear to sum.

For the definitions of certain terms used in this presentation, please refer to the “Glossary” slide in the appendix.

The results contained in this presentation are made as of December 31, 2023, unless another time is specified in relation to them, and access to this presentation at any given time shall not give rise to any interpretation that there has been no change in the facts set forth in this presentation since that date.

Fourth Quarter and Full Year 2023 Highlights

<p>Assets Under Management</p>	<ul style="list-style-type: none"> Total Assets Under Management (“AUM”) of \$418.8 billion Total Fee Paying AUM (“FPAUM”) of \$261.7 billion Available Capital of \$111.4 billion AUM Not Yet Paying Fees available for future deployment of \$62.9 billion Raised \$21.1 billion and \$74.5 billion in gross new capital with net inflows of capital⁽¹⁾ of \$19.2 billion and \$68.3 billion for Q4-23 and FY-23, respectively Capital deployment of \$24.0 billion and \$68.1 billion during Q4-23 and FY-23, respectively, including \$15.4 billion and \$42.5 billion, respectively by our drawdown funds for these periods
<p>Q4-23 and FY-23 Financial Results</p>	<ul style="list-style-type: none"> GAAP net income attributable to Ares Management Corporation of \$174.0 million and \$474.3 million, respectively GAAP basic earnings per share of Class A and non-voting common stock of \$0.88 and \$2.44, respectively and diluted earnings per share of Class A and non-voting common stock of \$0.86 and \$2.42, respectively GAAP management fees of \$697.8 million and \$2,551.2 million, respectively Unconsolidated management fees and other fees of \$725.4 million and \$2,663.6 million, respectively⁽²⁾ Fee Related Performance Revenues of \$173.5 million and \$180.4 million, respectively Fee Related Earnings of \$368.7 million and \$1,163.7 million, respectively Realized Income of \$434.6 million and \$1,265.5 million, respectively After-tax Realized Income of \$1.21 and \$3.65 per share of Class A and non-voting common stock, respectively
<p>Corporate Actions</p>	<ul style="list-style-type: none"> Declared quarterly dividend of \$0.93 per share of Class A and non-voting common stock, which is payable on March 29, 2024 to shareholders of record as of March 15, 2024
<p>Recent Developments</p>	<ul style="list-style-type: none"> On October 2, 2023, Ares completed the acquisition of Crescent Point Capital (“Crescent Point”), a leading Asia-focused private equity firm, increasing AUM by \$3.7 billion. The activities of Crescent Point are presented within the APAC private equity strategy within the Private Equity Group

1. Net inflows of capital represents gross capital commitments less redemptions.

2. Unconsolidated management fees includes \$12.4 million and \$48.2 million from Consolidated Funds that are eliminated upon consolidation for Q4-23 and FY-23, respectively and excludes management fees attributable to certain joint venture partners. Unconsolidated other fees represents \$22.0 million and \$92.1 million for Q4-23 and FY-23, respectively and excludes administrative fees that are presented as a reduction to respective expenses and administrative fees attributable to certain joint venture partners.

Gross New Capital Commitments⁽¹⁾

\$ in billions	Q4 2023	FY 2023	Full Year Commentary
Credit Group			
U.S. Direct Lending	\$3.7	\$18.5	Equity and debt commitments to various funds, including equity commitments of \$8.3 billion and debt commitments of \$2.0 billion for our third U.S. senior direct lending fund
Business Development Companies	1.8	6.0	Capital raised by ARCC and affiliates of \$3.8 billion and capital raised by ASIF of \$2.2 billion
European Direct Lending	4.6	16.3	Equity and debt commitments to various funds, including equity commitments of \$10.2 billion and debt commitments of \$2.7 billion for our sixth European direct lending fund
Alternative Credit	0.9	8.8	Equity commitments to various funds, including total equity commitments of \$6.6 billion for Ares Pathfinder II, L.P. ("Pathfinder II") and equity commitments of \$1.0 billion and debt commitments of \$0.4 billion for an open-ended core alternative credit fund
Liquid Credit	1.0	2.8	Equity commitments to various funds
CLOs	0.9	2.0	Closed three new U.S. CLOs and one new European CLO
Asia Credit	0.1	0.6	Equity and debt commitments to various funds, including final equity commitments of \$0.2 billion for Ares SSG Capital Partners VI, L.P. ("SSG Fund VI"), bringing total commitments to \$2.4 billion
Other	0.1	0.4	Unallocated equity commitments to the platform
Total Credit Group	\$13.1	\$55.4	
Private Equity Group			
Corporate Private Equity	\$1.4	\$1.5	Equity commitments to various funds, including \$1.4 billion to our seventh corporate private equity fund
Other	0.1	0.1	Unallocated equity commitments to the platform
Total Private Equity Group	\$1.5	\$1.6	
Real Assets Group			
U.S. Real Estate Equity	\$0.9	\$1.9	Equity commitments to various funds, including \$1.7 billion to our fourth U.S. opportunistic real estate equity fund
Non-traded REITs	0.3	1.3	Capital raised of \$0.7 billion by AIREIT and \$0.6 billion by AREIT
Infrastructure Opportunities	0.5	1.2	Equity commitments to our second climate infrastructure fund
European Real Estate Equity	0.6	1.1	Equity and debt commitments to various funds, including final equity commitments of \$0.1 billion for Ares European Real Estate Fund VI, L.P. ("EF VI"), bringing total commitments to \$1.7 billion
Real Estate Debt	0.3	1.0	Equity and debt commitments to various funds
Infrastructure Debt	0.4	0.4	Equity commitments to an infrastructure debt vehicle
Total Real Assets Group	\$3.0	\$6.9	
Secondaries Group			
Credit Secondaries	\$0.4	\$1.3	Equity commitments to various funds
Real Estate Secondaries	0.4	0.9	Equity commitments to various funds, including final equity commitments of \$0.8 billion for Landmark Real Estate Fund IX, L.P. ("LREF IX"), bringing total commitments to \$3.3 billion
Infrastructure Secondaries	0.5	0.7	Equity commitments to our third infrastructure secondaries fund
Private Equity Secondaries	0.5	0.6	Capital raised of \$0.3 billion by APMF and equity commitments to various funds
Other	–	0.1	Unallocated equity commitments to the platform
Total Secondaries Group	\$1.8	\$3.6	
Other			
Insurance	\$1.7	\$6.5	Additional managed assets
Ares Acquisition Corporation II (NYSE: AACT) ("AAC II")	–	0.5	Capital raised in the initial public offering for our second special purpose acquisition company
Total Other	\$1.7	\$7.0	
Total	\$21.1	\$74.5	

1. Represents gross new capital commitments during the period presented, including equity and debt commitments, and gross inflows into our open-ended managed accounts, publicly-traded vehicles and non-traded vehicles. Commitments denominated in currencies other than U.S. dollar have been converted at the prevailing quarter-end exchange rate.



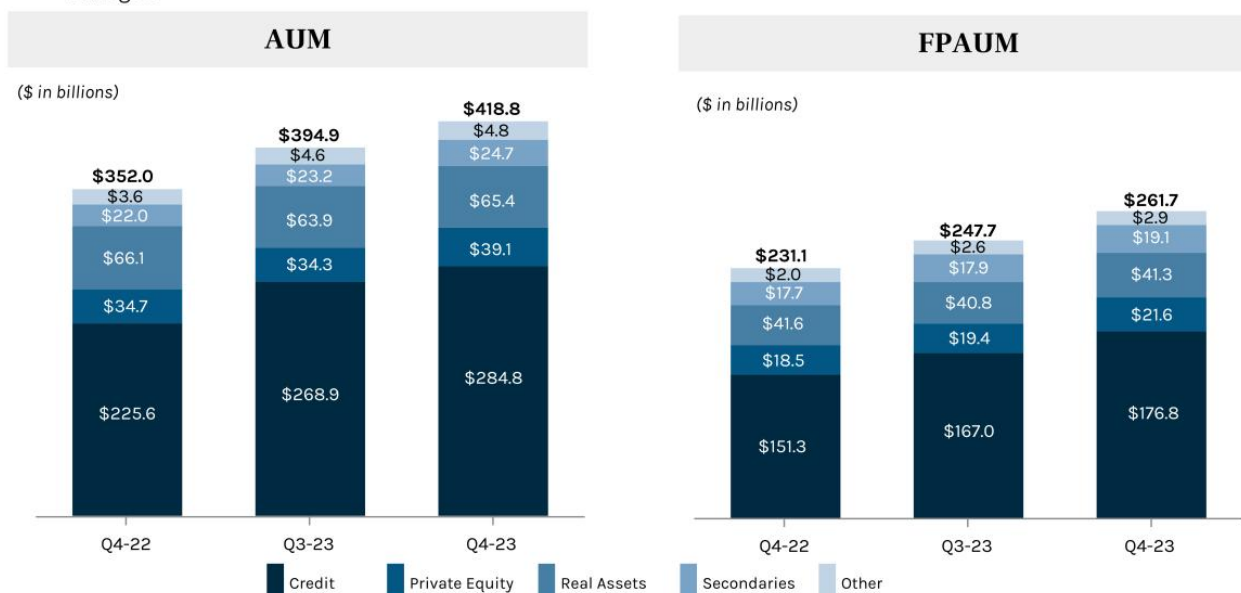
Assets Under Management

AUM as of December 31, 2023 was \$418.8 billion, an increase of 19% from prior year⁽¹⁾

- The increase of \$66.8 billion was primarily driven by:
 - commitments to U.S. direct lending funds, our sixth European direct lending fund and Pathfinder II within Credit;
 - additional managed assets in our insurance platform; and
 - the acquisition of Crescent Point and commitments to our seventh corporate private equity fund within Private Equity

FPAUM as of December 31, 2023 was \$261.7 billion, an increase of 13% from prior year

- The increase of \$30.6 billion was primarily driven by:
 - the deployment of capital in funds across our U.S. and European direct lending, alternative credit and special opportunities strategies



1. AUM amounts include vehicles managed by Ivy Hill Asset Management, LP, a wholly owned portfolio company of ARCC and a SEC-registered investment adviser ("IHAM").



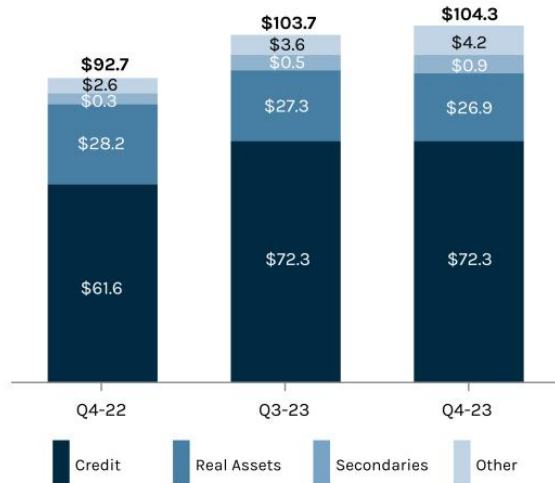
Perpetual Capital

Perpetual Capital as of December 31, 2023 was \$104.3 billion, an increase of 13% from prior year

- The increase of \$11.6 billion was primarily driven by:
 - commitments in our U.S. direct lending and alternative credit strategies, capital raised by our business development companies and additional managed assets in our insurance platform

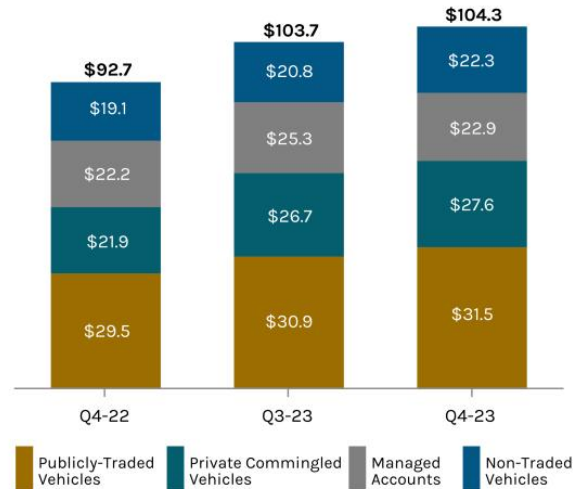
Perpetual Capital AUM

(\$ in billions)



Perpetual Capital by Type

(\$ in billions)

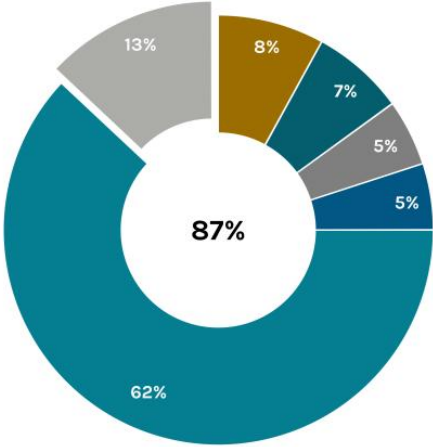


AUM and Management Fees by Type

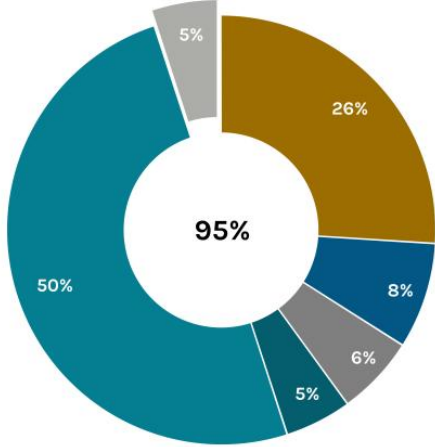
For the year ended December 31, 2023:

- 87% of assets under management were perpetual capital or long-dated funds
- 95% of management fees were earned from perpetual capital or long-dated funds

AUM by Type



Management Fees by Type



1. Long-dated funds generally have a contractual life of five years or more at inception.



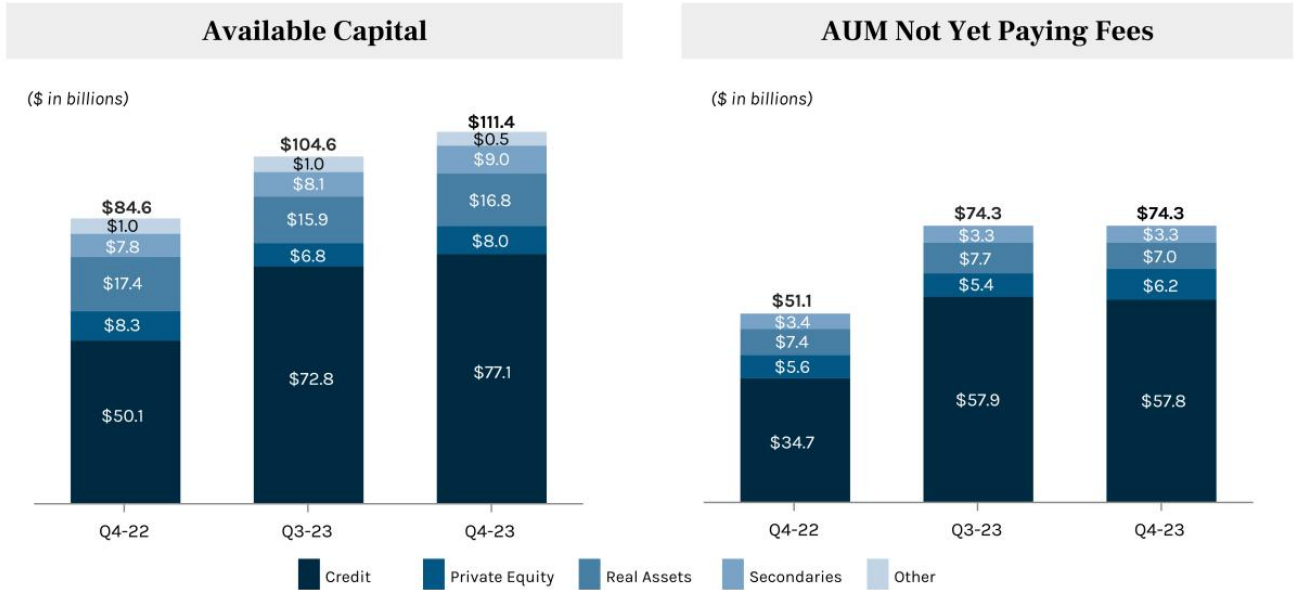
Available Capital and AUM Not Yet Paying Fees

Available Capital as of December 31, 2023 was \$111.4 billion, an increase of 32% from prior year

- The increase of \$26.8 billion was primarily driven by:
 - commitments to the U.S. and European direct lending and alternative credit strategies

AUM Not Yet Paying Fees as of December 31, 2023 was \$74.3 billion, an increase of 45% from prior year

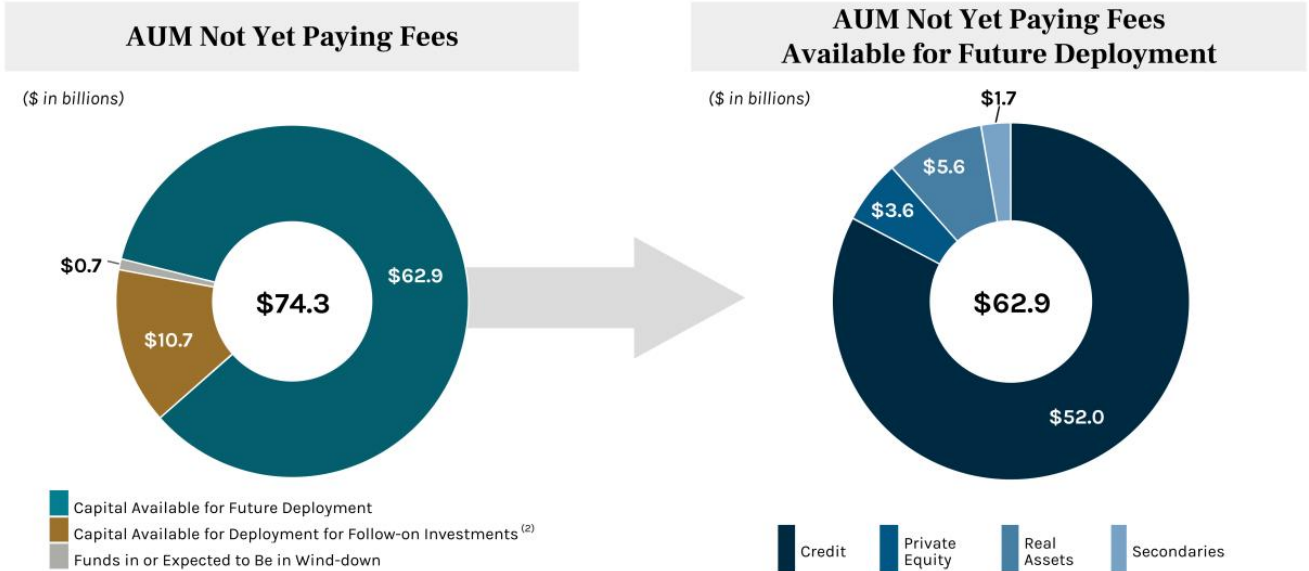
- The increase of \$23.2 billion was primarily driven by:
 - commitments to the U.S. and European direct lending and alternative credit strategies



AUM Not Yet Paying Fees

As of December 31, 2023, AUM Not Yet Paying Fees includes \$62.9 billion of AUM available for future deployment that could generate approximately \$621.6 million in potential incremental annual management fees⁽¹⁾

- The \$62.9 billion of AUM Not Yet Paying Fees available for future deployment primarily includes \$26.4 billion in U.S. direct lending funds, \$13.6 billion in European direct lending funds, \$9.1 billion in alternative credit funds, \$2.8 billion in Asia credit funds, \$2.2 billion in special opportunities funds, \$1.8 billion in infrastructure debt funds and \$1.4 billion in real estate debt funds



1. No assurance can be made that such results will be achieved or capital will be deployed. Assumes the AUM Not Yet Paying Fees as of December 31, 2023 is invested and such fees are paid on an annual basis. Does not reflect any associated reductions in management fees from certain existing funds, some of which may be material. Reference to the \$621.6 million includes approximately \$26.3 million in potential incremental management fees from deploying cash and a portion of undrawn/available credit facilities at ARCC in excess of its leverage at December 31, 2023. Note that no potential Part I Fees are reflected in any of the amounts above.

2. Capital available for deployment for follow-on investments represents capital committed to funds that are past their investment periods but have capital available to be called for follow-on investments in existing portfolio companies. As of December 31, 2023, capital available for deployment for follow-on investments could generate approximately \$101.5 million in additional potential annual management fees. There is no assurance such capital will be invested.

Incentive Eligible AUM and Incentive Generating AUM

Incentive Eligible AUM as of December 31, 2023 was \$244.4 billion, an increase of 20% from prior year

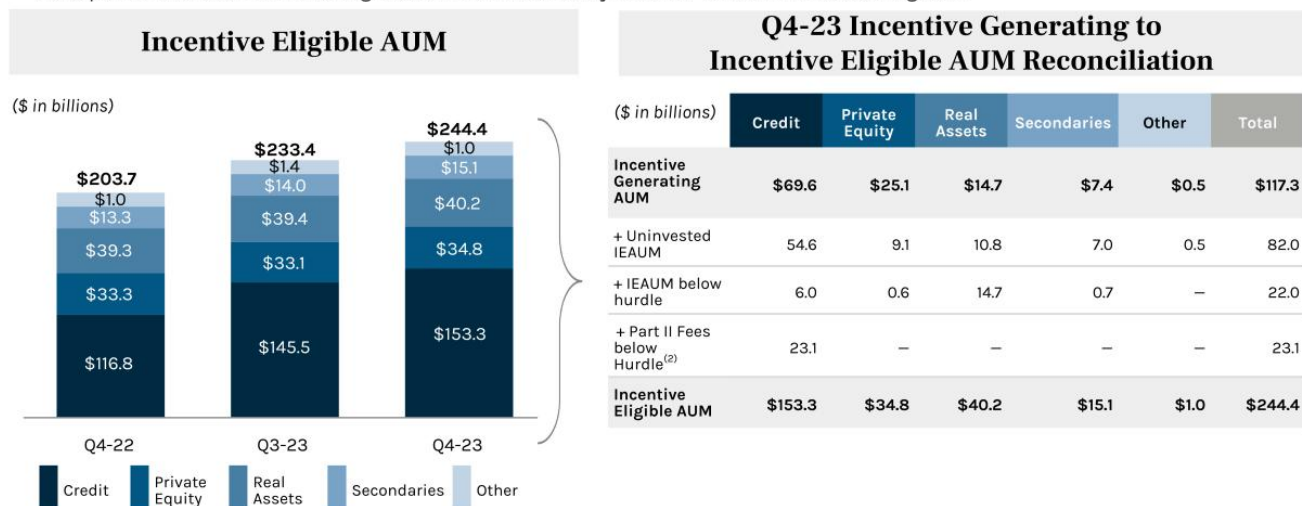
- The increase of \$40.7 billion was primarily driven by:
 - commitments to funds across our U.S. and European direct lending and alternative credit strategies

Incentive Generating AUM⁽¹⁾ as of December 31, 2023 was \$117.3 billion, an increase of 11% from prior year

- The increase was primarily driven by increases in net asset values of certain credit funds resulting in returns exceeding hurdle rates, as well as deployment of capital within credit funds that are generating returns in excess of their hurdle rates as of December 31, 2023

Of the \$162.4 billion of Incentive Eligible AUM that is currently invested, 72% is Incentive Generating AUM

- Excluding the Incentive Eligible AUM associated with Part II Fees,⁽²⁾ which are based on capital gains from the largely debt oriented ARCC portfolio, 84% of Incentive Eligible AUM that is currently invested is Incentive Generating AUM



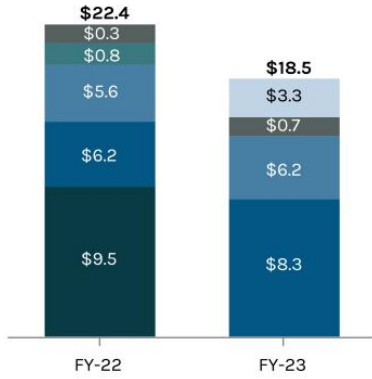
1. Incentive Generating AUM includes \$25.6 billion of AUM from funds generating incentive income that is not recognized by Ares until such fees are crystallized or no longer subject to reversal.
 2. Represents Incentive Eligible AUM associated with Part II Fees that are paid in arrears as of the end of each calendar year when the cumulative aggregate realized capital gains exceed the cumulative aggregate realized capital losses and aggregate unrealized capital depreciation, less the aggregate amount of Part II Fees paid in all prior years since inception.

Fee Related Performance Revenues

Fee related performance revenues were \$180.4 million during FY-23, generated primarily in our U.S. and European direct lending strategies

IGAUM by Strategy for Funds Generating Fee Related Performance Revenues

(\$ in billions)



Net Fee Related Performance Revenues⁽¹⁾ by Strategy

(\$ in millions)



1. Fee related performance revenues by strategy is presented net of the associated fee related performance compensation.

Capital Deployment⁽¹⁾

Total Gross Invested Capital during Q4-23 was \$24.0 billion compared to \$21.8 billion during Q4-22

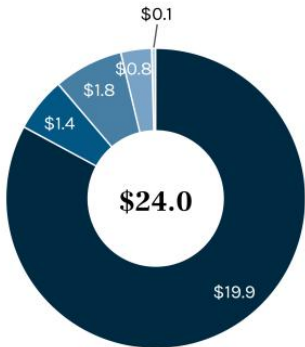
- \$15.4 billion was related to deployment by our drawdown funds in Q4-23 compared to \$14.9 billion in Q4-22
 - Of our drawdown funds, the most active investment strategies were U.S. and European direct lending and alternative credit
- Deployment by our perpetual capital vehicles was \$8.2 billion in Q4-23 compared to \$7.8 billion in Q4-22
 - Of our perpetual capital vehicles, the most active investment strategies were U.S. direct lending and alternative credit

Total Gross Invested Capital during FY-23 was \$68.1 billion compared to \$79.8 billion during FY-22

- \$42.5 billion was related to deployment by our drawdown funds in FY-23 compared to \$51.5 billion in FY-22
- Deployment by our perpetual capital vehicles was \$25.4 billion in FY-23 compared to \$28.1 billion in FY-22

Q4-23 Gross Capital Deployment

(\$ in billions)



Legend: Credit, Private Equity, Real Assets, Secondaries, Other

Capital Deployment in Drawdown Funds

(\$ in billions)



Legend: Credit, Private Equity, Real Assets, Secondaries

1. Capital deployment figures include deployment from perpetual capital vehicles.

GAAP Statements of Operations

\$ in thousands, except share data	Quarter ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Revenues				
Management fees	\$697,846	\$590,083	\$2,551,150	\$2,136,433
Carried interest allocation	76,751	40,233	618,579	458,012
Incentive fees	243,300	271,208	276,627	301,187
Principal investment income (loss)	(2,469)	(3,242)	36,516	12,279
Administrative, transaction and other fees	38,553	39,442	149,012	147,532
Total revenues	1,053,981	937,724	3,631,884	3,055,443
Expenses				
Compensation and benefits	390,865	343,559	1,486,698	1,498,590
Performance related compensation	205,532	202,011	607,522	518,829
General, administrative and other expenses	158,806	132,815	660,146	695,256
Expenses of Consolidated Funds	15,321	8,046	43,492	36,410
Total expenses	770,524	686,431	2,797,858	2,749,085
Other income (expense)				
Net realized and unrealized gains (losses) on investments	72,347	(6,033)	77,573	4,732
Interest and dividend income	7,995	4,335	19,276	9,399
Interest expense	(29,476)	(20,182)	(106,276)	(71,356)
Other income, net	5,887	2,925	4,819	13,119
Net realized and unrealized gains on investments of Consolidated Funds	73,983	65,355	262,700	73,386
Interest and other income of Consolidated Funds	282,553	190,449	995,545	586,529
Interest expense of Consolidated Funds	(213,646)	(145,333)	(754,600)	(411,361)
Total other income, net	199,643	91,516	499,037	204,448
Income before taxes	483,100	342,809	1,333,063	510,806
Income tax expense	59,553	49,619	172,971	71,891
Net income	423,547	293,190	1,160,092	438,915
Less: Net income attributable to non-controlling interests in Consolidated Funds	99,633	70,633	274,296	119,333
Net income attributable to Ares Operating Group entities	323,914	222,557	885,796	319,582
Less: Net income (loss) attributable to redeemable interest in Ares Operating Group entities	558	(886)	226	(851)
Less: Net income attributable to non-controlling interests in Ares Operating Group entities	149,406	105,950	411,244	152,892
Net income attributable to Ares Management Corporation Class A and non-voting common stockholders	\$173,950	\$117,493	\$474,326	\$167,541
Net income per share of Class A and non-voting common stock:				
Basic	\$0.88	\$0.64	\$2.44	\$0.87
Diluted	\$0.86	\$0.62	\$2.42	\$0.87
Weighted-average shares of Class A and non-voting common stock:				
Basic	189,762,660	176,996,146	184,523,524	175,510,798
Diluted	201,161,788	189,829,639	195,773,426	175,510,798

RI and Other Measures Financial Summary

\$ in thousands, except share data (and as otherwise noted)	Quarter ended December 31,			Year ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Management fees ⁽¹⁾	\$703,493	\$592,958	19%	\$2,571,513	\$2,152,528	19%
Fee related performance revenues	173,512	224,384	(23)	180,449	239,425	(25)
Other fees	21,952	24,947	(12)	92,109	94,562	(3)
Compensation and benefits expenses ⁽²⁾	(416,585)	(414,260)	(1)	(1,276,115)	(1,172,504)	(9)
General, administrative and other expenses	(113,646)	(92,286)	(23)	(404,215)	(319,661)	(26)
Fee Related Earnings	368,726	335,743	10	1,163,741	994,350	17
Realized net performance income	77,397	91,025	(15)	133,493	143,480	(7)
Realized net investment loss	(11,550)	(8,445)	(37)	(31,706)	(6,803)	NM
Realized Income	434,573	418,323	4	1,265,528	1,131,027	12
After-tax Realized Income⁽³⁾	\$400,382	\$388,740	3	\$1,185,714	\$1,061,747	12
After-tax Realized Income per share of Class A and non-voting common stock⁽⁴⁾	\$1.21	\$1.21	—	\$3.65	\$3.35	9
Other Data						
Fee Related Earnings margin ⁽⁵⁾	41.0%	39.9%		40.9%	40.0%	
Effective management fee rate ⁽⁶⁾	1.02%	1.02%		1.01%	0.99%	

- Includes Part I Fees of \$104.6 million and \$87.5 million for Q4-23 and Q4-22, respectively, and \$369.1 million and \$266.2 million for FY-23 and FY-22, respectively.
- Includes fee related performance compensation of \$108.0 million and \$139.7 million for Q4-23 and Q4-22, respectively, and \$111.0 million and \$149.5 million for FY-23 and FY-22, respectively.
- For Q4-23, Q4-22, and FY-23, FY-22, after-tax Realized Income includes current income tax related to: (i) entity level taxes of \$9.8 million, \$4.9 million and \$28.6 million, \$17.2 million, respectively, and (ii) corporate level tax expense of \$24.4 million, \$24.7 million and \$51.2 million, \$52.0 million, respectively. For more information regarding after-tax RI, please refer to the "Glossary" slide in the appendix.
- Calculation of after-tax Realized Income per share of Class A and non-voting common stock uses the total average shares of Class A and non-voting common stock outstanding and the proportional dilutive effects of the Ares' equity-based awards. Please refer to slide 27 for additional details.
- Fee related earnings margin represents the quotient of fee related earnings and the sum of segment management fees, fee related performance revenues and other fees.
- Effective management fee rate represents the quotient of management fees and the aggregate fee bases for the periods presented. The effective rate shown excludes the effect of one-time catch-up fees.

GAAP to Non-GAAP Reconciliation – Unconsolidated Reporting Basis

\$ in thousands	Quarter ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Realized Income and Fee Related Earnings:				
Income before taxes	\$483,100	\$342,809	\$1,333,063	\$510,806
Adjustments:				
Amortization of intangibles ⁽¹⁾	30,924	30,444	201,521	308,215
Depreciation expense	8,087	6,844	31,664	26,868
Equity compensation expense ⁽²⁾	62,455	48,271	255,419	198,948
Acquisition-related compensation expense ⁽³⁾	5,503	2,063	7,334	206,252
Acquisition and merger-related expense	1,874	3,151	12,000	15,197
Placement fee adjustment	213	(5,523)	(5,819)	2,088
Other expense, net	387	940	976	1,874
(Income) loss before taxes of non-controlling interests in consolidated subsidiaries	(10,357)	6,226	(17,249)	(357)
Income before taxes of non-controlling interests in Consolidated Funds, net of eliminations	(98,757)	(70,767)	(278,119)	(119,664)
Total performance (income) loss—unrealized	79,163	173,312	(305,370)	(106,978)
Total performance related compensation—unrealized	(55,073)	(118,613)	206,923	88,502
Total net investment income—unrealized	(72,946)	(834)	(176,815)	(724)
Realized Income	434,573	418,323	1,265,528	1,131,027
Total performance income—realized	(226,331)	(274,075)	(415,899)	(418,021)
Total performance related compensation—realized	148,934	183,050	282,406	274,541
Total investment loss—realized	11,550	8,445	31,706	6,803
Fee Related Earnings	\$368,726	\$335,743	\$1,163,741	\$994,350

Note: This table is a reconciliation of income before taxes on a GAAP basis to RI and FRE on an unconsolidated basis, which reflects the results of the reportable segments on a combined basis together with the OMG. The OMG's revenues and expenses are not allocated to our reportable segments but management considers the cost structure of the OMG when evaluating our financial performance. Management uses this information to assess the performance of our reportable segments and OMG and believes that this information enhances the ability of shareholders to analyze our performance.

- For FY-23, amortization of intangibles includes non-cash impairment charges of \$78.7 million recognized in Q1-23 through Q3-23, primarily related to the fair value of certain client relationships from Landmark in connection with lower expected FPAUM in a certain private equity secondaries fund from existing investors, the fair value of management contracts of certain funds in connection with lower than expected future fee revenue generated from these funds, and the rebranding of Ares SSG to Ares Asia and discontinued the ongoing use of the SSG trade name. For FY-22, amortization of intangibles includes non-cash impairment charges of \$181.6 million recognized in Q3-22, related to rebranding of our secondaries group as Ares Secondaries and discontinued the ongoing use of the Landmark trade name, and fair value of management contracts in connection with lower than expected FPAUM.
- For Q4-23, Q4-22, and FY-23, FY-22, equity compensation expense was attributable to the following: (i) non-recurring awards of \$16.4 million, \$12.7 million and \$62.1 million, \$50.8 million, respectively; (ii) annual bonus awards of \$15.1 million, \$11.7 million and \$73.4 million, \$55.7 million, respectively; and (iii) annual discretionary awards of \$31.0 million, \$24.6 million and \$120.5 million, \$93.9 million, respectively.
- Represents contingent obligations (earnouts) recorded in connection with the acquisition of Landmark, Black Creek, Infrastructure Debt and Crescent Point that are recorded as compensation expense.

GAAP to Non-GAAP Reconciliation – Unconsolidated Reporting Basis (cont'd)

\$ in thousands	Quarter ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Performance income and net investment income reconciliation:				
Carried interest allocation	\$76,751	\$40,233	\$618,579	\$458,012
Incentive fees	243,300	271,208	276,627	301,187
Carried interest allocation and incentive fees	320,051	311,441	895,206	759,199
Performance income—realized from Consolidated Funds	963	3,946	1,101	3,980
Fee related performance revenues	(173,512)	(224,384)	(180,449)	(239,425)
Total performance (income) loss—unrealized	82,507	180,861	(292,799)	(99,429)
Performance (income) loss of non-controlling interests in consolidated subsidiaries	(3,678)	2,211	(7,160)	(6,304)
Performance income—realized	\$226,331	\$274,075	\$415,899	\$418,021
Total consolidated other income	\$199,643	\$91,516	\$499,037	\$204,448
Net investment income from Consolidated Funds	(158,299)	(120,121)	(509,333)	(266,628)
Principal investment income	24,953	10,802	155,632	48,223
Other expense, net	387	939	976	1,873
Other expense (income) of non-controlling interests in consolidated subsidiaries	(5,288)	9,253	(1,203)	6,005
Investment loss (income)—unrealized	(80,759)	2,774	(184,929)	14,557
Interest and other investment loss (income)—unrealized	7,813	(3,608)	8,114	(15,281)
Total realized net investment income (loss)	\$(11,550)	\$(8,445)	\$(31,706)	\$(6,803)

Note: These tables reconcile consolidated carried interest allocation and incentive fees reported in accordance with GAAP to unconsolidated realized performance income and consolidated GAAP other income to unconsolidated realized net investment income. These reconciliations show the results of the reportable segments on a combined basis together with the OMG. The OMG's revenues and expenses are not allocated to our reportable segments but management considers the cost structure of the OMG when evaluating our financial performance. Management uses this information to assess the performance of our reportable segments and OMG and believes that this information enhances the ability of shareholders to analyze our performance.

Credit Group⁽¹⁾

- Management and other fees increased by 19% and 23% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily driven by deployment within U.S. and European direct lending and alternative credit
- Fee related performance revenues increased by 183% and 134% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily due to higher incentive fees recognized from U.S. and European direct lending vehicles in Q4-23 and FY-23
- Fee Related Earnings increased by 29% for both Q4-23 and FY-23, compared to Q4-22 and FY-22, primarily driven by the increase in management fees and net fee related performance revenues
- Realized Income increased by 34% and 30% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily driven by the increase in Fee Related Earnings and realized net performance income from U.S. and European direct lending funds
- Capital deployment totaled \$19.9 billion and \$53.2 billion for Q4-23 and FY-23, respectively, primarily driven by \$8.8 billion and \$23.3 billion in U.S. direct lending, \$3.9 billion and \$13.0 billion in alternative credit, \$4.3 billion and \$10.2 billion in European direct lending and \$2.6 billion and \$5.6 billion in liquid credit for Q4-23 and FY-23, respectively

Financial Summary and Highlights⁽¹⁾

\$ in thousands	Q4-23	Q4-22	% Change	FY-23	FY-22	% Change	
Management and other fees	\$487,946	\$411,255	19%	\$1,785,053	\$1,448,510	23%	Alternative Credit ⁽²⁾ 1.1% / 14.8%
Fee related performance revenues	166,467	58,869	183	167,333	71,497	134	U.S. Senior Direct Lending ⁽²⁾ 4.7% / 18.6%
Fee Related Earnings	391,125	302,914	29	1,257,528	977,892	29	U.S. Junior Direct Lending ⁽²⁾ 3.8% / 17.7%
Realized net performance income	65,999	36,042	83	96,357	59,308	62	European Direct Lending ⁽²⁾ 2.1% / 11.0%
Realized net investment income (loss)	(855)	1,851	NM	14,786	18,434	(20)	Asia Credit ⁽²⁾ 6.1% / 29.3%
Realized Income	\$456,269	\$340,807	34	\$1,368,671	\$1,055,634	30	Q4-23 / FY-23 gross returns
AUM (\$ in billions)	\$284.8	\$225.6	26				
FPAUM (\$ in billions)	\$176.8	\$151.3	17				

Note: Past performance is not indicative of future results. The Credit Group had ~460 investment professionals, ~270 active funds, ~1,700 portfolio companies and ~1,400 alternative credit investments as of December 31, 2023.

- This table is a financial summary only and segment results are shown before the unallocated support costs of the Operations Management Group. Please refer to "Financial Details - Segments" on slide 25-26 for complete financial results.
- Composite returns are calculated by asset-weighting the underlying fund-level time-weighted returns. Returns include the reinvestment of income and other earnings from securities or other investments and reflect the deduction of all trading expenses. Gross time-weighted returns do not reflect the deduction of management fees, carried interest, as applicable, or other expenses, while net time-weighted returns are after giving effect to these items. We believe aggregated performance returns reflect overall quarterly performance returns in a strategy, but are not necessarily investable funds or products themselves. Additional information for performance by strategy is as follows:
 - Performance for the alternative credit strategy is represented by Pathfinder I. The net returns were 0.6% for Q4-23 and 10.3% for FY-23.
 - Performance for the U.S. senior direct lending strategy is represented by the composite made up of SDL I and SDL II levered feeder funds. The net returns were 3.7% for Q4-23 and 14.2% for FY-23. The gross and net returns for the composite made up of the SDL I and SDL II unlevered feeder funds were 3.1% and 2.5% for Q4-23, respectively, and 12.5% and 9.8% for FY-23, respectively.
 - Performance for the U.S. junior direct lending strategy is represented by the composite made up of PCS I and PCS II. The net returns were 2.5% for Q4-23 and 13.9% for FY-23.
 - Performance for the European direct lending strategy is represented by the composite made up of ACE III, ACE IV and ACE V levered Euro-denominated feeder funds. Returns presented above for the European direct lending composite are Euro-denominated as this is the base denomination of the funds. The net returns were 1.4% for Q4-23 and 7.8% for FY-23. The gross and net returns for the composite made up of ACE III, ACE IV and ACE V U.S. dollar denominated feeder funds were 2.9% and 2.1% for Q4-23, respectively, and 12.4% and 9.1% for FY-23, respectively.
 - Performance for the Asia credit strategy is represented by the composite made up of SSG Fund V and SSG Fund VI. The net returns were 4.2% for Q4-23 and 18.9% for FY-23.

Private Equity Group⁽¹⁾

- Management and other fees increased by 18% and 16% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily driven by the acquisition of Crescent Point and by deployment in ASOF II
- Fee Related Earnings increased by 6% and 33% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily driven by increase in management fees
- Realized Income decreased by 40% for Q4-23 compared to Q4-22, primarily driven by lower realized performance income from ASOF I and ACOF IV in Q4-23. Realized Income increased by 14% for FY-23 compared to FY-22, primarily driven by the increase in Fee Related Earnings. Interest expense increased for Q4-23 and FY-23 compared to Q4-22 and FY-22, respectively, and exceeded realized investment income in each period
- Capital deployment totaled \$1.4 billion and \$4.3 billion for Q4-23 and FY-23, respectively, primarily driven by \$0.8 billion and \$2.6 billion in special opportunities and \$0.6 billion and \$1.7 billion in corporate private equity for Q4-23 and FY-23, respectively

Financial Summary and Highlights⁽¹⁾

\$ in thousands	Q4-23 ⁽²⁾	Q4-22	% Change	FY-23 ⁽²⁾	FY-22	% Change	
Management and other fees	\$64,484	\$54,795	18%	\$233,327	\$201,725	16%	
Fee Related Earnings	32,142	30,253	6	112,541	84,467	33	Corporate Private Equity⁽³⁾ 1.4% / 5.8%
Realized net performance income	8,824	33,085	(73)	28,132	33,506	(16)	Special Opportunities⁽³⁾ 7.0% / 18.7%
Realized net investment loss	(4,461)	(2,971)	(50)	(17,904)	(9,975)	(79)	Q4-23 / FY-23 gross returns
Realized Income	\$36,505	\$60,367	(40)	\$122,769	\$107,998	14	
AUM (\$ in billions)	\$39.1	\$34.7	13				
FPAUM (\$ in billions)	\$21.6	\$18.5	17				

Note: Past performance is not indicative of future results. The Private Equity Group had ~115 investment professionals, ~75 portfolio companies and ~65 active funds and related co-investment vehicles as of December 31, 2023. Included within these amounts, the acquisition of Crescent Point added ~25 investment professionals, ~30 portfolio companies and ~50 active funds and related co-investment vehicles as of December 31, 2023.

1. This table is a financial summary only and segment results are shown before the unallocated support costs of the Operations Management Group. Please refer to "Financial Details - Segments" on slides 25-26 for complete financial results.

2. Includes results of Crescent Point following the acquisition close date of October 2, 2023.

3. All returns are gross fund-level time-weighted rates of return and include the reinvestment of income and other earnings from securities or other investments, and also reflect the deduction of all trading expenses. Gross time-weighted returns do not reflect the deduction of management fees, carried interest, or other expenses, as applicable, while net time-weighted returns are after giving effect to these items. We believe aggregated performance returns reflect overall quarterly performance returns in a strategy, but are not necessarily investable funds or products themselves. Additional information for performance by strategy is as follows:

- Performance for the corporate private equity strategy is represented by the composite made up of ACOF V and ACOF VI. The net fund-level returns were 2.2% for Q4-23 and 4.9% for FY-23.
- Performance for the special opportunities strategy is represented by the composite made up of ASOF I and ASOF II. The net fund-level returns were 5.0% for Q4-23 and 14.0% for FY-23.

Real Assets Group⁽¹⁾

- Management and other fees increased by 7% and 9% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily due to higher management fees from increases in the average capital base of our non-traded REITs, deployment in IDF V and commitments to our fourth U.S. opportunistic real estate equity fund. Management fees in Q4-23 and FY-23 included catch-up fees of \$7.0 million and \$1.8 million, respectively, from our fourth U.S. opportunistic real estate equity fund and Q4-23 also included \$0.9 million from our second climate Infrastructure fund. FY-22 included catch-up fees of \$4.8 million from US X
- AIREIT and AREIT generated \$164.3 million of incentive fees in Q4-22 and FY-22 but did not meet the performance hurdles to generate incentive fees in Q4-23 and FY-23, resulting in the decrease in fee related performance revenues
- Fee Related Earnings decreased by 58% and 19% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily driven by lower fee related performance revenues earned in FY-23, partially offset by higher management fees in Q4-23 and FY-23
- Realized Income decreased by 62% and 33% for Q4-23 and FY-23, respectively, compared to Q4-22 and FY-22, primarily due to the decrease in Fee Related Earnings in Q4-23 and FY-23 and higher realized net performance income from U.S. real estate equity funds for Q4-22 and FY-22
- Capital deployment totaled \$1.8 billion and \$7.6 billion for Q4-23 and FY-23, respectively, primarily driven by \$0.6 billion and \$2.3 billion in U.S. real estate equity, \$0.3 billion and \$1.7 billion in European real estate equity, \$0.5 billion and \$1.6 billion in infrastructure debt and \$0.2 billion and \$1.1 billion in infrastructure opportunities for Q4-23 and FY-23, respectively

Financial Summary and Highlights⁽¹⁾

\$ in thousands	Q4-23	Q4-22	% Change	FY-23	FY-22 ⁽²⁾	% Change	
Management and other fees	\$109,053	\$101,530	7%	\$419,132	\$383,687	9%	U.S. Real Estate Equity ⁽³⁾
Fee related performance revenues	—	165,515	(100)	334	167,693	(100)	(0.8)% / 2.4%
Fee Related Earnings	58,091	136,782	(58)	218,807	271,626	(19)	European Real Estate Equity ⁽³⁾
Realized net performance income	2,574	21,898	(88)	8,222	50,025	(84)	(2.5)% / (4.8)%
Realized net investment income (loss)	(1,013)	(2,810)	64	(9,834)	814	NM	Infrastructure Debt ⁽³⁾
Realized Income	\$59,652	\$155,870	(62)	\$217,195	\$322,465	(33)	1.0% / 7.6%
AUM (\$ in billions)	\$65.4	\$66.1	(1)				Q4-23 / FY-23 gross returns
FPAUM (\$ in billions)	\$41.3	\$41.6	(1)				

Note: Past performance is not indicative of future results. The Real Assets Group had ~310 investment professionals, ~505 properties, ~65 infrastructure assets and ~65 active funds and related co-investment vehicles as of December 31, 2023.

1. This table is a financial summary only and segment results are shown before the unallocated support costs of the Operations Management Group. Please refer to "Financial Details - Segments" on slides 25-26 for complete financial results.

2. Includes results of AMP Capital's Infrastructure Debt platform following the acquisition close date of February 10, 2022.

3. Gross time-weighted returns do not reflect the deduction of management fees, carried interest, or other expenses, as applicable, while net time-weighted returns are after giving effect to these items. We believe aggregated performance returns reflect overall quarterly performance returns in a strategy, but are not necessarily investable funds or products themselves. Additional information for performance by strategy is as follows:

- Performance for the U.S. real estate equity strategy is represented by the composite made up of DEV II, AREOF III, US VIII and US IX. The net returns were (0.7)% for Q4-23 and (0.04)% for FY-23.
- Performance for the European real estate equity strategy is represented by the composite made up of EPEP II, EPEP III, EF IV and EF V. EF IV and EF V are each made up of two feeder funds, one denominated in U.S. dollars and one denominated in Euros. Returns presented above for European real estate equity are shown for the Euro-denominated composite as this is the base denomination of the funds. The net returns were (2.1)% for Q4-23 and (5.0)% for FY-23. The gross and net returns for the U.S. dollar denominated feeder fund for European real estate equity were (1.0)% and (0.9)% for Q4-23, respectively, and (2.6)% and (2.2)% for FY-23, respectively.
- Performance for the infrastructure debt strategy is represented by the composite made up of U.S. dollar denominated hedged feeder funds for IDF III, IDF IV and IDF V. The net returns were 1.4% for Q4-23 and 6.4% for FY-23.

Secondaries Group⁽¹⁾

- Management and other fees increased by 21% for Q4-23 compared to Q4-22 and decreased by 1% for FY-23 compared to FY-22, primarily driven by the timing of catch-up fees. Management fees in Q4-23 and FY-23 included catch-up fees of \$7.5 million and \$7.9 million, respectively, from LREF IX. Management fees in Q4-22 and FY-22 included catch-up fees mostly from LEP XVII of \$2.7 million and \$9.4 million, respectively. The decrease for FY-23 compared to FY-22 was partially offset by higher fees from APMF
- Fee related performance revenues increased for Q4-23 and FY-23 compared to Q4-22 and FY-22, primarily driven by APMF
- Fee Related Earnings increased by 9% for Q4-23 compared to Q4-22, primarily driven by increase in management fees and higher net fee related performance revenues. Fee Related Earnings decreased by 6% for FY-23 compared to FY-22, primarily driven by higher operating expenses, including higher supplemental distribution fees for APMF shares, partially offset by higher net fee related performance revenues
- Realized Income increased by 17% for Q4-23 compared to Q4-22, primarily driven by the increase in Fee Related Earnings. Realized Income decreased by 7% for FY-23 compared to FY-22, primarily driven by the decrease in Fee Related Earnings and the increase in interest expense, which exceeded realized net performance income and realized investment income in each period
- Capital deployment totaled \$0.8 billion and \$2.3 billion for Q4-23 and FY-23, respectively, primarily driven by \$0.3 billion and \$1.1 billion in private equity secondaries, \$0.2 billion and \$0.6 billion in real estate secondaries and \$0.2 billion and \$0.5 billion in infrastructure secondaries for Q4-23 and FY-23, respectively

Financial Summary and Highlights⁽¹⁾

\$ in thousands	Q4-23	Q4-22	% Change	FY-23	FY-22	% Change	
Management and other fees	\$50,354	\$41,604	21%	\$174,964	\$176,694	(1)%	
Fee related performance revenues	7,045	—	NM	12,782	235	NM	Private Equity Secondaries ⁽²⁾ (2.0)% / (1.5)%
Fee Related Earnings	33,125	30,390	9	104,387	110,501	(6)	Real Estate Secondaries ⁽²⁾ (1.7)% / (4.4)%
Realized net performance income	—	—	—	782	641	22	Q4-23 / FY-23 gross returns
Realized net investment income (loss)	704	(1,470)	NM	(4,113)	(1,977)	(108)	
Realized Income	\$33,829	\$28,920	17	\$101,056	\$109,165	(7)	
AUM (\$ in billions)	\$24.7	\$22.0	12				
FPAUM (\$ in billions)	\$19.1	\$17.7	8				

Note: Past performance is not indicative of future results. The Secondaries Group had ~85 investment professionals, ~900 limited partnership interests and ~75 active funds and related co-investment vehicles as of December 31, 2023.

1. This table is a financial summary only and segment results are shown before the unallocated support costs of the Operations Management Group. Please refer to "Financial Details - Segments" on slides 25-26 for complete financial results.

2. Gross time-weighted returns do not reflect the deduction of management fees, carried interest, or other expenses, as applicable, while net time-weighted returns are after giving effect to these items. For all funds in the Secondaries Group, returns are calculated from results of the underlying portfolio that are generally reported on a three month lag and may not include the impact of economic and market activities occurring in the current reporting period. Additional information for performance by strategy is as follows:

- Performance for the private equity secondaries is represented by LEP XVI. The net returns were (2.3)% for Q4-23 and (2.9)% for FY-23.
- Performance for the real estate secondaries strategies is represented by LREF VIII. The net returns were (2.0)% for Q4-23 and (5.7)% for FY-23.

Realized Income per Share Data

\$ in thousands, except share data	Quarter ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
After-tax Realized Income				
Realized Income before taxes	\$434,573	\$418,323	\$1,265,528	\$1,131,027
Entity level foreign, state and local taxes	(9,808)	(4,913)	(28,606)	(17,237)
Realized Income	424,765	413,410	1,236,922	1,113,790
Income tax expense ⁽¹⁾	(24,383)	(24,670)	(51,208)	(52,043)
After-tax Realized Income	\$400,382	\$388,740	\$1,185,714	\$1,061,747
After-tax Realized Income per share⁽²⁾	\$1.26	\$1.26	\$3.77	\$3.46
After-tax Realized Income per share of Class A and non-voting common stock				
Realized Income	\$424,765	\$413,410	\$1,236,922	\$1,113,790
x Average ownership % of Ares Operating Group	61.75%	60.12%	60.93%	59.82%
Realized Income attributable to Class A and non-voting common stockholders	\$262,292	\$248,542	\$753,713	\$666,253
Income tax expense ⁽¹⁾	(24,383)	(24,670)	(51,208)	(52,043)
After-tax Realized Income attributable to Class A and non-voting common stockholders	\$237,909	\$223,872	\$702,505	\$614,210
After-tax Realized Income per share of Class A and non-voting common stock⁽³⁾	\$1.21	\$1.21	\$3.65	\$3.35

1. For Q4-23, Q4-22 and FY-23, FY-22 amount represents accrued corporate taxes payable or receivable by Ares, net of deductions, for the periods presented and exclude the effects of \$34.5 million, \$25.0 million and \$97.6 million, \$7.4 million, respectively, of deferred income tax expense primarily related to net unrealized performance income and net unrealized investment income. These effects have been excluded as net unrealized performance income and net unrealized investment income have been excluded from RI. The primary differences between the current portion of taxable income and RI relate to the timing of certain items, primarily vesting of equity awards, exercise of stock options, payment of placement fees, and amortization of intangibles. Tax deductions associated with the vesting of restricted stock units and the exercise of options reduced our current tax provision by \$34.6 million, \$26.4 million and \$99.2 million, \$67.0 million for Q4-23, Q4-22 and FY-23, FY-22, respectively. The inclusion of the benefit in the after-tax RI per share calculation had the effect of increasing this metric by \$0.18, \$0.15 and \$0.52, \$0.37 for Q4-23, Q4-22 and FY-23, FY-22, respectively. The impact of its inclusion in the metric decreased the RI cash tax rate by 12.9%, 10.5% and 12.9%, 9.9% for Q4-23, Q4-22 and FY-23, FY-22, respectively, from the Company's statutory tax rate of 24.0% and 24.0% for FY-23 and FY-22, respectively. Income tax expense represents the current portion of our GAAP tax provision and is presented before giving effect to the tax benefits recorded in connection with the Tax Receivable Agreement ("TRA"). As a result, a higher income tax expense is used to calculate after-tax RI per share than the current taxes paid by the Company. The current tax benefits associated with the TRA, which represent 85.0% of the tax benefits, were \$8.3 million and \$5.9 million for FY-23 and FY-22, respectively. For more information regarding RI and After-tax RI, please refer to the "Glossary" slide in the appendix.

2. Weighted average shares used for after-tax RI per share for Q4-23 and Q4-22 were 318,728,473 and 308,906,131, respectively. Please refer to slide 27 in this presentation for further information.

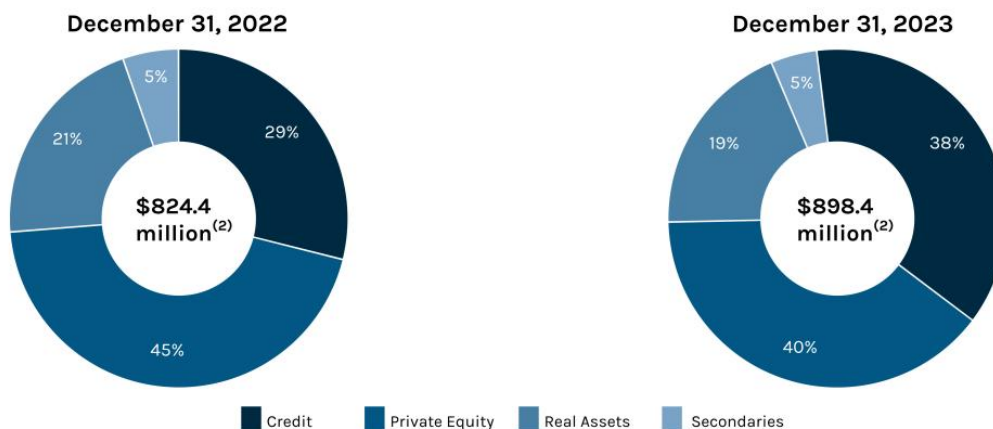
3. Weighted average shares used for after-tax RI per share of Class A and non-voting common stock for Q4-23 and Q4-22 were 196,801,131 and 184,712,014, respectively. Please refer to slide 27 for additional details.

Balance Sheet

Substantial balance sheet value related to investments primarily in Ares managed vehicles and net accrued performance income

- As of December 31, 2023, our balance sheet included \$348.3 million in cash and cash equivalents and \$2,965.5 million in debt obligations, including \$895.0 million drawn against our \$1,325.0 million revolving credit facility
- As of December 31, 2023, the fair value of our corporate investment portfolio was \$1,211.9 million in accordance with GAAP. On an unconsolidated basis, our corporate investment portfolio was \$2,041.3 million⁽¹⁾
- As of December 31, 2023, gross accrued performance income reported on a GAAP basis was \$3,413.0 million and was \$3,433.1 million on an unconsolidated basis
- As of December 31, 2023, accrued performance income, net of performance related compensation reported on a GAAP basis and unconsolidated basis was \$898.4 million⁽²⁾ and \$918.5 million,⁽²⁾ respectively

Net Accrued Performance Income by Group⁽³⁾



1. Unconsolidated investments includes \$901.2 million of investments in Consolidated Funds that are eliminated upon consolidation for GAAP and excludes \$71.8 million of investments that are attributable to non-controlling interests. Corporate investment portfolio excludes accrued carried interest allocation, a component of gross accrued performance income, of \$3,413.0 million.

2. Net accrued performance income on a GAAP basis as of December 31, 2023 and December 31, 2022 excludes \$20.1 million and \$7.5 million, respectively, of accrued performance income related to our insurance platform that has been eliminated upon consolidation.

3. Net accrued performance income excludes net performance income—realized that has not been received by the Company as of the reporting date. For both periods presented, accrued performance income represents the accrued carried interest allocation.

Corporate Data

Board of Directors

Michael Arougheti
Co-Founder, Chief Executive Officer and President of Ares

Ashish Bhutani
Former Chairman and Chief Executive Officer of Lazard Asset Management and Former Vice Chairman of Lazard Ltd

Antoinette Bush
Senior Advisor to News Corp

Kipp deVeer
Head of Credit Group

Paul G. Joubert
Founding Partner of EdgeAdvisors and Investing Partner in Converge Venture Partners

David Kaplan
Co-Founder

Michael Lynton
Chairman of Snap Inc.

Eileen Naughton
Former Chief People Officer and Vice President of People Operations at Google, Inc.

Dr. Judy D. Olian
President of Quinnipiac University

Antony P. Ressler
Co-Founder and Executive Chairman of Ares

Bennett Rosenthal
Co-Founder and Chairman of Private Equity Group

Executive Officers

Michael Arougheti
Co-Founder, Chief Executive Officer and President

Ryan Berry
Chief Marketing and Strategy Officer

Kipp deVeer
Head of Credit Group

David Kaplan
Co-Founder

Jarrold Phillips
Chief Financial Officer

Antony P. Ressler
Co-Founder and Executive Chairman

Bennett Rosenthal
Co-Founder and Chairman of Private Equity Group

Naseem Sagati Aghili
General Counsel and Corporate Secretary

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Securities Listing

NYSE: ARES

Transfer Agent

Equiniti Trust Company, LLC





Appendix

Financial Details – Segments

Quarter ended December 31, 2023							
\$ in thousands	Credit Group	Private Equity Group	Real Assets Group	Secondaries Group	Other	Operations Management Group	Total ⁽¹⁾
Management fees	\$477,523	\$63,629	\$103,974	\$50,345	\$8,022	\$–	\$703,493
Fee related performance revenues	166,467	–	–	7,045	–	–	173,512
Other fees	10,423	855	5,079	9	106	5,480	21,952
Compensation and benefits	(129,535)	(22,002)	(37,638)	(13,590)	(6,053)	(99,799)	(308,617)
Compensation and benefits—fee related performance compensation	(105,499)	–	–	(2,469)	–	–	(107,968)
General, administrative and other expenses	(28,254)	(10,340)	(13,324)	(8,215)	(999)	(52,514)	(113,646)
Fee related earnings	391,125	32,142	58,091	33,125	1,076	(146,833)	368,726
Performance income—realized	189,974	29,779	6,578	–	–	–	226,331
Performance related compensation—realized	(123,975)	(20,955)	(4,004)	–	–	–	(148,934)
Realized net performance income	65,999	8,824	2,574	–	–	–	77,397
Investment income (loss)—realized	565	234	(302)	–	–	–	497
Interest and other investment income—realized	4,749	549	3,693	2,908	5,131	398	17,428
Interest expense	(6,169)	(5,244)	(4,404)	(2,204)	(11,358)	(96)	(29,475)
Realized net investment income (loss)	(855)	(4,461)	(1,013)	704	(6,227)	302	(11,550)
Realized income	\$456,269	\$36,505	\$59,652	\$33,829	\$(5,151)	\$(146,531)	\$434,573

Quarter ended December 31, 2022							
\$ in thousands	Credit Group	Private Equity Group	Real Assets Group	Secondaries Group	Other	Operations Management Group	Total ⁽¹⁾
Management fees	\$399,822	\$54,168	\$93,575	\$41,604	\$3,789	\$–	\$592,958
Fee related performance revenues	58,869	–	165,515	–	–	–	224,384
Other fees	11,433	627	7,955	–	124	4,808	24,947
Compensation and benefits	(106,198)	(15,837)	(17,566)	(7,779)	(6,244)	(120,904)	(274,528)
Compensation and benefits—fee related performance compensation	(38,466)	–	(101,266)	–	–	–	(139,732)
General, administrative and other expenses	(22,546)	(8,705)	(11,431)	(3,435)	(668)	(45,501)	(92,286)
Fee related earnings	302,914	30,253	136,782	30,390	(2,999)	(161,597)	335,743
Performance income—realized	97,988	121,594	54,493	–	–	–	274,075
Performance related compensation—realized	(61,946)	(88,509)	(32,595)	–	–	–	(183,050)
Realized net performance income	36,042	33,085	21,898	–	–	–	91,025
Investment income (loss)—realized	561	1,149	(1,109)	–	1	(37)	565
Interest and other investment income (expense)—realized	6,031	648	1,448	415	2,768	(138)	11,172
Interest expense	(4,741)	(4,768)	(3,149)	(1,885)	(5,429)	(210)	(20,182)
Realized net investment income (loss)	1,851	(2,971)	(2,810)	(1,470)	(2,660)	(385)	(8,445)
Realized income	\$340,807	\$60,367	\$155,870	\$28,920	\$(5,659)	\$(161,982)	\$418,323

1. Includes results of the reportable segments on a combined basis together with the Operations Management Group. Please refer to "GAAP to Non-GAAP Reconciliation - Unconsolidated Reporting Basis" on slides 15-16.

Financial Details – Segments

Year ended December 31, 2023							
\$ in thousands	Credit Group	Private Equity Group	Real Assets Group	Secondaries Group	Other	Operations Management Group	Total ⁽¹⁾
Management fees	\$1,749,796	\$230,251	\$389,437	\$174,942	\$27,087	\$—	\$2,571,513
Fee related performance revenues	167,333	—	334	12,782	—	—	180,449
Other fees	35,257	3,076	29,695	22	374	23,685	92,109
Compensation and benefits	(492,059)	(85,024)	(154,581)	(56,467)	(15,812)	(361,124)	(1,165,067)
Compensation and benefits—fee related performance compensation	(106,066)	—	711	(5,693)	—	—	(111,048)
General, administrative and other expenses	(96,733)	(35,762)	(46,789)	(21,199)	(3,119)	(200,613)	(404,215)
Fee related earnings	1,257,528	112,541	218,807	104,387	8,530	(538,052)	1,163,741
Performance income—realized	271,550	117,899	20,990	5,460	—	—	415,899
Performance related compensation—realized	(175,193)	(89,767)	(12,768)	(4,678)	—	—	(282,406)
Realized net performance income	96,357	28,132	8,222	782	—	—	133,493
Investment income (loss)—realized	20,111	(1,434)	(4,498)	—	170	—	14,349
Interest and other investment income—realized	21,975	4,952	11,055	4,867	16,623	748	60,220
Interest expense	(27,300)	(21,422)	(16,391)	(8,980)	(32,026)	(156)	(106,275)
Realized net investment income (loss)	14,786	(17,904)	(9,834)	(4,113)	(15,233)	592	(31,706)
Realized income	\$1,368,671	\$122,769	\$217,195	\$101,056	\$(6,703)	\$(537,460)	\$1,265,528

Year ended December 31, 2022							
\$ in thousands	Credit Group	Private Equity Group	Real Assets Group	Secondaries Group	Other	Operations Management Group	Total ⁽¹⁾
Management fees	\$1,416,518	\$199,837	\$347,808	\$176,694	\$11,671	\$—	\$2,152,528
Fee related performance revenues	71,497	—	167,693	235	—	—	239,425
Other fees	31,992	1,888	35,879	—	274	24,529	94,562
Compensation and benefits	(415,965)	(86,561)	(137,431)	(53,579)	(12,108)	(317,396)	(1,023,040)
Compensation and benefits—fee related performance compensation	(46,716)	—	(102,584)	(164)	—	—	(149,464)
General, administrative and other expenses	(79,434)	(30,697)	(39,739)	(12,685)	(2,089)	(155,017)	(319,661)
Fee related earnings	977,892	84,467	271,626	110,501	(2,252)	(447,884)	994,350
Performance income—realized	156,929	123,806	133,130	4,156	—	—	418,021
Performance related compensation—realized	(97,621)	(90,300)	(83,105)	(3,515)	—	—	(274,541)
Realized net performance income	59,308	33,506	50,025	641	—	—	143,480
Investment income (loss)—realized	7,078	3,432	3,115	—	861	(37)	14,449
Interest and other investment income (expense)—realized	27,288	2,546	9,045	3,683	9,130	(1,588)	50,104
Interest expense	(15,932)	(15,953)	(11,346)	(5,660)	(21,781)	(684)	(71,356)
Realized net investment income (loss)	18,434	(9,975)	814	(1,977)	(11,790)	(2,309)	(6,803)
Realized income	\$1,055,634	\$107,998	\$322,465	\$109,165	\$(14,042)	\$(450,193)	\$1,131,027

1. Includes results of the reportable segments on a combined basis together with the Operations Management Group. Please refer to "GAAP to Non-GAAP Reconciliation - Unconsolidated Reporting Basis" on slides 15-16.

Weighted Average Shares

	Q4-23		Q4-22	
	Total Shares	Common Shares, As Adjusted ⁽¹⁾	Total Shares	Common Shares, As Adjusted ⁽¹⁾
Weighted average shares of Class A and non-voting common stock	189,762,660	189,762,660	176,996,146	176,996,146
Ares Operating Group Units exchangeable into shares of Class A common stock ⁽²⁾	117,566,685	—	119,076,492	—
Dilutive effect of invested restricted common units ⁽³⁾	11,174,796	6,899,956	8,887,759	5,343,578
Dilutive effect of unexercised options ⁽³⁾	224,332	138,515	3,945,734	2,372,290
Total Weighted Average Shares Used For Realized Income⁽⁴⁾	318,728,473	196,801,131	308,906,131	184,712,014

1. Represents proportional dilutive impact based upon the weighted average percentage of Ares Operating Group owned by Ares Management Corporation (61.75% and 60.12% as of December 31, 2023 and 2022, respectively).

2. Represents units exchangeable for shares of Class A common stock on a one-for-one basis. Q4-22 included the dilutive effect of 1.7 million contingently issuable units.

3. We apply the treasury stock method to determine the dilutive weighted-average common shares represented by our restricted units to be settled in shares of Class A common stock and options to acquire shares of Class A common stock. Under the treasury stock method, compensation expense attributed to future services and not yet recognized is presumed to be used to acquire outstanding shares of Class A common stock, thus reducing the weighted-average number of shares and the dilutive effect of these awards.

4. Excludes Class B common stock and Class C common stock as they are not entitled to any economic benefits of Ares in an event of dissolution, liquidation or winding up of Ares.

AUM Rollforward

Q4-23 AUM Rollforward						
\$ in millions	Credit	Private Equity	Real Assets	Secondaries	Other	Total
Q3-23 Ending Balance	\$268,881	\$34,289	\$63,915	\$23,255	\$4,602	\$394,942
Acquisitions	—	3,697	—	—	—	3,697
Net new par/equity commitments	7,984	1,524	2,329	1,873	1,668	15,378
Net new debt commitments	5,096	—	576	—	—	5,672
Capital reductions	(845)	(2)	(75)	—	—	(922)
Distributions	(2,239)	(707)	(835)	(274)	(117)	(4,172)
Redemptions	(1,066)	—	(350)	—	(492)	(1,908)
Net allocations among investment strategies	915	—	—	30	(945)	—
Change in fund value	6,070	304	(147)	(124)	56	6,159
Q4-23 Ending Balance	\$284,796	\$39,105	\$65,413	\$24,760	\$4,772	\$418,846
QoQ change	\$15,915	\$4,816	\$1,498	\$1,505	\$170	\$23,904

FY-23 AUM Rollforward						
\$ in millions	Credit	Private Equity	Real Assets	Secondaries	Other	Total
Q4-22 Ending Balance	\$225,579	\$34,749	\$66,061	\$21,961	\$3,647	\$351,997
Acquisitions	—	3,697	—	—	—	3,697
Net new par/equity commitments	40,393	1,621	6,076	3,648	7,008	58,746
Net new debt commitments	14,897	—	726	—	—	15,623
Capital reductions	(3,858)	(9)	(480)	—	—	(4,347)
Distributions	(7,185)	(2,309)	(4,796)	(1,116)	(423)	(15,829)
Redemptions	(3,345)	—	(1,759)	(1)	(1,046)	(6,151)
Net allocations among investment strategies	4,258	—	—	5	(4,263)	—
Change in fund value	14,057	1,356	(415)	263	(151)	15,110
Q4-23 Ending Balance	\$284,796	\$39,105	\$65,413	\$24,760	\$4,772	\$418,846
YoY change	\$59,217	\$4,356	(\$648)	\$2,799	\$1,125	\$66,849

Credit	<ul style="list-style-type: none"> AUM increased by 26% from Q4-22, primarily driven by commitments to U.S. direct lending funds, our sixth European direct lending fund and Pathfinder II
Private Equity	<ul style="list-style-type: none"> AUM increased by 13% from Q4-22, primarily driven by the acquisition of Crescent Point and by commitments to our seventh corporate private equity fund
Real Assets	<ul style="list-style-type: none"> AUM decreased by 1% from Q4-22, primarily driven by distributions and redemptions from certain funds within our U.S. real estate equity strategy, partially offset by commitments to our fourth U.S. opportunistic real estate equity fund and our second climate infrastructure fund
Secondaries	<ul style="list-style-type: none"> AUM increased by 13% from Q4-22, primarily driven by commitments across funds within our infrastructure and credit secondaries strategies
Other	<ul style="list-style-type: none"> AUM increased by 31% from Q4-22, primarily driven by additional managed assets within our insurance platform and capital raised in the initial public offering for AAC II

FPAUM Rollforward

Q4-23 FPAUM Rollforward						
\$ in millions	Credit	Private Equity	Real Assets	Secondaries	Other	Total
Q3-23 Ending Balance	\$167,013	\$19,368	\$40,810	\$17,869	\$2,633	\$247,693
Acquisitions	—	1,692	—	—	—	1,692
Commitments	3,634	—	1,638	1,019	1,364	7,655
Deployment/subscriptions/increase in leverage	7,752	595	555	165	—	9,067
Capital reductions	(976)	—	(127)	—	—	(1,103)
Distributions	(2,120)	—	(1,150)	(157)	(117)	(3,544)
Redemptions	(2,067)	—	(353)	—	—	(2,420)
Net allocations among investment strategies	850	—	—	30	(880)	—
Change in fund value	2,704	—	(35)	56	28	2,753
Change in fee basis	—	(41)	—	58	(116)	(99)
Q4-23 Ending Balance	\$176,790	\$21,614	\$41,338	\$19,040	\$2,912	\$261,694
QoQ change	\$9,777	\$2,246	\$528	\$1,171	\$279	\$14,001

FY-23 FPAUM Rollforward						
\$ in millions	Credit	Private Equity	Real Assets	Secondaries	Other	Total
Q4-22 Ending Balance	\$151,275	\$18,447	\$41,607	\$17,668	\$2,064	\$231,061
Acquisitions	—	1,692	—	—	—	1,692
Commitments	8,333	—	3,674	1,645	6,181	19,833
Deployment/subscriptions/increase in leverage	23,701	2,752	2,968	473	150	30,044
Capital reductions	(3,657)	—	(455)	—	—	(4,112)
Distributions	(7,927)	(1,232)	(3,862)	(613)	(415)	(14,049)
Redemptions	(4,474)	—	(1,775)	(1)	—	(6,250)
Net allocations among investment strategies	4,363	—	—	30	(4,393)	—
Change in fund value	5,176	—	(917)	(164)	(346)	3,749
Change in fee basis	—	(45)	98	2	(329)	(274)
Q4-23 Ending Balance	\$176,790	\$21,614	\$41,338	\$19,040	\$2,912	\$261,694
YoY change	\$25,515	\$3,167	(\$269)	\$1,372	\$848	\$30,633

Credit	<ul style="list-style-type: none"> FPAUM increased by 17% from Q4-22, primarily driven by deployment of capital in funds across U.S. and European direct lending and alternative credit, capital raised by our business development companies and the addition of four CLOs
Private Equity	<ul style="list-style-type: none"> FPAUM increased by 17% from Q4-22, primarily driven by the acquisition of Crescent Point and by deployment of capital in ASOF II
Real Assets	<ul style="list-style-type: none"> FPAUM decreased by 1% from Q4-22, primarily driven by distributions from certain funds within our U.S. real estate equity and infrastructure debt strategies, partially offset by commitments to our fourth U.S. opportunistic real estate equity fund and our second climate infrastructure fund
Secondaries	<ul style="list-style-type: none"> FPAUM increased by 8% from Q4-22, primarily driven by commitments to LREF IX and to funds within our infrastructure secondaries strategy
Other	<ul style="list-style-type: none"> FPAUM increased by 41% from Q4-22, primarily driven by additional managed assets within our insurance platform

AUM and FPAUM by Strategy

\$ in billions	As of December 31, 2023			
	AUM	% AUM	FPAUM	% FPAUM
Credit				
Liquid Credit	\$47.3	17%	\$46.1	26%
Alternative Credit	33.9	12	23.2	13
U.S. Direct Lending ⁽¹⁾	123.1	43	67.6	38
European Direct Lending	68.3	24	34.3	19
Asia Credit	11.9	3	5.6	4
Other	0.3	1	—	—
Credit	\$284.8	100%	\$176.8	100%
Private Equity				
Corporate Private Equity	\$21.0	54%	\$11.4	53%
Special Opportunities	14.6	36	8.5	39
APAC Private Equity	3.4	9	1.7	8
Other	0.1	1	—	—
Private Equity	\$39.1	100%	\$21.6	100%
Real Assets				
U.S. Real Estate Equity	\$29.2	45%	\$20.8	50%
European Real Estate Equity	9.4	14	6.2	15
Real Estate Debt	11.1	17	3.3	8
Infrastructure Opportunities	6.3	10	5.1	12
Infrastructure Debt	9.4	14	5.9	15
Real Assets	\$65.4	100%	\$41.3	100%
Secondaries				
Private Equity Secondaries	\$13.1	53%	\$11.2	59%
Real Estate Secondaries	7.8	32	6.0	31
Infrastructure Secondaries	2.4	9	1.8	9
Credit Secondaries	1.4	6	0.1	1
Secondaries	\$24.7	100%	\$19.1	100%
Other				
Insurance ⁽²⁾	\$4.3	90%	\$2.9	100%
SPACs	0.5	10	—	—
Other	\$4.8	100%	\$2.9	100%
Total	\$418.8		\$261.7	

1. AUM includes ARCC, IHAM and Senior Direct Lending Program ("SDLP") AUM of \$28.0 billion, \$10.9 billion and \$4.2 billion, respectively. ARCC's wholly owned portfolio company, IHAM, an SEC-registered investment adviser, manages 20 vehicles as of December 31, 2023. SDLP is a program co-managed by a subsidiary of Ares through which ARCC co-invests with Varagon Capital Partners.

2. Excludes \$8.2 billion of AUM and \$8.7 billion of FPAUM that is sub-advised by Ares vehicles and included within other strategies.

Balance Sheet Investments by Strategy⁽¹⁾

\$ in millions	As of December 31, 2023	As of December 31, 2022
Credit		
Liquid Credit ⁽²⁾	\$127.3	\$93.0
Alternative Credit	37.8	54.6
U.S. Direct Lending	84.6	111.9
European Direct Lending	55.7	33.4
Asia Credit	32.9	18.7
Credit	\$338.3	\$311.6
Private Equity		
Corporate Private Equity	\$277.3	\$222.4
Special Opportunities	42.8	73.9
APAC Private Equity	21.9	18.8
Private Equity	\$342.0	\$315.1
Real Assets		
U.S. Real Estate Equity	\$95.9	\$87.2
European Real Estate Equity	87.2	35.9
Real Estate Debt	108.6	27.4
Infrastructure Opportunities	28.6	31.4
Infrastructure Debt	33.3	28.9
Real Assets	\$353.6	\$210.8
Secondaries		
Private Equity Secondaries	\$105.9	\$97.0
Real Estate Secondaries	11.9	11.1
Infrastructure Secondaries	2.8	1.3
Secondaries	\$120.6	\$109.4
Other		
Insurance	\$510.4	\$226.8
Other Investments	376.4	157.5
Other	\$886.8	\$384.3
Total	\$2,041.3	\$1,331.2

1. As of December 31, 2023, the fair value of our corporate investment portfolio was \$1,211.9 million as reported in accordance with GAAP. The difference between GAAP and unconsolidated investments represents \$901.2 million of investments in Consolidated Funds that are eliminated upon consolidation and excludes \$71.8 million of investments that are attributable to non-controlling interests. Corporate investment portfolio excludes accrued carried interest allocation, a component of gross accrued performance income, of \$3,413.0 million.
2. Includes \$83.1 million and \$82.0 million in syndicated loans as of December 31, 2023 and December 31, 2022, respectively, which represents Ares' maximum exposure of loss from its investments in Ares CLOs.

Significant Fund Performance Metrics

The following table presents the performance data for the significant funds that are not drawdown funds:

As of December 31, 2023									
(\$ in millions)	Year of Inception	AUM	Returns(%)						Primary Investment Strategy
			Quarter-to-Date		Year-to-Date		Since Inception ⁽¹⁾		
			Gross	Net	Gross	Net	Gross	Net	
Credit									
ARCC ⁽²⁾	2004	\$27,977	N/A	3.8	N/A	12.0	N/A	15.7	U.S. Direct Lending
CADC ⁽³⁾	2017	5,030	N/A	3.7	N/A	13.8	N/A	6.4	U.S. Direct Lending
Real Assets									
AREIT ⁽²⁾	2012	5,267	N/A	(1.3)	N/A	(4.8)	N/A	6.7	U.S. Real Estate Equity
AIREIT ⁽³⁾	2017	7,718	N/A	(2.6)	N/A	(9.8)	N/A	9.9	U.S. Real Estate Equity
Open-ended industrial real estate fund ⁽⁴⁾	2017	4,957	(2.0)	(2.0)	(8.1)	(7.7)	19.9	16.2	U.S. Real Estate Equity

Note: Past performance is not indicative of future results. AUM and net returns are as of December 31, 2023 unless otherwise noted. The above table includes fund performance metrics for significant funds which includes commingled funds that contributed at least 1% of total management fees or comprised 1% or more of Ares' total FPAUM for the past two consecutive quarters. Please refer to significant fund performance endnotes on slides 35-37 for additional information. Return information presented may not reflect actual returns earned by investors in the applicable fund. ARCC is a publicly traded vehicle.

Significant Fund Performance Metrics (cont'd)

The following table presents the performance data for our significant drawdown funds:

(\$ in millions)	Year of Inception	AUM	Original Capital Commitments	As of December 31, 2023			Total Value	MoIC		IRR(%)		Primary Investment Strategy
				Capital Invested to Date	Realized Value ⁽⁴⁾	Unrealized Value ⁽⁵⁾		Gross ⁽⁶⁾	Net ⁽⁷⁾	Gross ⁽⁸⁾	Net ⁽⁹⁾	
Credit												
Funds Harvesting Investments												
SDL I Unlevered	2018	\$4,818	\$922	\$872	\$342	\$711	\$1,053	1.3x	1.2x	9.0	6.9	U.S. Direct Lending
SDL I Levered			2,045	2,022	915	1,755	2,670	1.4x	1.3x	15.3	11.4	
ACE IV Unlevered ⁽¹⁰⁾	2018	10,199	2,851	2,311	746	2,123	2,869	1.3x	1.2x	8.1	5.8	European Direct Lending
ACE IV Levered ⁽¹⁰⁾			4,819	3,903	1,752	3,502	5,254	1.5x	1.3x	11.5	8.2	
Funds Deploying Capital												
ACE V Unlevered ⁽¹¹⁾	2020	17,270	7,026	5,201	555	5,433	5,988	1.2x	1.2x	11.4	8.5	European Direct Lending
ACE V Levered ⁽¹¹⁾			6,376	4,723	741	5,093	5,834	1.3x	1.2x	17.3	12.5	
PCS II	2020	5,524	5,114	3,240	223	3,409	3,632	1.2x	1.1x	10.1	7.2	U.S. Direct Lending
Pathfinder I	2020	4,286	3,683	2,702	201	3,127	3,328	1.3x	1.2x	18.1	12.9	Alternative Credit
SDL II Unlevered	2021	15,747	1,989	1,221	129	1,242	1,371	1.2x	1.1x	12.2	9.5	U.S. Direct Lending
SDL II Levered			6,047	3,567	602	3,655	4,257	1.3x	1.2x	20.2	15.2	
Open-ended core alternative credit fund ⁽¹²⁾	2021	4,674	4,229	3,219	263	3,260	3,523	1.1x	1.1x	11.9	8.6	Alternative Credit

Note: Past performance is not indicative of future results. Fund performance metrics for significant funds may be marked as "NM" as they may not be considered meaningful due to the limited time since the initial investment and/or early stage of capital deployment. AUM and net returns are as of December 31, 2023 unless otherwise noted. The above table includes fund performance metrics for significant funds which includes commingled funds that contributed at least 1% of total management fees or comprised 1% or more of Ares' total FPAUM for the past two consecutive quarters. Please refer to significant fund performance endnotes on slide 35 for additional information. Return information presented may not reflect actual returns earned by investors in the applicable fund.

Significant Fund Performance Metrics (cont'd)

The following table presents the performance data for our significant drawdown funds (cont'd):

As of December 31, 2023												
(\$ in millions)	Year of Inception	AUM	Original Capital Commitments	Capital Invested to Date	Realized Value ⁽¹⁾	Unrealized Value ⁽²⁾	Total Value	MoIC		IRR(%)		Primary Investment Strategy
								Gross ⁽³⁾	Net ⁽⁴⁾	Gross ⁽⁵⁾	Net ⁽⁶⁾	
Private Equity												
Funds Harvesting Investments												
ACOF V	2017	\$8,765	\$7,850	\$7,611	\$3,505	\$8,253	\$11,758	1.5x	1.4x	11.6	8.3	Corporate Private Equity
ASOF I	2019	5,559	3,518	5,500	4,462	3,775	8,237	1.8x	1.6x	26.0	20.2	Special Opportunities
Funds Deploying Capital												
ACOF VI	2020	7,419	5,743	5,109	593	6,696	7,289	1.4x	1.3x	24.2	17.9	Corporate Private Equity
ASOF II	2021	7,580	7,128	5,926	1,371	5,241	6,612	1.2x	1.1x	14.4	9.6	Special Opportunities
(\$ in millions)	Year of Inception	AUM	Original Capital Commitments	Capital Invested to Date	Realized Value ⁽⁵⁾	Unrealized Value ⁽⁶⁾	Total Value	MoIC		IRR(%)		Primary Investment Strategy
								Gross ⁽⁷⁾	Net ⁽⁸⁾	Gross ⁽⁹⁾	Net ⁽¹⁰⁾	
Real Assets												
Fund Harvesting Investments												
IDF IV ⁽¹¹⁾	2018	\$3,120	\$4,012	\$4,531	\$2,235	\$2,875	\$5,110	1.2x	1.2x	6.9	5.3	Infrastructure Debt
Fund Deploying Capital												
IDF V ⁽¹²⁾	2020	4,771	4,585	3,152	519	2,945	3,464	1.1x	1.1x	12.4	9.5	Infrastructure Debt
(\$ in millions)	Year of Inception	AUM	Original Capital Commitments	Capital Invested to Date	Realized Value ⁽¹⁾	Unrealized Value ⁽²⁾	Total Value	MoIC		IRR(%)		Primary Investment Strategy
								Gross ⁽³⁾	Net ⁽⁴⁾	Gross ⁽⁵⁾	Net ⁽⁶⁾	
Secondaries												
Fund Harvesting Investments												
LEP XVI ⁽⁷⁾	2016	\$4,769	\$4,896	\$3,571	\$1,990	\$2,952	\$4,942	1.5x	1.4x	26.9	18.1	Private Equity Secondaries

Note: Past performance is not indicative of future results. Fund performance metrics for significant funds may be marked as "NM" as they may not be considered meaningful due to the limited time since the initial investment and/or early stage of capital deployment. AUM and net returns are as of December 31, 2023 unless otherwise noted. The above table includes fund performance metrics for significant funds which includes commingled funds that contributed at least 1% of total management fees or comprised 1% or more of Ares' total FPAUM for the past two consecutive quarters. Please refer to significant fund performance endnotes on slides 36-38 for additional information. Return information presented may not reflect actual returns earned by investors in the applicable fund.

For all funds within the Secondaries Group, returns are calculated from results of the underlying portfolio that are generally reported on a three month lag and may not include the impact of economic and market activities occurring in the current reporting period.

Significant Fund Performance Metrics Endnotes

Credit

1. Since inception returns are annualized.
2. Returns are time-weighted rates of return and include the reinvestment of income and other earnings from securities or other investments and reflect the deduction of all trading expenses. Net returns are calculated using the fund's NAV and assume dividends are reinvested at the closest quarter-end NAV to the relevant quarterly ex-dividend dates. Additional information related to ARCC can be found in its filings with the SEC, which are not part of this report.
3. Returns are time-weighted rates of return and include the reinvestment of income and other earnings from securities or other investments and reflect the deduction of all trading expenses. Returns are shown for institutional share class. Shares of other classes may have lower returns due to higher selling commissions and fees. Net returns are calculated using the fund's NAV and assume distributions are reinvested at the NAV on the date of distribution. Additional information related to CADC can be found in its filings with the SEC, which are not part of this report.
4. Realized value represents the sum of all cash distributions to all partners and if applicable, exclude tax and incentive distributions made to the general partner.
5. Unrealized value represents the fund's NAV reduced by the accrued incentive allocation, if applicable. There can be no assurance that unrealized values will be realized at the valuations indicated.
6. The gross multiple of invested capital ("MoIC") is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The gross MoIC is before giving effect to management fees, carried interest and other expenses, as applicable, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the gross fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
7. The net MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes those interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The net MoIC is after giving effect to management fees and carried interest, other expenses and credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
8. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRR reflects returns to the fee-paying limited partners and, if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest and other expenses, as applicable, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Gross fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
9. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and, if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the net IRR calculations are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees and carried interest, other expenses and credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
10. ACE IV is made up of four parallel funds, two denominated in Euros and two denominated in pound sterling: ACE IV (E) Unlevered, ACE IV (G) Unlevered, ACE IV (E) Levered and ACE IV (G) Levered. The gross and net IRR and MoIC presented in the table are for ACE IV (E) Unlevered and ACE IV (E) Levered. Metrics for ACE IV (E) Levered are inclusive of a U.S. dollar denominated feeder fund, which has not been presented separately. The gross and net IRR for ACE IV (G) Unlevered are 9.7% and 7.0%, respectively. The gross and net MoIC for ACE IV (G) Unlevered are 1.4x and 1.3x, respectively. The gross and net IRR for ACE IV (G) Levered are 12.8% and 9.1%, respectively. The gross and net MoIC for ACE IV (G) Levered are 1.5x and 1.4x, respectively. Original capital commitments are converted to U.S. dollars at the prevailing exchange rate at the time of the fund's closing. All other values for ACE IV Unlevered and ACE IV Levered are for the combined levered and unlevered parallel funds and are converted to U.S. dollars at the prevailing quarter-end exchange rate.
11. ACE V is made up of four parallel funds, two denominated in Euros and two denominated in pound sterling: ACE V (E) Unlevered, ACE V (G) Unlevered, ACE V (E) Levered, and ACE V (G) Levered, and two feeder funds: ACE V (D) Levered and ACE V (Y) Unlevered. ACE V (E) Levered includes the ACE V (D) Levered feeder fund and ACE V (E) Unlevered includes the ACE V (Y) Unlevered feeder fund. The gross and net IRR and gross and net MoIC presented in the table are for ACE V (E) Unlevered and ACE V (E) Levered. Metrics for ACE V (E) Levered exclude the ACE V (D) Levered feeder fund and metrics for ACE V (E) Unlevered exclude the ACE V (Y) Unlevered feeder fund. The gross and net IRR for ACE V (G) Unlevered are 13.3% and 10.0%, respectively. The gross and net MoIC for ACE V (G) Unlevered are 1.2x and 1.2x, respectively. The gross and net IRR for ACE V (G) Levered are 18.1% and 13.2%, respectively. The gross and net MoIC for ACE V (G) Levered are 1.3x and 1.2x, respectively. The gross and net IRR for ACE V (D) Levered are 16.6% and 12.3%, respectively. The gross and net MoIC for ACE V (D) Levered are 1.3x and 1.2x, respectively. The gross and net IRR for ACE V (Y) Unlevered are 11.1% and 8.0%, respectively. The gross and net MoIC for ACE V (Y) Unlevered are 1.2x and 1.1x, respectively. Original capital commitments are converted to U.S. dollars at the prevailing exchange rate at the time of the fund's closing. All other values for ACE V Unlevered and ACE V Levered are for the combined levered and unlevered parallel funds and are converted to U.S. dollars at the prevailing quarter-end exchange rate.
12. Performance for the open-ended core alternative credit fund, a perpetual capital vehicle, is presented as a drawdown fund as investor commitments to the fund are drawn sequentially in order of closing date, typically over a period of approximately 12 to 18 months. The fund is made up of a Class M ("Main Class") and a Class C ("Constrained Class"). The Main Class includes investors electing to participate in all investments and the Constrained Class includes investors electing to be excluded from exposure to liquid investments. The gross and net IRR and gross and net MoIC presented in the table are for the Main Class. The gross and net IRRs for the Constrained Class are 10.8% and 7.7%, respectively. The gross and net MoIC for the Constrained Class are 1.2x and 1.1x, respectively.

Significant Fund Performance Metrics Endnotes (cont'd)

Private Equity

1. Realized value represents the sum of all cash dividends, interest income, other fees and cash proceeds from realizations of interests in portfolio investments. Realized value excludes any proceeds related to bridge financings.
2. Unrealized value represents the fair market value of remaining investments. Unrealized value does not take into account any bridge financings. There can be no assurance that unrealized investments will be realized at the valuations indicated.
3. The gross MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The gross MoIC is before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The gross MoICs are also calculated before giving effect to any bridge financings. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the gross fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
4. The net MoIC is calculated at the fund-level. The net MoIC is based on the interests of the fee-paying limited partners and if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or performance fees. The net MoIC is after giving effect to management fees, carried interest, as applicable, and other expenses. The net MoICs are also calculated before giving effect to any bridge financings. Inclusive of bridge financings, the net MoIC would be 1.3x for ACOF V and 1.2x for ACOF VI. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
5. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRRs reflect returns to the fee-paying limited partners and, if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The gross IRRs are also calculated before giving effect to any bridge financings. The funds may utilize a credit facility during the investment period and for general cash management purposes. Gross fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
6. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the net IRR calculation are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees, carried interest as applicable, and other expenses and exclude commitments by the general partner and Schedule I investors who do not pay either management fees or carried interest. The funds may utilize a credit facility during the investment period and for general cash management purposes. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility. The net IRRs are also calculated before giving effect to any bridge financings. Inclusive of bridge financings, the net IRRs would be 8.4% for ACOF V and 16.6% for ACOF VI.

Significant Fund Performance Metrics Endnotes (cont'd)

Real Assets

1. Since inception returns are annualized.
2. Performance is measured by total return, which includes income and appreciation and reinvestment of all distributions for the respective time period. Returns are shown for institutional share class. Shares of other classes may have lower returns due to higher selling commissions and fees. Actual individual stockholder returns will vary. Net returns are calculated using the fund's NAV and assume distributions are reinvested at the NAV on the date of distribution. The inception date used in the calculation of the since inception return is the date in which the first shares of common stock were sold after converting to a NAV-based REIT. Additional information related to AIREIT can be found in its filings with the SEC, which are not part of this report.
3. Performance is measured by total return, which includes income and appreciation and reinvestment of all distributions for the respective time period. Returns are shown for institutional share class. Shares of other classes may have lower returns due to higher selling commissions and fees. Actual individual stockholder returns will vary. Net returns are calculated using the fund's NAV and assume distributions are reinvested at the NAV on the date of distribution. Additional information related to AIREIT can be found in its filings with the SEC, which are not part of this report.
4. Returns are time-weighted rates of return and include the reinvestment of income and other earnings from securities or other investments and reflect the deduction of all trading expenses. Gross returns do not reflect the deduction of management fees, incentive fees, as applicable, or other expenses. Net returns are calculated by subtracting the applicable management fees, incentive fees, as applicable and other expenses from the gross returns on a quarterly basis.
5. Realized value includes distributions of operating income, sales and financing proceeds received.
6. Unrealized value represents the fund's NAV reduced by the accrued incentive allocation, if applicable. There can be no assurance that unrealized values will be realized at the valuations indicated.
7. The gross MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The gross MoIC is before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the gross fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
8. The net MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and, if applicable, excludes interests attributable to the non fee-paying limited partners and/or the general partner which does not pay management fees or carried interest. The net MoIC is after giving effect to management fees, carried interest, as applicable, credit facility interest expense, as applicable, and other expenses. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
9. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRR reflects returns to the fee-paying limited partners and, if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Gross fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
10. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and, if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the net IRR calculations are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees and carried interest, other expenses and credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
11. IDF IV is made up of U.S. Dollar hedged, U.S. Dollar unhedged, Euro unhedged, Yen hedged parallel funds and a single investor U.S. Dollar parallel fund. The gross and net IRR and MoIC presented in the table are for the U.S. Dollar hedged parallel fund. The gross and net IRR for the U.S. Dollar unhedged parallel fund are 6.6% and 4.5%, respectively. The gross and net MoIC for the U.S. Dollar unhedged parallel fund are 1.2x and 1.1x, respectively. The gross and net IRR for the Euro unhedged parallel fund are 6.4% and 5.1%, respectively. The gross and net MoIC for the Euro unhedged parallel fund are 1.2x and 1.1x, respectively. The gross and net IRR for the Yen hedged parallel fund are 4.6% and 2.8%, respectively. The gross and net MoIC for the Yen hedged parallel fund are 1.1x and 1.1x, respectively. The gross and net IRR for the single investor U.S. Dollar parallel fund are 5.1% and 4.0%, respectively. The gross and net MoIC for the single investor U.S. Dollar parallel fund are 1.1x and 1.1x, respectively. Original capital commitments are converted to U.S. Dollars at the prevailing exchange rate at the time of fund's closing. All other values for IDF IV are for the combined fund and are converted to U.S. Dollars at the prevailing quarter-end exchange rate.
12. IDF V is made up of U.S. Dollar hedged, Euro unhedged, GBP hedged, Yen hedged and a single investor parallel fund. The gross and net IRR and MoIC presented in the table are for the U.S. Dollar hedged parallel fund. The gross and net IRR for the Euro unhedged parallel fund are 11.5% and 8.6%, respectively. The gross and net MoIC for the Euro unhedged parallel fund are 1.1x and 1.1x, respectively. The gross and net IRR for the GBP hedged parallel fund are 11.9% and 8.8%, respectively. The gross and net MoIC for the GBP hedged parallel fund are 1.1x and 1.1x, respectively. The gross and net IRR for the Yen hedged parallel fund are 9.5% and 6.7%, respectively. The gross and net MoIC for the Yen hedged parallel fund are 1.1x and 1.0x, respectively. The gross and net IRR for the single investor U.S. Dollar parallel fund are 10.0% and 7.7%, respectively. The gross and net MoIC for the single investor U.S. Dollar parallel fund are 1.1x and 1.1x, respectively. Original capital commitments are converted to U.S. Dollars at the prevailing exchange rate at the time of fund's closing. All other values for IDF V are for the combined fund and are converted to U.S. Dollars at the prevailing quarter-end exchange rate.

Significant Fund Performance Metrics Endnotes (cont'd)

Secondaries

1. Realized value represents the sum of all cash distributions to all limited partners and if applicable, exclude tax and incentive distributions made to the general partner.
2. Unrealized value represents the limited partners' share of fund's NAV reduced by the accrued incentive allocation, if applicable. There can be no assurance that unrealized values will be realized at the valuations indicated.
3. The gross MoIC is calculated at the fund-level and is based on the interests of all partners. If applicable, limiting the gross MoIC to exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest would have no material impact on the result. The gross MoIC is before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documentation. The gross fund-level MoIC would have generally been lower had such fund called capital from its partners instead of utilizing the credit facility.
4. The net MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes those interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The net MoIC is after giving effect to management fees and other expenses, carried interest and credit facility interest expense, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documentation. The net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
5. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRR reflects returns to all partners. If applicable, limiting the gross IRR to exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest would have no material impact on the result. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documents. The gross fund-level IRR would generally have been lower had such fund called capital from its partners instead of utilizing the credit facility.
6. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and, if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest. The cash flow dates used in the net IRR calculations are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees and other expenses, carried interest and credit facility interest expenses, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documents. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
7. The results of each fund is presented on a combined basis with the affiliated parallel funds or accounts, given that the investments are substantially the same.

Supplemental Performance Metrics

The following table presents the performance data for commingled funds that were previously reported as significant funds:

As of December 31, 2023												
(\$ in millions)	Year of Inception	AUM	Original Capital Commitments	Capital Invested to Date	Realized Value ⁽¹⁾	Unrealized Value ⁽²⁾	Total Value	MoIC		IRR(%)		Primary Investment Strategy
								Gross ⁽³⁾	Net ⁽⁴⁾	Gross ⁽⁵⁾	Net ⁽⁶⁾	
Credit												
Funds Harvesting Investments												
ACE III ⁽⁷⁾	2015	\$3,716	\$2,822	\$2,429	\$2,133	\$1,587	\$3,720	1.6x	1.4x	10.1	7.1	European Direct Lending
SSG Fund IV	2016	918	1,181	1,731	1,391	621	2,012	1.3x	1.2x	13.2	8.0	Asia Credit
PCS I	2017	3,461	3,365	2,653	1,810	1,862	3,672	1.5x	1.3x	11.9	8.5	U.S. Direct Lending
SSG Fund V	2018	2,203	1,878	2,238	1,829	721	2,550	1.2x	1.1x	26.7	15.7	Asia Credit

Note: Past performance is not indicative of future results. AUM and net returns are as of December 31, 2023 unless otherwise noted. Please refer to supplemental performance metric endnotes on slide 41 for additional information. Return information presented may not reflect actual returns earned by investors in the applicable fund.

Supplemental Performance Metrics (cont'd)

The following table presents the performance data for commingled funds that were previously reported as significant funds:

As of December 31, 2023												
(\$ in millions)	Year of Inception	AUM	Original Capital Commitments	Capital Invested to Date	Realized Value ⁽¹⁾	Unrealized Value ⁽²⁾	Total Value	MoIC		IRR(%)		Primary Investment Strategy
								Gross ⁽³⁾	Net ⁽⁴⁾	Gross ⁽⁵⁾	Net ⁽⁶⁾	
Private Equity												
Funds Harvesting Investments												
ACOF III	2008	\$73	\$3,510	\$3,922	\$10,293	\$17	\$10,310	2.6x	2.1x	27.5	20.2	Corporate Private Equity
ACOF IV	2012	1,184	4,700	4,319	9,139	995	10,134	2.3x	1.9x	19.3	14.0	Corporate Private Equity
SSF IV	2015	1,336	1,515	3,638	3,445	1,252	4,697	1.7x	1.6x	10.5	8.3	Special Opportunities
Fund Deploying Capital												
AEOF	2018	616	1,120	977	112	515	627	0.6x	0.6x	(11.6)	(14.2)	Corporate Private Equity
Real Assets												
Funds Harvesting Investments												
US VIII	2013	215	824	842	1,494	147	1,641	1.9x	1.7x	20.8	17.0	U.S. Real Estate Equity
US IX	2017	623	1,040	948	1,120	537	1,657	1.8x	1.5x	19.5	16.4	U.S. Real Estate Equity
EF IV ⁽⁷⁾	2014	358	1,299	1,243	1,689	260	1,949	1.6x	1.4x	14.7	10.0	European Real Estate Equity
EPEP II ⁽⁸⁾	2015	221	747	659	678	202	880	1.3x	1.2x	12.3	8.8	European Real Estate Equity
EF V ⁽⁹⁾	2018	1,791	1,968	1,702	609	1,444	2,053	1.2x	1.1x	9.7	4.5	European Real Estate Equity
USPF IV	2010	600	1,688	2,121	2,046	587	2,633	1.2x	1.1x	4.6	1.2	Infrastructure Opportunities
EIF V	2015	663	801	1,435	1,492	586	2,078	1.4x	1.5x	17.5	12.3	Infrastructure Opportunities
Fund Deploying Capital												
AREOF III	2019	1,611	1,697	1,356	567	1,105	1,672	1.2x	1.1x	16.3	7.4	U.S. Real Estate Equity
Secondaries												
Funds Harvesting Investments												
LEP XV ⁽⁷⁾	2013	1,324	3,250	2,635	3,054	664	3,718	1.6x	1.4x	17.0	11.8	Private Equity Secondaries
LREF VIII ⁽⁷⁾	2016	3,158	3,300	2,343	1,506	1,614	3,120	1.5x	1.3x	21.1	14.1	Real Estate Secondaries

Note: Past performance is not indicative of future results. AUM and net returns are as of December 31, 2023 unless otherwise noted. Please refer to supplemental performance metric endnotes on slides 41-43 for additional information. Return information presented may not reflect actual returns earned by investors in the applicable fund.

For all funds within the Secondaries Group, returns are calculated from results of the underlying portfolio that are generally reported on a three month lag and may not include the impact of economic and market activities occurring in the current reporting period.

Supplemental Performance Metrics Endnotes

Credit

1. Realized value represents the sum of all cash distributions to all partners and if applicable, exclude tax and incentive distributions made to the general partner.
2. Unrealized value represents the fund's NAV reduced by the accrued incentive allocation, if applicable. There can be no assurance that unrealized values will be realized at the valuations indicated.
3. The gross MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The gross MoIC is before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the gross fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
4. The net MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes those interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The net MoIC is after giving effect to management fees and other expenses, carried interest and credit facility interest expense, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
5. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRR reflects returns to the fee-paying limited partners and, if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. The gross fund-level IRR would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
6. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest. The cash flow dates used in the net IRR calculations are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees and other expenses, carried interest and credit facility interest expenses, as applicable. The funds may utilize a credit facility during the investment period and for general cash management purposes. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
7. ACE III is made up of two feeder funds, one denominated in U.S. dollars and one denominated in Euros. The gross and net IRR and MoIC presented in the table are for the Euro denominated feeder fund. The gross and net IRR for the U.S. dollar denominated feeder fund are 10.9% and 7.9%, respectively. The gross and net MoIC for the U.S. dollar denominated feeder fund are 1.7x and 1.5x, respectively. Original capital commitments are converted to U.S. dollars at the prevailing exchange rate at the time of the fund's closing. All other values for ACE III are for the combined fund and are converted to U.S. dollars at the prevailing quarter-end exchange rate.

Private Equity

1. Realized proceeds represent the sum of all cash dividends, interest income, other fees and cash proceeds from realizations of interests in portfolio investments. Realized proceeds excludes any proceeds related to bridge financings.
2. Unrealized value represents the fair market value of remaining investments. Unrealized value does not take into account any bridge financings. There can be no assurance that unrealized investments will be realized at the valuations indicated.
3. The gross MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The gross MoIC is before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The gross MoICs are also calculated before giving effect to any bridge financings. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the gross fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
4. The net MoIC is calculated at the fund-level. The net MoIC is based on the interests of the fee-paying limited partners and if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or performance fees. The net MoIC is after giving effect to management fees, carried interest, as applicable, and other expenses. The net MoICs for the corporate private equity and special opportunities funds are also calculated before giving effect to any bridge financings. Inclusive of bridge financings, the net MoIC would be 2.1x for ACOF III, 1.8x for ACOF IV and 0.6x for AEOF. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.

Supplemental Performance Metrics Endnotes (cont'd)

Private Equity (cont'd)

5. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRRs reflect returns to the fee-paying limited partners and, if applicable, excludes interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The gross IRRs are also calculated before giving effect to any bridge financings. The funds may utilize a credit facility during the investment period and for general cash management purposes. Gross fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
6. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and, if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest. The cash flow dates used in the net IRR calculation are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees, carried interest as applicable, and other expenses and exclude commitments by the general partner and Schedule I investors who do not pay either management fees or carried interest. The net IRRs are also calculated before giving effect to any bridge financings. Inclusive of bridge financings, the net IRRs would be 20.2% for ACOF III, 14.0% for ACOF IV and (14.2)% for AEOF. The funds may utilize a credit facility during the investment period and for general cash management purposes. Net fund-level IRRs would have generally been lower had such fund called capital from its limited partners instead of utilizing the credit facility.

Real Assets

1. For the infrastructure opportunities funds, realized proceeds represent the sum of all cash dividends, interest income, other fees and cash proceeds from realizations of interests in portfolio investments. Realized proceeds excludes any proceeds related to bridge financings. For the real estate funds, realized proceeds include distributions of operating income, sales and financing proceeds received.
2. Unrealized value represents the fund's NAV reduced by the accrued incentive allocation, if applicable. There can be no assurance that unrealized values will be realized at the valuations indicated.
3. For the infrastructure opportunities funds, the gross MoIC is calculated at the investment-level and is based on the interests of all partners. The gross MoIC is before giving effect to management fees, carried interest, as applicable, and other expenses. For the real estate funds, the gross MoIC is calculated at the investment level and is based on the interests of all partners. The gross MoIC for all funds is before giving effect to management fees, carried interest, as applicable, and other expenses.
4. The net MoIC is calculated at the fund-level and is based on the interests of the fee-paying partners and, if applicable, excludes interests attributable to the non fee-paying partners and/or the general partner who does not pay management fees or carried interest or has such fees rebated outside of the fund. The net MoIC is after giving effect to management fees, carried interest, as applicable, and other expenses. The funds may utilize a credit facility during the investment period and for general cash management purposes. Early in the life of a fund, the net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
5. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from investments and the residual value of the investments at the end of the measurement period. Gross IRRs reflect returns to all partners. For the real estate funds, cash flows used in the gross IRR calculation are assumed to occur at quarter-end. For the infrastructure opportunities funds, cash flows used in the gross IRR calculation are assumed to occur at month-end. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses.
6. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying partners and, if applicable, excludes interests attributable to the non fee-paying partners and/or the general partner who does not pay management fees or carried interest or has such fees rebated outside of the fund. The cash flow dates used in the net IRR calculation are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees, carried interest, as applicable, and other expenses. The funds may utilize a credit facility during the investment period and for general cash management purposes. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
7. EF IV is made up of two parallel funds, one denominated in U.S. Dollars and one denominated in Euros. The gross and net MoIC presented in the table are for the Euro denominated parallel fund. The gross and net MoIC for the U.S. Dollar denominated parallel fund are 1.6x and 1.4x, respectively. The gross and net IRR for the U.S. Dollar denominated parallel fund are 14.4% and 10.5%, respectively. Original capital commitments are converted to U.S. Dollars at the prevailing exchange rate at the time of fund's closing. All other values for EF IV are for the combined fund and are converted to U.S. Dollars at the prevailing quarter-end exchange rate.
8. EPEP II is made up of dual currency investors and Euro currency investors. The gross and net MoIC and gross and net IRR presented in the table are for dual currency investors as dual currency investors represent the largest group of investors in the fund. Multiples exclude foreign currency gains and losses since dual currency investors fund capital contributions and receive distributions in local deal currency (GBP or EUR) and therefore, do not realize foreign currency gains or losses. The gross and net IRRs for the euro currency investors, which include foreign currency gains and losses, are 12.4% and 9.0%, respectively. The gross and net MoIC for the euro currency investors are 1.3x and 1.2x, respectively. Original capital commitments are converted to U.S. Dollars at the prevailing exchange rate at the time of fund's closing. All other values for EPEP II are for the combined fund and are converted to U.S. Dollars at the prevailing quarter-end exchange rate.
9. EF V is made up of two parallel funds, one denominated in U.S. dollars and one denominated in Euros. The gross and net IRR and MoIC presented in the table are for the Euro denominated parallel fund. The gross and net MoIC for the U.S. Dollar denominated parallel fund are 1.2x and 1.1x, respectively. The gross and net IRR for the U.S. Dollar denominated parallel fund are 9.2% and 6.3%, respectively. Original capital commitments are converted to U.S. dollars at the prevailing exchange rate at the time of fund's closing. All other values for EF V are for the combined fund and are converted to U.S. dollars at the prevailing quarter-end exchange rate.

Supplemental Performance Metrics Endnotes (cont'd)

Secondaries

1. Realized value represents the sum of all cash distributions to all limited partners and if applicable, exclude tax and incentive distributions made to the general partner.
2. Unrealized value represents the limited partners' share of fund's NAV reduced by the accrued incentive allocation, if applicable. There can be no assurance that unrealized values will be realized at the valuations indicated.
3. The gross MoIC is calculated at the fund-level and is based on the interests of all partners. If applicable, limiting the gross MoIC to exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest would have no material impact on the result. The gross MoIC is before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documentation. The gross fund-level MoIC would generally have been lower had such fund called capital from its partners instead of utilizing the credit facility.
4. The net MoIC is calculated at the fund-level and is based on the interests of the fee-paying limited partners and if applicable, excludes those interests attributable to the non-fee paying limited partners and/or the general partner which does not pay management fees or carried interest. The net MoIC is after giving effect to management fees and other expenses, carried interest and credit facility interest expense, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documentation. The net fund-level MoICs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
5. The gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Gross IRR reflects returns to all partners. If applicable, limiting the gross IRR to exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest would have no material impact on the result. The cash flow dates used in the gross IRR calculation are based on the actual dates of the cash flows. The gross IRRs are calculated before giving effect to management fees, carried interest, as applicable, and other expenses, but after giving effect to credit facility interest expenses, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documents. The gross fund-level IRR would generally have been lower had such fund called capital from its partners instead of utilizing the credit facility.
6. The net IRR is an annualized since inception net internal rate of return of cash flows to and from the fund and the fund's residual value at the end of the measurement period. Net IRRs reflect returns to the fee-paying limited partners and, if applicable, exclude interests attributable to the non-fee paying limited partners and/or the general partner who does not pay management fees or carried interest. The cash flow dates used in the net IRR calculations are based on the actual dates of the cash flows. The net IRRs are calculated after giving effect to management fees and other expenses, carried interest and credit facility interest expenses, as applicable. The funds may utilize a short-term credit facility for general cash management purposes, as well as a long-term credit facility as permitted by the respective fund's governing documents. Net fund-level IRRs would generally have been lower had such fund called capital from its limited partners instead of utilizing the credit facility.
7. The results of each fund is presented on a combined basis with the affiliated parallel funds or accounts, given that the investments are substantially the same.

Glossary

Ares Operating Group Entities	Ares Operating Group entities or an "AOG Entity" refers to, collectively, Ares Holdings, L.P. ("Ares Holdings") and any future entity designated by our board of directors in its sole discretion as an Ares Operating Group entity.
Ares Operating Group Unit	Ares Operating Group Unit or an "AOG Unit" refers to, collectively, a partnership unit in the Ares Operating Group entities.
Assets Under Management	Assets Under Management or "AUM" generally refers to the assets we manage. For our funds other than CLOs, our AUM represents the sum of the net asset value ("NAV") of such funds, the drawn and undrawn debt (at the fund-level including amounts subject to restrictions) and uncalled committed capital (including commitments to funds that have yet to commence their investment periods). NAV refers to the fair value of the assets of a fund less the fair value of the liabilities of the fund. For the CLOs we manage, our AUM is equal to initial principal amounts adjusted for paydowns. AUM also includes the proceeds raised in the initial public offerings of special purpose acquisition companies ("SPACs") sponsored by us, less any redemptions.
AUM Not Yet Paying Fees	AUM Not Yet Paying Fees (also referred to as "shadow AUM") refers to AUM that is not currently paying fees and is eligible to earn management fees upon deployment.
Available Capital	Available Capital (also referred to as "dry powder") is comprised of uncalled committed capital and undrawn amounts under credit facilities and may include AUM that may be canceled or not otherwise available to invest.
Consolidated Funds	Consolidated Funds refers collectively to certain Ares funds, co-investment vehicles, CLOs and SPACs that are required under GAAP to be consolidated in our consolidated financial statements.
Dividend Policy	In the normal course of business, we expect to pay dividends to our Class A and non-voting common stockholders that are aligned with our expected annual fee related earnings after an allocation of current taxes paid. For the purpose of determining this amount, we allocate the total current taxes paid between FRE and realized incentive and investment income in a manner that is expected to be disproportionate to earnings generated by these metrics and the actual taxes paid on these metrics should they be measured separately. Additionally, our methodology uses the tax benefits from certain expenses that are not included in these non-GAAP metrics, such as equity-based compensation from the vesting of restricted units, and the exercise of stock options and from the amortization of intangible assets, among others. The portion of the current tax allocated to performance and net investment income is calculated by multiplying the statutory tax rate currently in effect by the realized performance and net investment income attributable to the Company. We subtract this amount from the total current tax and the remainder is allocated to FRE. We use this method to allocate the portion of the current income tax provision to FRE to approximate the amount of cash that is available to pay dividends to our shareholders. If cash flows from FRE were insufficient to fund dividends over a sustained period of time, we expect that we would reduce dividends or suspend paying such dividends. Accordingly, there is no assurance that dividends would continue at the current levels or at all.
Fee Paying AUM	Fee Paying AUM or "FPAUM" refers to the AUM from which we directly earn management fees. FPAUM is equal to the sum of all the individual fee bases of our funds that directly contribute to our management fees. For our funds other than CLOs, our FPAUM represents the amount of limited partner capital commitments for certain closed-end funds within the reinvestment period, the amount of limited partner invested capital for the aforementioned closed-end funds beyond the reinvestment period and the portfolio value, gross asset value or NAV. For the CLOs we manage, our FPAUM is equal to the gross amount of aggregate collateral balance, at par, adjusted for defaulted or discounted collateral.

Glossary (cont'd)

Fee Related Earnings	Fee Related Earnings or "FRE", a non-GAAP measure, is used to assess core operating performance by determining whether recurring revenue, primarily consisting of management fees and fee related performance revenues, is sufficient to cover operating expenses and to generate profits. FRE differs from income before taxes computed in accordance with GAAP as FRE excludes net performance income, investment income from our funds and adjusts for certain other items that we believe are not indicative of our core operating performance. Fee related performance revenues, together with fee related performance compensation, is presented within FRE because it represents incentive fees from perpetual capital vehicles that are measured and eligible to be received on a recurring basis and are not dependent on realization events from the underlying investments.
Fee Related Performance Revenues	Fee Related Performance Revenues refers to incentive fees from perpetual capital vehicles that are: (i) measured and eligible to be received on a recurring basis; and (ii) not dependent on realization events from the underlying investments. Certain vehicles are subject to hold back provisions that limit the amounts paid in a particular year. Such hold back amounts may be paid in subsequent years, subject to their extended performance conditions.
Gross Capital Deployment	Gross Capital Deployment refers to the aggregate amount of capital invested by our funds during a given period, and includes investments made by our drawdown funds and perpetual capital vehicles and new capital raised and invested by our open-ended managed accounts, sub-advised accounts and CLOs, but excludes capital that is reinvested (after receiving repayments of capital) by our open-ended managed accounts, sub-advised accounts and CLOs.
Incentive Eligible AUM	Incentive Eligible AUM or "IEAUM" generally refers to the AUM of our funds and other entities from which carried interest and incentive fees may be generated, regardless of whether or not they are currently generating carried interest and incentive fees. It generally represents the NAV plus uncalled equity or total assets plus uncalled debt, as applicable, of our funds for which we are entitled to receive carried interest and incentive fees, excluding capital committed by us and our professionals (from which we generally do not earn carried interest and incentive fees), as well as proceeds raised in the initial public offerings of SPACs sponsored by us, less any redemptions. With respect to Ares Capital Corporation (NASDAQ: ARCC) ("ARCC") and Ares Strategic Income Fund's ("ASIF") AUM, only Part II Fees may be generated from IEAUM.
Incentive Generating AUM	Incentive Generating AUM or "IGAUM" refers to the AUM of our funds and other entities that are currently generating carried interest and incentive fees on a realized or unrealized basis. It generally represents the NAV or total assets of our funds, as applicable, for which we are entitled to receive carried interest and incentive fees, excluding capital committed by us and our professionals (from which we generally do not earn carried interest and incentive fees). ARCC and ASIF are only included in IGAUM when Part II Fees are being generated.
Management Fees	Management Fees refers to fees we earn for advisory services provided to our funds, which are generally based on a defined percentage of fair value of assets, total commitments, invested capital, net asset value, net investment income, total assets or par value of the investment portfolios managed by us. Management fees include Part I Fees, a quarterly fee based on the net investment income of certain funds.
Net Inflows of Capital	Net Inflows of Capital refers to net new commitments during the period, including equity and debt commitments and gross inflows into our open-ended managed accounts and sub-advised accounts, as well as new debt and equity issuances by our publicly-traded vehicles minus redemptions from our open-ended funds, managed accounts and sub-advised accounts.

Glossary (cont'd)

Operations Management Group	In addition to our reportable segments, we have an Operations Management Group (the "OMG") that consists of shared resource groups to support our reportable segments by providing infrastructure and administrative support in the areas of accounting/finance, operations, information technology, strategy and relationship management, legal, compliance and human resources. The OMG includes Ares Wealth Management Solutions, LLC ("AWMS") that facilitates the product development, distribution, marketing and client management activities for investment offerings in the global wealth management channel. The OMG's revenues and expenses are not allocated to our reportable segments but we consider the cost structure of the OMG when evaluating our financial performance. Our management uses this information to assess the performance of our reportable segments and OMG, and we believe that this information enhances the ability of shareholders to analyze our performance.
Our Funds	Our Funds refers to the funds, alternative asset companies, trusts, co-investment vehicles and other entities and accounts that are managed or co-managed by the Ares Operating Group, and which are structured to pay fees. It also includes funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of ARCC and an SEC-registered investment adviser.
Part I Fees	Part I Fees refers to a quarterly fee on the net investment income of ARCC, CION Ares Diversified Credit Fund ("CADC") and ASIF. Such fees are classified as management fees as they are predictable and recurring in nature, not subject to contingent repayment and generally cash-settled each quarter, unless subject to a payment deferral.
Part II Fees	Part II Fees refers to fees from ARCC and ASIF that are paid in arrears as of the end of each calendar year when the respective cumulative aggregate realized capital gains exceed the cumulative aggregate realized capital losses and aggregate unrealized capital depreciation, less the aggregate amount of respective Part II Fees paid in all prior years since inception.
Performance Income	Performance Income refers to income we earn based on the performance of a fund that is generally based on certain specific hurdle rates as defined in the fund's investment management or partnership agreements and may be either performance revenue or carried interest, but in all cases excludes fee related performance revenues.
Perpetual Capital	Perpetual Capital refers to the AUM of: (i) our publicly-traded vehicles, including ARCC, Ares Commercial Real Estate Corporation (NYSE: ACRE) ("ACRE") and Ares Dynamic Credit Allocation Fund, Inc. (NYSE: ARDC) ("ARDC"); (ii) our non-traded vehicles, including our non-traded real estate investment trusts ("REITs"), Ares Private Markets Fund ("APMF"), ASIF and CADC; (iii) Aspida Holdings Ltd. (together with its subsidiaries, "Aspida"); and (iv) certain other commingled funds and managed accounts that have an indefinite term, are not in liquidation, and for which there is no immediate requirement to return invested capital to investors upon the realization of investments. Perpetual Capital - Managed Accounts refers to managed accounts for single investors primarily in illiquid strategies that meet the perpetual capital criteria. Perpetual Capital - Private Commingled Funds refers to commingled funds that meet the perpetual capital criteria, not including our publicly traded vehicles or non-traded vehicles. Perpetual capital may be withdrawn by investors under certain conditions, including through an election to redeem an investor's fund investment or to terminate the investment management agreement, which in certain cases may be terminated on 30 days' prior written notice. In addition, the investment management or advisory agreements of certain of our publicly-traded and non-traded vehicles have one year terms, which are subject to annual renewal by such vehicles.

Glossary (cont'd)

Realized Income

Realized Income or "RI", a non-GAAP measure, is an operating metric used by management to evaluate performance of the business based on operating performance and the contribution of each of the business segments to that performance, while removing the fluctuations of unrealized income and losses, which may or may not be eventually realized at the levels presented and whose realizations depend more on future outcomes than current business operations. RI differs from income before taxes by excluding: (i) operating results of our Consolidated Funds; (ii) depreciation and amortization expense; (iii) the effects of changes arising from corporate actions; and (iv) unrealized gains and losses related to carried interest, incentive fees and investment performance; and adjusting for certain other items that we believe are not indicative of our operating performance. Changes arising from corporate actions include equity-based compensation expenses, the amortization of intangible assets, transaction costs associated with mergers, acquisitions and capital activities, underwriting costs and expenses incurred in connection with corporate reorganization. Placement fee adjustment represents the net portion of either expense deferral or amortization of upfront fees to placement agents that is required to match the timing of expense recognition with the period over which management fees are expected to be earned from the associated fund for segment purposes but have been expensed in advance in accordance with GAAP. For periods in which the amortization of upfront fees for segment purposes is higher than the GAAP expense, the placement fee adjustment is presented as a reduction to RI.

After-tax RI is RI less the current income tax provision. For this purpose, the current income tax provision represents the sum of (i) taxes paid or payable as reflected in the Company's GAAP financial statements for the period and (ii) amounts payable under the Tax Receivable Agreement for which a tax benefit was included in the current period provision. The current income tax provision reflects the tax benefits associated with deductions available to the Company on certain expense items that have been excluded from the underlying calculation of RI, such as equity-based compensation deductions. If tax deductions related to the vesting of restricted units and exercise of stock options were excluded, the resulting current income tax provision and the implied tax rate would be higher, which would reduce After-tax RI. The assumptions applied in calculating our current income tax provision as presented under U.S. GAAP and in determining After-tax RI are consistent. Management believes that utilizing the current income tax provision, calculated as described above, in determining After-tax RI is meaningful because it increases comparability between periods and more accurately reflects amounts that are available for distribution to stockholders.

