

Ares Management Corporation Reports First Quarter 2024 Results



NEW YORK--Ares Management Corporation (NYSE:ARES) today reported its financial results for its first quarter ended March 31, 2024.

GAAP net income attributable to Ares Management Corporation was \$73.0 million for the quarter ended March 31, 2024. On a basic and diluted basis, net income attributable to Ares Management Corporation per share of Class A and non-voting common stock was \$0.33 for the quarter ended March 31, 2024.

After-tax realized income was \$265.1 million for the quarter ended March 31, 2024. After-tax realized income per share of Class A common stock was \$0.80 for the quarter ended March 31, 2024. Fee related earnings were \$301.7 million for the quarter ended March 31, 2024.

“During the first quarter, we continued to see strong year-over-year growth across our key financial metrics, including 19% growth in our assets under management, robust fundraising of more than \$17 billion, higher deployment and attractive investment performance,” said Michael Arougheti, Chief Executive Officer and President of Ares. “Our portfolios continue to perform well and we are finding compelling investment opportunities across many segments of our expanding global platform.”

“With a record amount of available capital at nearly \$115 billion along with 28% growth in our AUM not yet paying fees, we believe we have significant capacity for growth when there is a return to higher levels of transaction activity,” said Jarrod Phillips, Chief Financial Officer of Ares.

Common Stock Dividend

Ares declared a quarterly dividend of \$0.93 per share of its Class A and non-voting common stock, payable on June 28, 2024 to its Class A and non-voting common stockholders of record at the close of business on June 14, 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 June 28, 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 first quarter 2024 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 “First Quarter 2024 Earnings Presentation.”

Conference Call and Webcast Information

Ares will host a conference call on May 2, 2024 at 11:00 a.m. (Eastern Time) to discuss first quarter 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 <http://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 and to reference the conference ID ARESQ124. For interested parties, an archived replay of the call will be available through June 2, 2024 to domestic callers by dialing +1 (800) 839-5631 and to international callers by dialing +1 (402) 220-2558. An archived replay will also be available through June 2, 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, real estate, private equity 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 March 31, 2024, Ares Management Corporation's global platform had approximately \$428 billion of assets under management with approximately 2,900 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
First Quarter 2024

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 of 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 March 31, 2024, 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.

First Quarter 2024 Highlights

Assets Under Management	<ul style="list-style-type: none">• Total Assets Under Management (“AUM”) of \$428.3 billion• Total Fee Paying AUM (“FPAUM”) of \$267.1 billion• Available Capital of \$114.6 billion• AUM Not Yet Paying Fees available for future deployment of \$64.6 billion• Raised \$17.4 billion in gross new capital with net inflows of capital⁽¹⁾ of \$14.4 billion• Capital deployment of \$18.6 billion, including \$9.4 billion by our drawdown funds
Q1-24 Financial Results	<ul style="list-style-type: none">• GAAP net income attributable to Ares Management Corporation of \$73.0 million• GAAP basic and diluted earnings per share of Class A and non-voting common stock of \$0.33• GAAP management fees of \$687.7 million• Unconsolidated management fees and other fees of \$713.2 million⁽²⁾• Fee related performance revenues of \$3.7 million• Fee Related Earnings of \$301.7 million• Realized Income of \$289.2 million• After-tax Realized Income of \$0.80 per share of Class A and non-voting common stock
Corporate Actions	<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 June 28, 2024 to shareholders of record as of June 14, 2024
Recent Developments	<ul style="list-style-type: none">• On January 1, 2024, Ares changed its segment composition. Our special opportunities strategy, historically part of the Private Equity Group, is now referred to as opportunistic credit and is presented within the Credit Group

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

2. Unconsolidated management fees includes \$12.5 million from Consolidated Funds that are eliminated upon consolidation for GAAP for Q1-24 and excludes management fees attributable to certain joint venture partners. Unconsolidated other fees represents \$19.9 million for Q1-24 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	Q1 2024	Commentary
Credit Group			
U.S. Direct Lending	\$4.0		Equity and debt commitments to various funds, including debt commitments of \$2.0 billion and equity commitments of \$0.8 billion for our third U.S. senior direct lending fund
Business Development Companies	3.2		Capital raised by ARCC and affiliates of \$2.0 billion and capital raised by ASIF of \$1.2 billion
European Direct Lending	3.4		Equity and debt commitments to various funds, including equity commitments of \$1.0 billion for our sixth European direct lending fund and \$0.8 billion of capital raised by AESIF
Alternative Credit	1.8		Equity commitments to various funds, including \$0.3 billion for an open-ended core alternative credit fund
CLOs	1.0		Closed one new U.S. CLO and priced one new European CLO
Liquid Credit	0.7		Equity commitments to various funds
Other	0.1		Unallocated equity commitments to the platform
Total Credit Group	\$14.2		
Real Assets Group			
Non-traded REITs	\$0.3		Capital raised of \$0.2 billion by AREIT and \$0.1 billion by AIREIT
Infrastructure Debt	0.1		Equity commitments to an infrastructure debt vehicle
Total Real Assets Group	\$0.4		
Private Equity Group			
Corporate Private Equity	\$0.2		Equity commitments for our seventh corporate private equity fund
Other	0.1		Unallocated equity commitments to the platform
Total Private Equity Group	\$0.3		
Secondaries Group			
Private Equity Secondaries	\$0.5		Capital raised of \$0.3 billion by APMF and equity commitments to various funds
Real Estate Secondaries	0.2		Equity commitments to a real estate secondaries fund
Infrastructure Secondaries	0.2		Equity commitments to various funds, including \$0.1 billion for our third infrastructure secondaries fund
Credit Secondaries	0.1		Equity commitments to various funds
Total Secondaries Group	\$1.0		
Other Businesses			
Insurance	\$1.5		Additional managed assets
Total Other Businesses	\$1.5		
Total	\$17.4		

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.

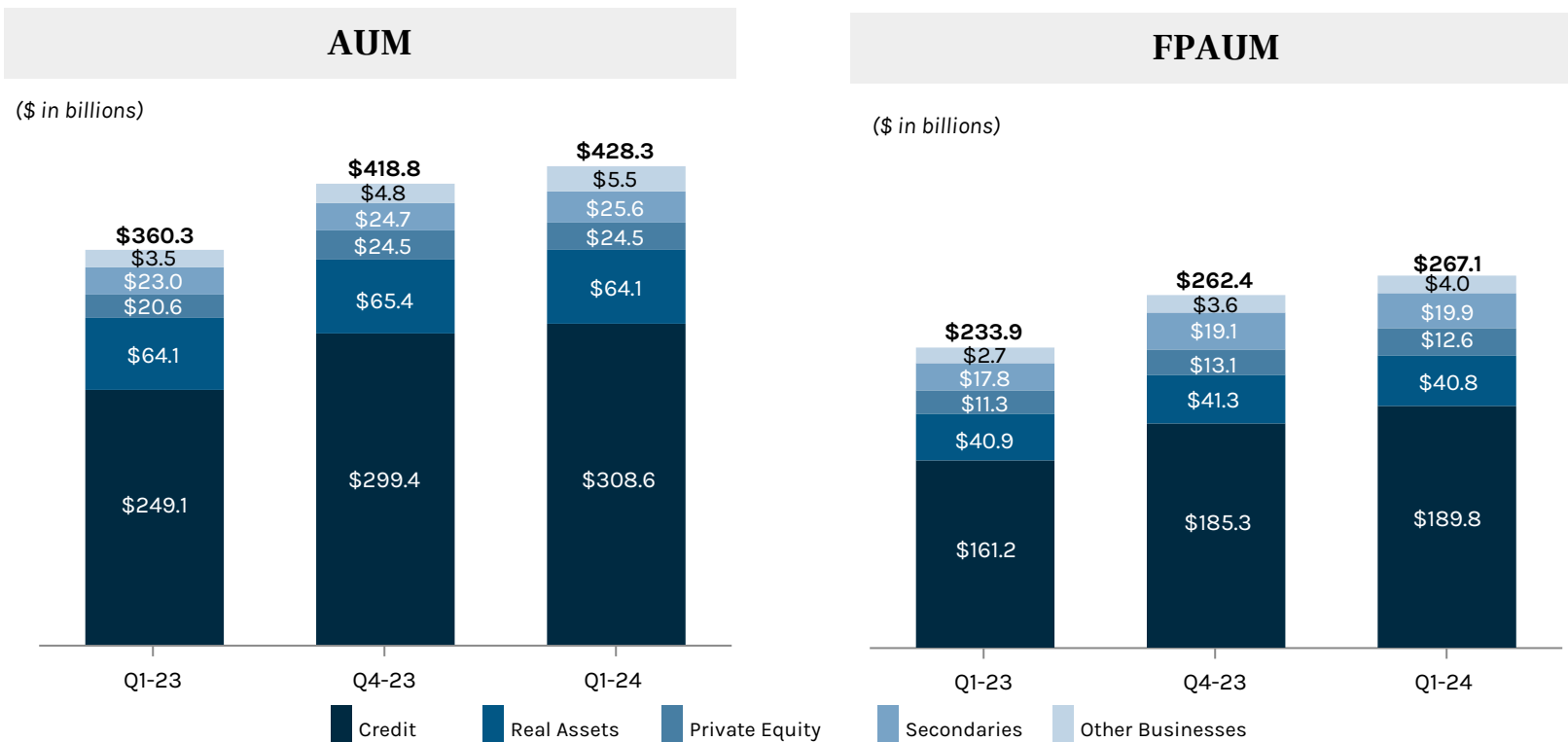
Assets Under Management

AUM as of March 31, 2024 was \$428.3 billion, an increase of 19% from prior year⁽¹⁾

- The increase of \$68.0 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 from our insurance platform; and
 - the acquisition of Crescent Point and commitments to our seventh corporate private equity fund within Private Equity

FPAUM as of March 31, 2024 was \$267.1 billion, an increase of 14% from prior year

- The increase of \$33.2 billion was primarily driven by:
 - the deployment of capital in funds across our U.S. and European direct lending, alternative credit and opportunistic credit strategies; and
 - the acquisition of Crescent Point



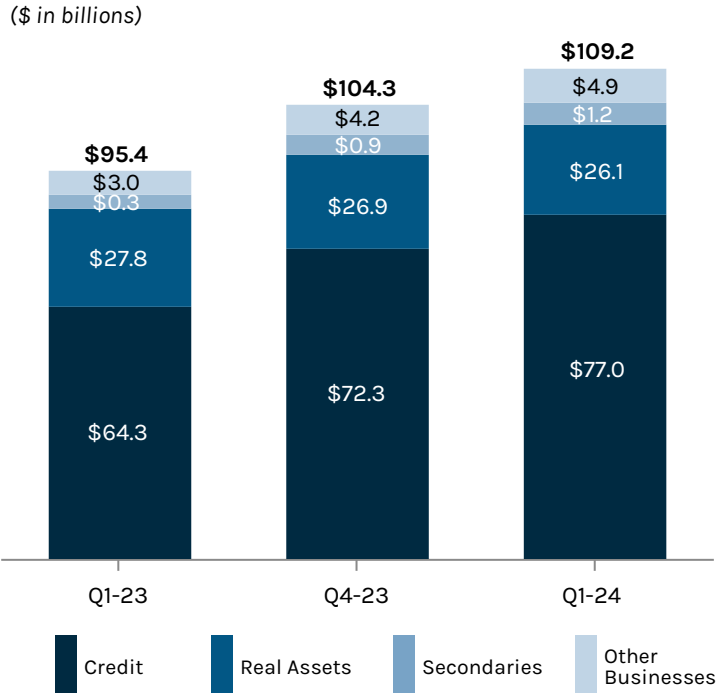
1. AUM amounts include vehicles managed by Ivy Hill Asset Management, LP, a wholly owned portfolio company of ARCC and a SEC-registered investment adviser ("IHAM").

Perpetual Capital

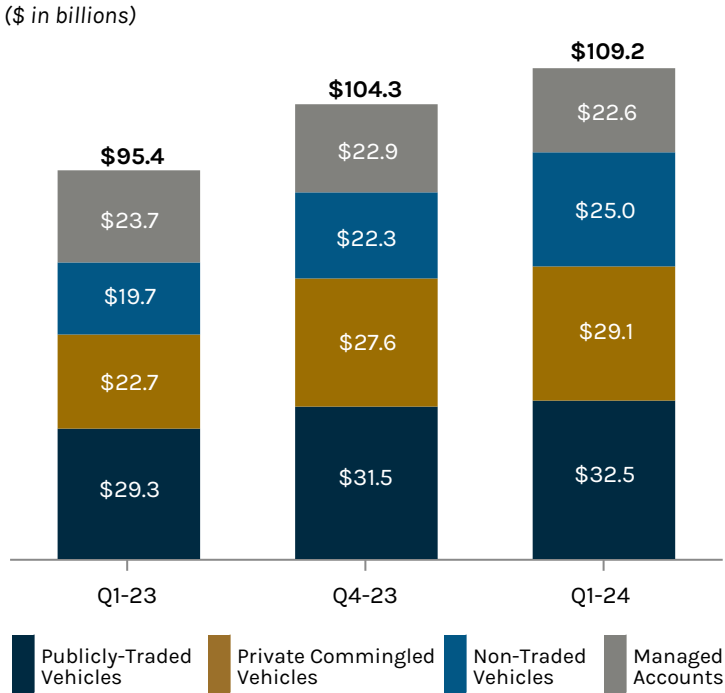
Perpetual Capital as of March 31, 2024 was \$109.2 billion, an increase of 14% from prior year

- The increase of \$13.8 billion was primarily driven by:
 - commitments to certain funds and SMAs in our U.S. direct lending and alternative credit strategies, capital raised by our business development companies and additional managed assets from our insurance platform

Perpetual Capital AUM



Perpetual Capital by Type

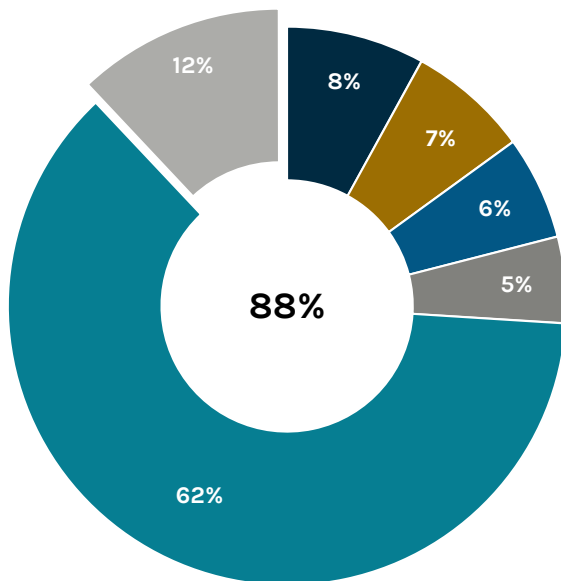


AUM and Management Fees by Type

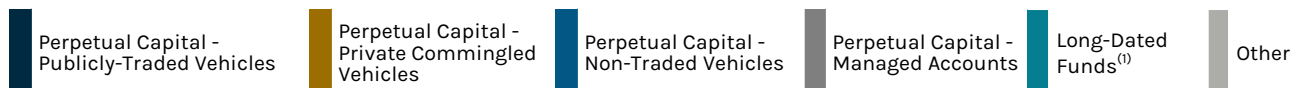
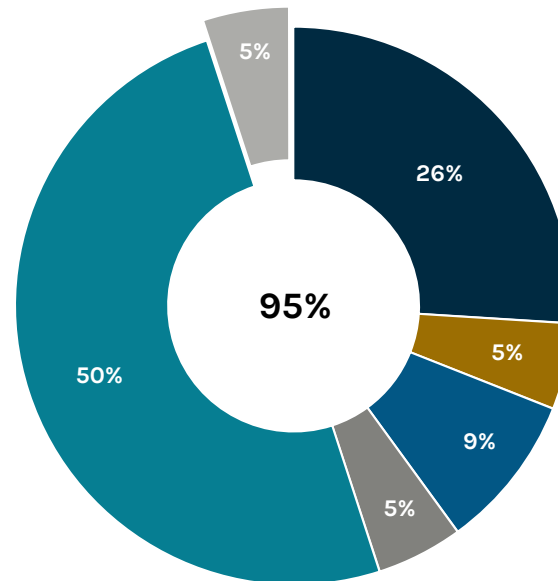
For the quarter ended March 31, 2024:

- 88% 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 March 31, 2024 was \$114.6 billion, an increase of 29% from prior year

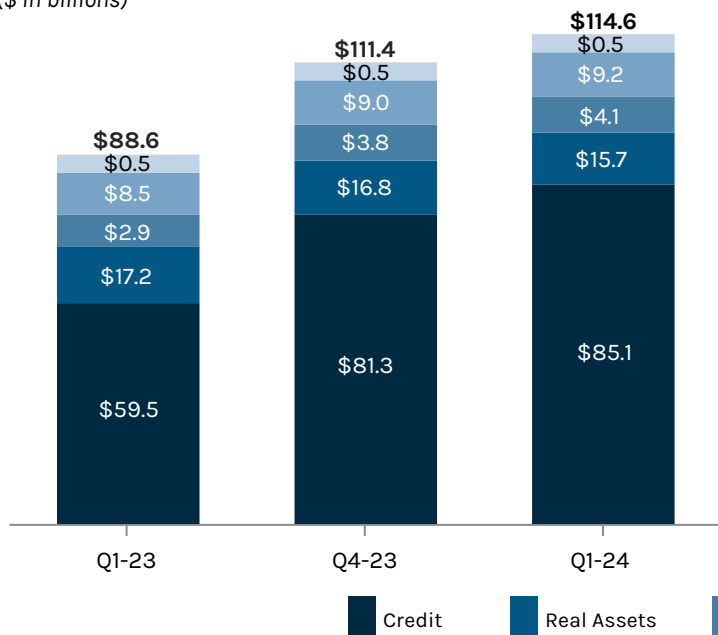
- The increase of \$26.0 billion was primarily driven by:
 - commitments to the U.S. and European direct lending and alternative credit strategies

AUM Not Yet Paying Fees as of March 31, 2024 was \$77.4 billion, an increase of 28% from prior year

- The increase of \$16.7 billion was primarily driven by:
 - commitments to the U.S. and European direct lending and alternative credit strategies

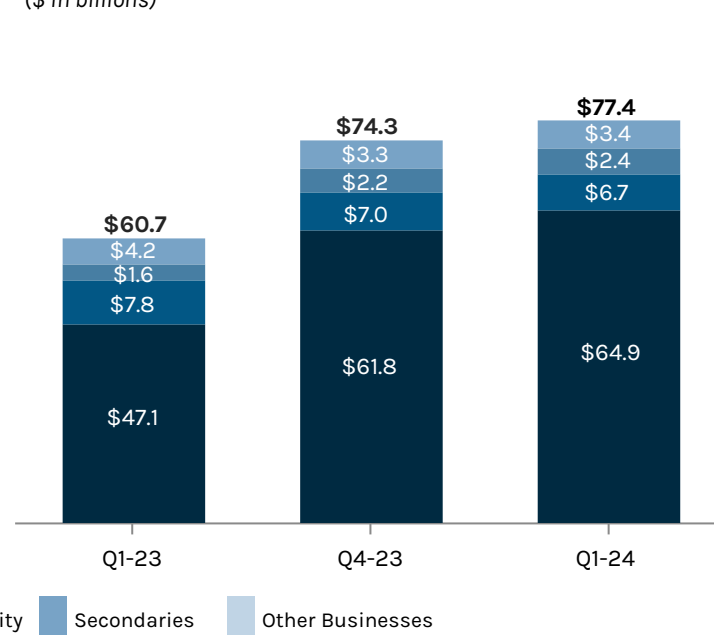
Available Capital

(\$ in billions)



AUM Not Yet Paying Fees

(\$ in billions)



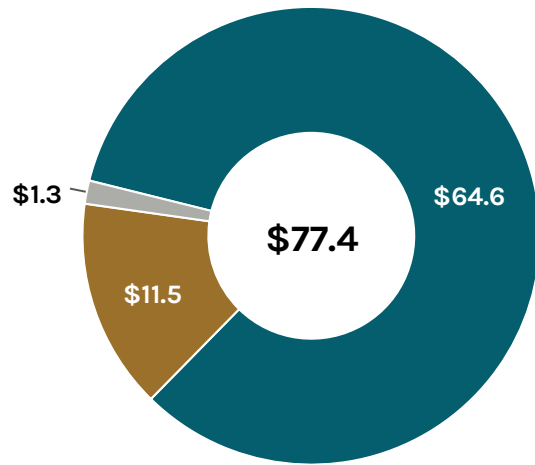
AUM Not Yet Paying Fees

As of March 31, 2024, AUM Not Yet Paying Fees includes \$64.6 billion of AUM available for future deployment that could generate approximately \$621.5 million in potential incremental annual management fees⁽¹⁾

- The \$64.6 billion of AUM Not Yet Paying Fees available for future deployment primarily includes \$27.5 billion in U.S. direct lending funds, \$14.7 billion in European direct lending funds, \$9.6 billion in alternative credit funds, \$2.7 billion in APAC credit funds, \$2.2 billion in real estate equity funds and \$2.1 billion in opportunistic credit funds

AUM Not Yet Paying Fees

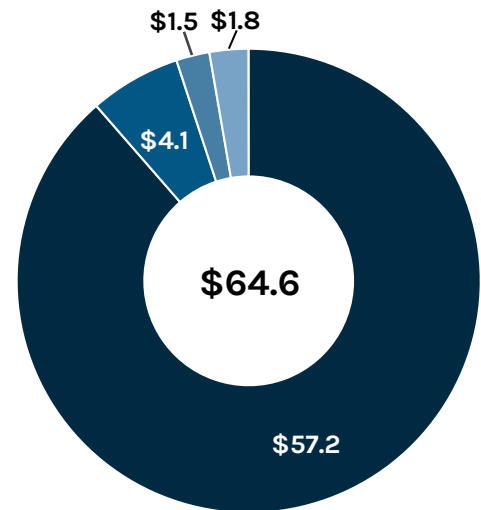
(\$ in billions)



- Capital Available for Future Deployment
- Capital Available for Deployment for Follow-on Investments⁽²⁾
- Funds in or Expected to Be in Wind-down

AUM Not Yet Paying Fees Available for Future Deployment

(\$ in billions)



- Credit
- Real Assets
- Private Equity
- Secondaries

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 March 31, 2024 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 \$621.5 million includes approximately \$35.9 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 March 31, 2024. 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 March 31, 2024, capital available for deployment for follow-on investments could generate approximately \$115.5 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 March 31, 2024 was \$247.1 billion, an increase of 17% from prior year

- The increase of \$36.6 billion was primarily driven by:
 - commitments to funds across our U.S. and European direct lending and alternative credit strategies

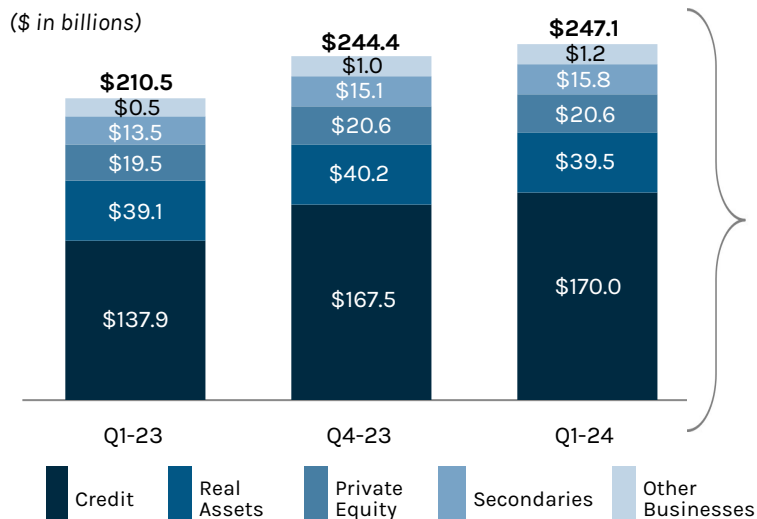
Incentive Generating AUM⁽¹⁾ as of March 31, 2024 was \$122.5 billion, an increase of 26% from prior year

- 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 March 31, 2024

Of the \$165.3 billion of Incentive Eligible AUM that is currently invested, 74% 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 portfolios of ARCC and ASIF, 88% of Incentive Eligible AUM that is currently invested is Incentive Generating AUM

Incentive Eligible AUM



Q1-24 Incentive Generating to Incentive Eligible AUM Reconciliation

(\$ in billions)

	Credit ⁽³⁾	Real Assets	Private Equity	Secondaries ⁽³⁾	Other Businesses	Total
Incentive Generating AUM	\$81.8	\$16.2	\$16.1	\$7.7	\$0.7	\$122.5
+ Uninvested IEAUM	60.3	9.6	3.9	7.5	0.5	81.8
+ IEAUM below hurdle	1.9	13.7	0.6	0.6	–	16.8
+ Part II Fees below Hurdle ⁽²⁾	26.0	–	–	–	–	26.0
Incentive Eligible AUM	\$170.0	\$39.5	\$20.6	\$15.8	\$1.2	\$247.1

- Incentive Generating AUM includes \$37.6 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.
- 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.
- Includes \$19.2 billion of perpetual capital IGAUM that will generate fee related performance revenues, composed of \$18.2 billion within the Credit Group and \$1.0 billion within the Secondaries Group.

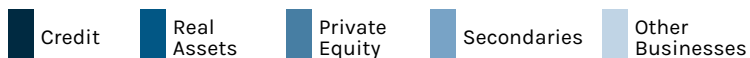
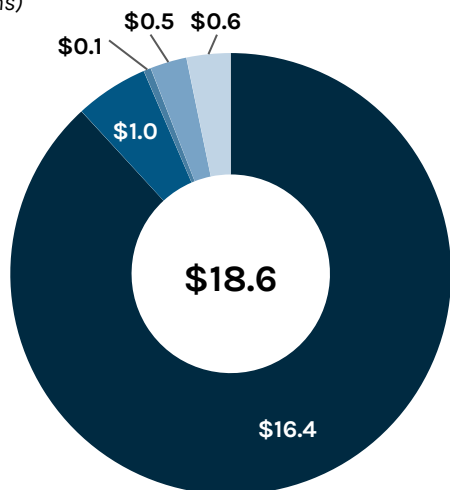
Capital Deployment

Total Gross Capital Deployment during Q1-24 was \$18.6 billion compared to \$12.2 billion during Q1-23

- Deployment by our drawdown funds was \$9.4 billion in Q1-24 compared to \$7.8 billion in Q1-23
 - Of our drawdown funds, the investment strategies with the highest deployment were U.S. and European direct lending and alternative credit
- Deployment by our perpetual capital vehicles was \$9.2 billion in Q1-24 compared to \$4.7 billion in Q1-23
 - Of our perpetual capital vehicles, the investment strategies with the highest deployment were U.S. direct lending and alternative credit

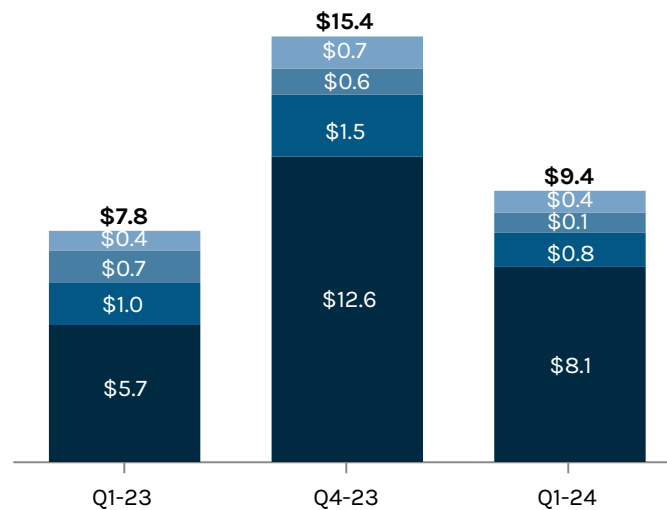
Q1-24 Gross Capital Deployment

(\$ in billions)



Capital Deployment in Drawdown Funds

(\$ in billions)



GAAP Statements of Operations

\$ in thousands, except share data	Three months ended March 31,	
	2024	2023
Revenues		
Management fees	\$687,692	\$600,516
Carried interest allocation	(32,478)	151,488
Incentive fees	8,667	8,923
Principal investment income	7,050	22,758
Administrative, transaction and other fees	36,432	29,677
Total revenues	707,363	813,362
Expenses		
Compensation and benefits	412,951	360,781
Performance related compensation	(50,532)	111,658
General, administrative and other expenses	170,928	148,345
Expenses of Consolidated Funds	5,146	7,852
Total expenses	538,493	628,636
Other income (expense)		
Net realized and unrealized gains on investments	10,516	1,515
Interest and dividend income	5,382	3,839
Interest expense	(37,824)	(24,986)
Other income (expense), net	270	(923)
Net realized and unrealized gains on investments of Consolidated Funds	34,424	10,700
Interest and other income of Consolidated Funds	257,276	222,938
Interest expense of Consolidated Funds	(207,866)	(156,687)
Total other income, net	62,178	56,396
Income before taxes	231,048	241,122
Income tax expense	27,233	33,806
Net income	203,815	207,316
Less: Net income attributable to non-controlling interests in Consolidated Funds	66,716	26,693
Net income attributable to Ares Operating Group entities	137,099	180,623
Less: Net income (loss) attributable to redeemable interest in Ares Operating Group entities	73	(1,824)
Less: Net income attributable to non-controlling interests in Ares Operating Group entities	63,999	88,408
Net income attributable to Ares Management Corporation Class A and non-voting common stockholders	\$73,027	\$94,039
Net income per share of Class A and non-voting common stock:		
Basic	\$0.33	\$0.49
Diluted	\$0.33	\$0.49
Weighted-average shares of Class A and non-voting common stock:		
Basic	192,622,609	178,976,022
Diluted	192,622,609	178,976,022

RI and Other Measures Financial Summary

\$ in thousands, except share data (and as otherwise noted)	Three months ended March 31,			LTM ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Management fees ⁽¹⁾	\$693,365	\$602,619	15%	\$2,662,259	\$2,272,226	17%
Fee related performance revenues	3,717	3,871	(4)	180,295	230,585	(22)
Other fees	19,876	20,695	(4)	91,290	95,402	(4)
Compensation and benefits expenses ⁽²⁾	(300,015)	(278,031)	(8)	(1,298,099)	(1,208,528)	(7)
General, administrative and other expenses	(115,273)	(94,517)	(22)	(424,971)	(346,368)	(23)
Fee Related Earnings	301,670	254,637	18	1,210,774	1,043,317	16
Realized net performance income	10,025	7,277	38	136,241	135,464	1
Realized net investment loss	(22,539)	(7,622)	(196)	(46,623)	(15,479)	(201)
Realized Income	289,156	254,292	14	1,300,392	1,163,302	12
After-tax Realized Income⁽³⁾	\$265,103	\$232,027	14	\$1,218,790	\$1,087,077	12
After-tax Realized Income per share of Class A and non-voting common stock⁽⁴⁾	\$0.80	\$0.71	13	\$3.74	\$3.41	10
Other Data						
Fee Related Earnings margin	42.1%	40.6%		41.3%	40.2%	
Effective management fee rate	1.02%	1.01%				

1. Includes Part I Fees of \$105.3 million and \$83.4 million for Q1-24 and Q1-23, respectively, and \$391.1 million and \$298.8 million for Q1-24 LTM and Q1-23 LTM, respectively.
2. Includes fee related performance compensation of \$0.1 million and \$1.4 million for Q1-24 and Q1-23, respectively, and \$109.7 million and \$142.4 million for Q1-24 LTM and Q1-23 LTM, respectively.
3. For Q1-24, Q1-23, and Q1-24 LTM, Q1-23 LTM, after-tax Realized Income includes current income tax related to: (i) entity level taxes of \$5.9 million, \$5.3 million and \$29.2 million, \$19.0 million, respectively, and (ii) corporate level tax expense of \$18.1 million, \$17.0 million and \$52.4 million, \$57.3 million, respectively. For more information regarding after-tax RI, please refer to the "Glossary" slide in the appendix.
4. 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 26 for additional details.

GAAP to Non-GAAP Reconciliation – Unconsolidated Reporting Basis

\$ in thousands	Three months ended March 31,		LTM ended March 31,	
	2024	2023	2024	2023
Realized Income and Fee Related Earnings:				
Income before taxes	\$231,048	\$241,122	\$1,322,989	\$590,619
Adjustments:				
Amortization of intangibles ⁽¹⁾	29,180	38,201	192,500	315,032
Depreciation expense	7,464	7,458	31,670	27,584
Equity compensation expense	92,421	68,704	279,136	214,635
Acquisition-related compensation expense ⁽²⁾	5,504	642	12,196	158,893
Acquisition and merger-related expense	10,578	4,955	17,623	11,110
Placement fee adjustment	5,540	(3,232)	2,953	(451)
Other (income) expense, net	131	91	1,016	(16)
Income before taxes of non-controlling interests in consolidated subsidiaries	(3,662)	(5,671)	(15,240)	(1,039)
Income before taxes of non-controlling interests in Consolidated Funds, net of eliminations	(65,586)	(27,171)	(316,534)	(99,428)
Total performance (income) loss—unrealized	45,476	(127,713)	(132,181)	(101,159)
Total performance related compensation—unrealized	(64,514)	85,150	57,259	82,454
Total net investment income—unrealized	(4,424)	(28,244)	(152,995)	(34,932)
Realized Income	289,156	254,292	1,300,392	1,163,302
Total performance income—realized	(23,181)	(31,136)	(407,944)	(405,289)
Total performance related compensation—realized	13,156	23,859	271,703	269,825
Total investment loss—realized	22,539	7,622	46,623	15,479
Fee Related Earnings	\$301,670	\$254,637	\$1,210,774	\$1,043,317

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.

1. Amortization of intangibles for Q1-23, Q1-24 LTM and Q1-23 LTM include non-cash impairment charges of \$7.8 million, \$70.9 million and \$189.4 million, respectively.

2. Represents contingent obligations (earnouts) recorded in connection with the acquisitions 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	Three months ended March 31,		LTM ended March 31,	
	2024	2023	2024	2023
Performance income and net investment income reconciliation:				
Carried interest allocation	\$(32,478)	\$151,488	\$434,613	\$431,211
Incentive fees	8,667	8,923	276,371	293,688
Carried interest allocation and incentive fees	(23,811)	160,411	710,984	724,899
Performance income (loss)—realized from Consolidated Funds	(3)	138	960	4,084
Fee related performance revenues	(3,717)	(3,871)	(180,295)	(230,585)
Total performance (income) loss—unrealized	51,404	(124,306)	(117,089)	(90,203)
Performance income of non-controlling interests in consolidated subsidiaries	(692)	(1,236)	(6,616)	(2,906)
Performance income—realized	\$23,181	\$31,136	\$407,944	\$405,289
Total consolidated other income				
Total consolidated other income	\$62,178	\$56,396	\$504,819	\$202,850
Net investment income from Consolidated Funds	(79,075)	(67,368)	(521,040)	(259,630)
Principal investment income (loss)	(2,666)	35,457	117,509	69,190
Other expense (income), net	131	91	1,016	(17)
Other expense (income) of non-controlling interests in consolidated subsidiaries	1,317	(3,954)	4,068	7,060
Investment income—unrealized	(3,685)	(28,985)	(159,629)	(23,478)
Interest and other investment loss (income)—unrealized	(739)	741	6,634	(11,454)
Total realized net investment loss	\$(22,539)	\$(7,622)	\$(46,623)	\$(15,479)

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 18% for Q1-24 compared to Q1-23, primarily driven by deployment within U.S. and European direct lending and alternative credit
 - Management fees in Q1-23 included catch-up fees from SSG VI of \$0.7 million
- Fee Related Earnings increased by 21% for Q1-24 compared to Q1-23, primarily driven by the increase in management fees
- Realized Income increased by 21% for Q1-24 compared to Q1-23, primarily driven by the increase in Fee Related Earnings and higher realized net performance income from PCS I and an alternative credit fund in Q1-24
- Capital deployment totaled \$16.4 billion for Q1-24, primarily driven by \$9.4 billion in U.S. direct lending, \$2.9 billion in alternative credit, \$2.3 billion in European direct lending and \$1.4 billion in liquid credit

Financial Summary and Highlights

<i>\$ in thousands</i>	Q1-24	Q1-23	% Change	Q1-24 LTM	Q1-23 LTM	% Change
Management and other fees	\$520,877	\$439,616	18%	\$1,971,227	\$1,625,886	21%
Fee related performance revenues	755	600	26	167,488	59,744	180
Fee Related Earnings	352,417	291,640	21	1,377,789	1,096,740	26
Realized net performance income	8,032	1,529	NM	118,260	83,047	42
Realized net investment income (loss)	(4,481)	(11)	NM	12,076	14,254	(15)
Realized Income	\$355,968	\$293,158	21	\$1,029,028	\$1,194,041	(14)
AUM (\$ in billions)	\$308.6	\$249.1	24			
FPAUM (\$ in billions)	\$189.8	\$161.2	18			

Alternative Credit	1.6% / 15.3%
Opportunistic Credit	3.4% / 18.1%
U.S. Senior Direct Lending	4.9% / 21.0%
U.S. Junior Direct Lending	4.7% / 18.0%
European Direct Lending	2.9% / 10.5%
APAC Credit	7.2% / 38.4%

Q1-24 / Q1-24 LTM gross returns⁽²⁾

Note: Past performance is not indicative of future results. Please refer to investment group highlights endnotes on slide 20 for additional information.

Real Assets Group⁽¹⁾

- Management and other fees decreased by 5% for Q1-24 compared to Q1-23, primarily due to lower management fees from the reduction in fee bases from AREOF III and IDF IV and from the decrease in the average capital base of AIREIT. The decrease was partially offset by higher management fees from deployment in IDF V and commitments to our second climate infrastructure fund
 - Management fees in Q1-24 and Q1-23 included catch-up fees of \$0.2 million and \$0.4 million, respectively, mostly from our fourth U.S. opportunistic real estate equity fund
 - Other fees decreased primarily due to lower development fees from a reduction in property-related activities
- Fee Related Earnings decreased by 13% for Q1-24 compared to Q1-23, primarily due to lower management and other fees and higher operating expenses
- Realized Income decreased by 13% for Q1-24 compared to Q1-23, primarily due to the decrease in Fee Related Earnings
- Capital deployment totaled \$1.0 billion for Q1-24, primarily driven by \$0.4 billion in infrastructure debt, \$0.3 billion in U.S. real estate equity and \$0.2 billion in real estate debt

Financial Summary and Highlights

<i>\$ in thousands</i>	Q1-24	Q1-23	% Change	Q1-24 LTM	Q1-23 LTM	% Change	
Management and other fees	\$98,889	\$103,932	(5)%	\$414,089	\$407,266	2%	U.S. Real Estate Equity 2.4% / 6.1%
Fee related performance revenues	—	—	—	334	167,335	(100)	European Real Estate Equity 0.1% / (1.6)%
Fee Related Earnings	46,518	53,662	(13)	211,663	285,851	(26)	
Realized net performance income	1,449	2,328	(38)	7,343	40,269	(82)	Infrastructure Debt 2.8% / 6.8%
Realized net investment loss	(2,571)	(3,847)	33	(8,558)	(6,874)	(24)	
Realized Income	\$45,396	\$52,143	(13)	\$210,448	\$319,246	(34)	Q1-24 / Q1-24 LTM gross returns ⁽²⁾
AUM (\$ in billions)	\$64.1	\$64.1	0				
FPAUM (\$ in billions)	\$40.8	\$40.9	0				

Note: Past performance is not indicative of future results. Please refer to investment group highlights endnotes on slide 20 for additional information.

Private Equity Group⁽¹⁾

- Management and other fees increased by 17% for Q1-24 compared to Q1-23, primarily driven by the acquisition of Crescent Point
- Fee Related Earnings increased by 68% for Q1-24 compared to Q1-23, primarily driven by increase in management fees and lower compensation and benefits
- Realized Income increased by 18% for Q1-24 compared to Q1-23, primarily driven by the increase in Fee Related Earnings, partially offset by lower realized net performance income from ACOF IV in Q1-24
- Capital deployment totaled \$0.1 billion for Q1-24, primarily driven by corporate private equity

Financial Summary and Highlights

<i>\$ in thousands</i>	Q1-24 ⁽²⁾	Q1-23	% Change	Q1-24 LTM ⁽²⁾	Q1-23 LTM	% Change
Management and other fees	\$35,372	\$30,234	17%	\$133,552	\$124,690	7%
Fee Related Earnings	15,371	9,123	68	59,305	39,278	51
Realized net performance income	544	3,420	(84)	9,856	11,507	(14)
Realized net investment loss	(5,585)	(3,760)	(49)	(21,489)	(11,973)	(79)
Realized Income	\$10,330	\$8,783	18	\$47,672	\$38,812	23
AUM (\$ in billions)	\$24.5	\$20.6	19			
FPAUM (\$ in billions)	\$12.6	\$11.3	12			

Corporate Private Equity
0.1% / 6.7%

Q1-24 / Q1-24 LTM gross returns⁽³⁾

Note: Past performance is not indicative of future results. Please refer to investment group highlights endnotes on slide 20 for additional information.

Secondaries Group⁽¹⁾

- Management and other fees increased by 11% for Q1-24 compared to Q1-23 primarily driven by higher management fees from APMF and commitments to LREF IX and our third infrastructure secondaries fund
 - Management fees in Q1-24 included catch-up fees of \$0.2 million from our third infrastructure secondaries fund and Q1-23 included catch-up fees of \$0.9 million from LREF IX
- Fee Related Earnings increased by 1% for Q1-24 compared to Q1-23, reflecting increases in management fees and operating expenses, including an increase in supplemental distribution fees for APMF shares
- Realized Income decreased by 5% for Q1-24 compared to Q1-23, primarily driven by lower dividend income from APMF for Q1-24
- Capital deployment totaled \$0.5 billion for Q1-24, primarily driven by \$0.2 billion in private equity secondaries, \$0.2 billion in real estate secondaries and \$0.1 billion in infrastructure secondaries

Financial Summary and Highlights

<i>\$ in thousands</i>	Q1-24	Q1-23	% Change	Q1-24 LTM	Q1-23 LTM	% Change	
Management and other fees	\$44,425	\$39,863	11%	\$179,526	\$172,053	4%	Private Equity Secondaries (1.7)% / 1.8%
Fee related performance revenues	2,962	3,271	(9)	12,473	3,506	256	
Fee Related Earnings	25,605	25,430	1	104,562	106,145	(1)	Real Estate Secondaries (1.7)% / (6.4)%
Realized net performance income	—	—	—	782	641	22	Q1-24 / Q1-24 LTM gross returns ⁽²⁾
Realized net investment loss	(2,488)	(1,080)	(130)	(5,521)	(3,236)	(71)	
Realized Income	\$23,117	\$24,350	(5)	\$99,823	\$103,550	(4)	
AUM (\$ in billions)	\$25.6	\$23.0	11				
FPAUM (\$ in billions)	\$19.9	\$17.8	12				

Note: Past performance is not indicative of future results. Please refer to investment group highlights endnotes on slide 20 for additional information.

Investment Group Highlights Endnotes

The tables for each of the investment group highlights on slides 16-19 are 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 for complete financial results.

Credit Group

1. The Credit Group had ~575 investment and investor relations professionals, ~275 active funds, ~1,750 portfolio companies and ~1,400 alternative credit investments as of March 31, 2024.
2. 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 1.0% for Q1-24 and 10.5% for Q1-24 LTM.
 - Performance for the opportunistic credit strategy is represented by the composite made up of ASOF I and ASOF II. The net fund-level returns were 2.3% for Q1-24 and 13.2% for Q1-24 LTM.
 - 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 3.8% for Q1-24 and 16.3% for Q1-24 LTM. The gross and net returns for the composite made up of the SDL I and SDL II unlevered feeder funds were 3.3% and 2.6% for Q1-24, respectively, and 13.6% and 10.8% for Q1-24 LTM, 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 2.7% for Q1-24 and 12.8% for Q1-24 LTM.
 - 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 on slide 16 for the European direct lending composite are Euro-denominated as this is the base denomination of the funds. The net returns were 2.3% for Q1-24 and 7.6% for Q1-24 LTM. 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 Q1-24, respectively, and 11.2% and 8.0% for Q1-24 LTM, respectively.
 - Performance for the APAC credit strategy is represented by the composite made up of SSG V and SSG VI. The net returns were 5.5% for Q1-24 and 26.7% for Q1-24 LTM.

Real Assets Group

1. The Real Assets Group had ~350 investment and investor relations professionals, ~500 properties, ~65 infrastructure assets and ~65 active funds and related co-investment vehicles as of March 31, 2024.
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. 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, US IX and US X. The net returns were 1.4% for Q1-24 and 3.2% for Q1-24 LTM.
 - 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 on slide 17 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 (0.1)% for Q1-24 and (2.2)% for Q1-24 LTM. The gross and net returns for the U.S. dollar denominated feeder fund for European real estate equity were (0.2)% and (0.4)% for Q1-24, respectively, and (1.6)% and (2.1)% for Q1-24 LTM, 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 2.1% for Q1-24 and 5.6% for Q1-24 LTM.

Private Equity Group

1. The Private Equity Group had ~85 investment and investor relations professionals, ~70 portfolio companies and ~60 active funds and related co-investment vehicles as of March 31, 2024.
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 1.4% for Q1-24 and 7.2% for Q1-24 LTM.

Secondaries Group

1. The Secondaries Group had ~100 investment and investor relations professionals, ~820 underlying limited partnerships and ~80 active funds and related co-investment vehicles as of March 31, 2024.
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 the composite made up of LEP XVI and LEP XVII. The net returns were (2.0)% for Q1-24 and 0.04% for Q1-24 LTM.
 - Performance for the real estate secondaries strategies is represented by LREF VIII. The net returns were (2.0)% for Q1-24 and (7.5)% for Q1-24 LTM.

Realized Income per Share Data

\$ in thousands, except share data	Three months ended March 31,	
	2024	2023
After-tax Realized Income		
Realized Income before taxes	\$289,156	\$254,292
Entity level foreign, state and local taxes	(5,908)	(5,282)
Realized Income before corporate income taxes	283,248	249,010
Corporate income taxes ⁽¹⁾	(18,146)	(16,983)
After-tax Realized Income	\$265,102	\$232,027
After-tax Realized Income per share⁽²⁾	\$0.83	\$0.75
After-tax Realized Income per share of Class A and non-voting common stock		
Realized Income before corporate income taxes	\$283,248	\$249,010
x Average ownership % of Ares Operating Group	62.32%	60.14%
Realized Income before corporate income taxes attributable to Class A and non-voting common stockholders	\$176,521	\$149,755
Corporate income taxes ⁽¹⁾	(18,146)	(16,983)
After-tax Realized Income attributable to Class A and non-voting common stockholders	\$158,375	\$132,772
After-tax Realized Income per share of Class A and non-voting common stock⁽³⁾	\$0.80	\$0.71

1. For Q1-24 and Q1-23 amount represents accrued corporate taxes payable or receivable by Ares, net of deductions, for the periods presented and exclude the effects of \$4.3 million and \$11.1 million 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 \$14.5 million and \$10.1 million for Q1-24 and Q1-23. The inclusion of the benefit in the after-tax RI per share calculation had the effect of increasing this metric by \$0.07 and \$0.05 for Q1-24 and Q1-23. The impact of its inclusion in the metric decreased the RI cash tax rate by 8.0% and 6.5% for Q1-24 and Q1-23, from the Company's statutory tax rate of 24.0% and 24.0% for Q1-24 and Q1-23, respectively. Corporate income taxes represent 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 corporate income tax 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 \$2.0 million and \$1.2 million for Q1-24 and Q1-23, 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 Q1-24 and Q1-23 were 318,829,264 and 308,880,377, respectively. Please refer to slide 26 in this presentation for further information.

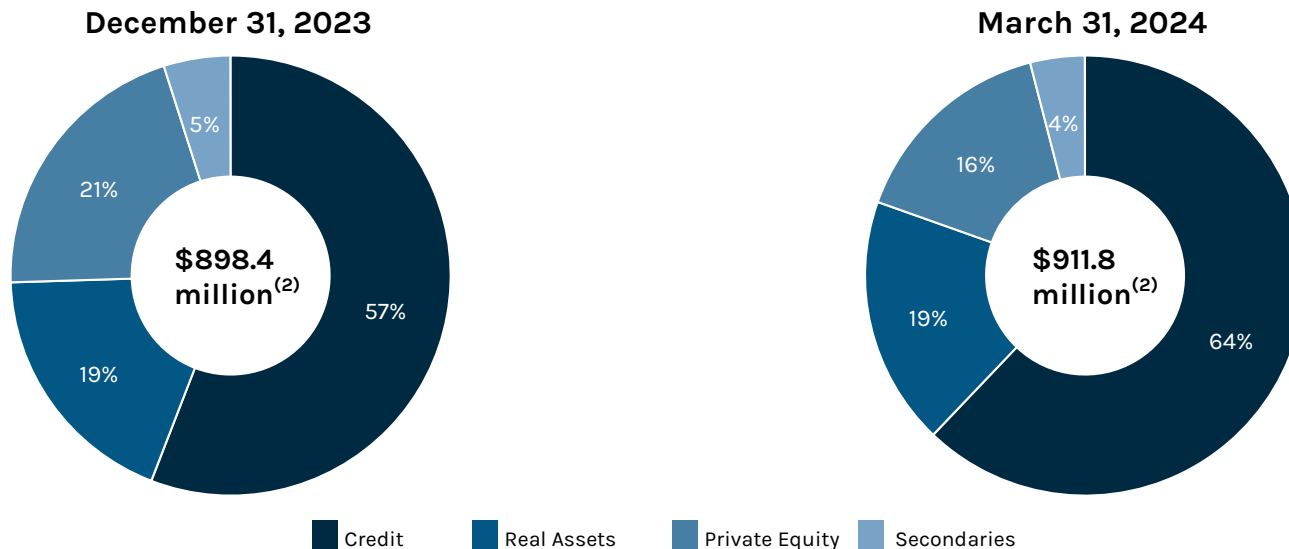
3. Weighted average shares used for after-tax RI per share of Class A and non-voting common stock for Q1-24 and Q1-23 were 198,704,897 and 185,752,140, respectively. Please refer to slide 26 for additional details.

Balance Sheet

Substantial balance sheet value related to investments primarily in Ares managed vehicles and net accrued performance income as of March 31, 2024

- Our balance sheet included \$346.3 million in cash and cash equivalents and \$3,046.2 million in debt obligations, including \$975.0 million drawn against our \$1,400.0 million revolving credit facility
- The fair value of our corporate investment portfolio reported on a GAAP basis was \$1,123.4 million and on an unconsolidated basis was \$1,953.3 million⁽¹⁾
- Gross accrued performance income reported on a GAAP basis was \$3,361.5 million⁽²⁾ and on an unconsolidated basis was \$3,387.6 million⁽²⁾
- Accrued performance income, net of performance related compensation reported on a GAAP basis was \$911.8 million⁽²⁾ and on an unconsolidated basis was \$937.8 million⁽²⁾

Net Accrued Performance Income by Group⁽³⁾



1. Unconsolidated investments includes \$899.4 million of investments in Consolidated Funds that are eliminated upon consolidation for GAAP and excludes \$69.5 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 \$3,361.5 million.
2. Gross and net accrued performance income on a GAAP basis as of March 31, 2024 and December 31, 2023 excludes \$26.0 million and \$20.1 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 been recognized but not yet 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

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Securities Listing

NYSE: ARES

Transfer Agent

Equiniti Trust Company, LLC

A photograph of a modern building's interior, showing concrete walls and a large opening that looks out onto a cloudy sky. The scene is captured from a low angle, emphasizing the architectural lines.

Appendix

Financial Details – Segments

Three months ended March 31, 2024							
<i>\$ in thousands</i>	Credit Group	Real Assets Group	Private Equity Group	Secondaries Group	Other	Operations Management Group	Total ⁽¹⁾
Management fees	\$510,966	\$93,814	\$34,933	\$44,421	\$9,231	\$—	\$693,365
Fee related performance revenues	755	—	—	2,962	—	—	3,717
Other fees	9,911	5,075	439	4	114	4,333	19,876
Compensation and benefits	(134,715)	(37,918)	(14,785)	(12,714)	(5,592)	(94,157)	(299,881)
Compensation and benefits—fee related performance compensation	(134)	—	—	—	—	—	(134)
General, administrative and other expenses	(34,366)	(14,453)	(5,216)	(9,068)	(1,690)	(50,480)	(115,273)
Fee related earnings	352,417	46,518	15,371	25,605	2,063	(140,304)	301,670
Performance income—realized	16,766	3,677	2,738	—	—	—	23,181
Performance related compensation—realized	(8,734)	(2,228)	(2,194)	—	—	—	(13,156)
Realized net performance income	8,032	1,449	544	—	—	—	10,025
Investment income (loss)—realized	(398)	(457)	120	—	—	—	(735)
Interest and other investment income—realized	4,930	3,835	184	210	6,409	452	16,020
Interest expense	(9,013)	(5,949)	(5,889)	(2,698)	(14,235)	(40)	(37,824)
Realized net investment income (loss)	(4,481)	(2,571)	(5,585)	(2,488)	(7,826)	412	(22,539)
Realized income	\$355,968	\$45,396	\$10,330	\$23,117	\$(5,763)	\$(139,892)	\$289,156

Three months ended March 31, 2023							
<i>\$ in thousands</i>	Credit Group	Real Assets Group	Private Equity Group	Secondaries Group	Other	Operations Management Group	Total ⁽¹⁾
Management fees	\$430,467	\$97,470	\$29,840	\$39,863	\$4,979	\$—	\$602,619
Fee related performance revenues	600	—	—	3,271	—	—	3,871
Other fees	9,149	6,462	394	—	50	4,640	20,695
Compensation and benefits	(121,510)	(38,905)	(16,626)	(11,445)	(3,140)	(84,967)	(276,593)
Compensation and benefits—fee related performance compensation	(390)	919	—	(1,967)	—	—	(1,438)
General, administrative and other expenses	(26,676)	(12,284)	(4,485)	(4,292)	(608)	(46,172)	(94,517)
Fee related earnings	291,640	53,662	9,123	25,430	1,281	(126,499)	254,637
Performance income—realized	7,410	6,086	17,640	—	—	—	31,136
Performance related compensation—realized	(5,881)	(3,758)	(14,220)	—	—	—	(23,859)
Realized net performance income	1,529	2,328	3,420	—	—	—	7,277
Investment income (loss)—realized	506	(1,772)	879	—	170	—	(217)
Interest and other investment income (expense)—realized	8,113	1,821	166	1,225	6,348	(92)	17,581
Interest expense	(8,630)	(3,896)	(4,805)	(2,305)	(5,324)	(26)	(24,986)
Realized net investment income (loss)	(11)	(3,847)	(3,760)	(1,080)	1,194	(118)	(7,622)
Realized income	\$293,158	\$52,143	\$8,783	\$24,350	\$2,475	\$(126,617)	\$254,292

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 14-15.

Weighted Average Shares

	Q1-24		Q1-23	
	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	192,622,609	192,622,609	178,976,022	178,976,022
Ares Operating Group Units exchangeable into shares of Class A common stock ⁽²⁾	116,446,886	—	118,637,116	—
Dilutive effect of unvested restricted common units ⁽³⁾	9,727,243	6,062,018	7,492,241	4,505,834
Dilutive effect of unexercised options ⁽³⁾	32,526	20,270	3,774,998	2,270,284
Total Weighted Average Shares Used For Realized Income⁽⁴⁾	318,829,264	198,704,897	308,880,377	185,752,140

1. Represents proportional dilutive impact based upon the weighted average percentage of Ares Operating Group owned by Ares Management Corporation (62.32% and 60.14% as of March 31, 2024 and 2023, respectively).
2. Represents units exchangeable for shares of Class A common stock on a one-for-one basis.
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

Q1-24 AUM Rollforward						
<i>\$ in millions</i>	Credit	Real Assets	Private Equity	Secondaries	Other Businesses	Total
Q4-23 Ending Balance	\$299,350	\$65,413	\$24,551	\$24,760	\$4,772	\$418,846
Acquisitions	–	–	–	–	71	71
Net new par/equity commitments	7,735	408	315	969	1,515	10,942
Net new debt commitments	6,112	–	–	–	–	6,112
Capital reductions	(1,485)	(128)	(2)	–	–	(1,615)
Distributions	(3,563)	(846)	(36)	(164)	(135)	(4,744)
Redemptions	(2,517)	(434)	(2)	–	–	(2,953)
Net allocations among investment strategies	715	–	(47)	–	(668)	–
Change in fund value	2,292	(309)	(303)	76	(76)	1,680
Q1-24 Ending Balance	\$308,639	\$64,104	\$24,476	\$25,641	\$5,479	\$428,339
QoQ change	\$9,289	\$(1,309)	\$(75)	\$881	\$707	\$9,493

Q1-24 LTM AUM Rollforward						
<i>\$ in millions</i>	Credit	Real Assets	Private Equity	Secondaries	Other Businesses	Total
Q1-23 Ending Balance	\$249,134	\$64,114	\$20,656	\$22,894	\$3,497	\$360,295
Acquisitions	–	–	3,697	–	71	3,768
Net new par/equity commitments	39,088	5,719	1,886	3,370	6,877	56,940
Net new debt commitments	19,587	726	–	–	–	20,313
Capital reductions	(3,262)	(205)	(8)	–	–	(3,475)
Distributions	(9,660)	(3,978)	(1,580)	(858)	(472)	(16,548)
Redemptions	(4,487)	(1,656)	(2)	(1)	(507)	(6,653)
Net allocations among investment strategies	4,157	–	(47)	5	(4,115)	–
Change in fund value	14,082	(616)	(126)	231	128	13,699
Q1-24 Ending Balance	\$308,639	\$64,104	\$24,476	\$25,641	\$5,479	\$428,339
YoY change	\$59,505	\$(10)	\$3,820	\$2,747	\$1,982	\$68,044

Credit

- AUM increased by 24% from Q1-23, primarily driven by commitments to U.S. direct lending funds, our sixth European direct lending fund and Pathfinder II

Real Assets

- AUM remained relatively flat from Q1-23 as commitments for our fourth U.S. opportunistic real estate equity fund and our second climate infrastructure fund were offset by distributions and redemptions from certain funds within our U.S. real estate equity strategy

Private Equity

- AUM increased by 18% from Q1-23, primarily driven by the acquisition of Crescent Point and by commitments for our seventh corporate private equity fund

Secondaries

- AUM increased by 12% from Q1-23, primarily driven by commitments across funds within our infrastructure and private equity secondaries strategies

Other Businesses

- AUM increased by 57% from Q1-23, primarily driven by additional managed assets from our insurance platform

FPAUM Rollforward

Q1-24 FPAUM Rollforward						
\$ in millions	Credit	Real Assets	Private Equity	Secondaries	Other Businesses	Total
Q4-23 Ending Balance	\$185,280	\$41,338	\$13,124	\$19,040	\$3,575	\$262,357
Acquisitions	–	–	–	–	55	55
Commitments	3,778	296	–	900	1,321	6,295
Deployment/subscriptions/increase in leverage	7,221	862	–	61	–	8,144
Capital reductions	(2,764)	(12)	–	–	–	(2,776)
Distributions	(3,662)	(306)	–	(99)	(135)	(4,202)
Redemptions	(2,149)	(434)	(2)	–	–	(2,585)
Net allocations among investment strategies	886	–	–	–	(886)	–
Change in fund value	543	(404)	(19)	(2)	68	186
Change in fee basis	693	(504)	(538)	(9)	–	(358)
Q1-24 Ending Balance	\$189,826	\$40,836	\$12,565	\$19,891	\$3,998	\$267,116
QoQ change	\$4,546	\$(502)	\$(559)	\$851	\$423	\$4,759

Q1-24 LTM FPAUM Rollforward						
\$ in millions	Credit	Real Assets	Private Equity	Secondaries	Other Businesses	Total
Q1-23 Ending Balance	\$161,218	\$40,928	\$11,281	\$17,747	\$2,735	\$233,909
Acquisitions	–	–	1,692	–	55	1,747
Commitments	11,029	3,373	–	2,438	5,857	22,697
Deployment/subscriptions/increase in leverage	28,458	3,609	234	424	(16)	32,709
Capital reductions	(4,888)	(188)	–	–	–	(5,076)
Distributions	(10,249)	(3,534)	(38)	(514)	(464)	(14,799)
Redemptions	(5,245)	(1,671)	(2)	(1)	–	(6,919)
Net allocations among investment strategies	4,433	–	–	30	(4,463)	–
Change in fund value	4,377	(1,275)	(19)	(277)	623	3,429
Change in fee basis	693	(406)	(583)	44	(329)	(581)
Q1-24 Ending Balance	\$189,826	\$40,836	\$12,565	\$19,891	\$3,998	\$267,116
YoY change	\$28,608	\$(92)	\$1,284	\$2,144	\$1,263	\$33,207

- | | |
|-------------------------|---|
| Credit | <ul style="list-style-type: none"> FPAUM increased by 18% from Q1-23, primarily driven by deployment of capital in funds across U.S. and European direct lending, alternative credit and opportunistic credit strategies |
| Real Assets | <ul style="list-style-type: none"> FPAUM remained relatively flat from Q1-23 as commitments for our fourth U.S. opportunistic real estate equity fund and our second climate infrastructure fund were offset by distributions and redemptions from certain funds within our U.S. real estate equity and infrastructure debt strategies |
| Private Equity | <ul style="list-style-type: none"> FPAUM increased by 11% from Q1-23, primarily driven by the acquisition of Crescent Point |
| Secondaries | <ul style="list-style-type: none"> FPAUM increased by 12% from Q1-23, primarily driven by commitments for LREF IX and to funds within our infrastructure secondaries strategy, and capital raised by APMF |
| Other Businesses | <ul style="list-style-type: none"> FPAUM increased by 46% from Q1-23, primarily driven by additional managed assets from our insurance platform |

AUM and FPAUM by Strategy

\$ in billions	As of March 31, 2024			
	AUM	% AUM	FPAUM	% FPAUM
Credit				
Liquid Credit	\$46.2	15%	\$45.0	24%
Alternative Credit	36.5	12	25.0	13
Opportunistic Credit	14.5	5	8.6	5
U.S. Direct Lending ⁽¹⁾	129.2	42	70.4	37
European Direct Lending	70.2	23	35.2	19
APAC Credit	11.7	2	5.6	2
Other	0.3	1	—	—
Credit	\$308.6	100%	\$189.8	100%
Real Assets				
U.S. Real Estate Equity	\$28.7	45%	\$20.1	49%
European Real Estate Equity	9.2	14	6.1	15
Real Estate Debt	10.9	17	3.2	8
Infrastructure Opportunities	6.3	10	5.2	13
Infrastructure Debt	9.0	14	6.2	15
Real Assets	\$64.1	100%	\$40.8	100%
Private Equity				
Corporate Private Equity	\$21.2	87%	\$10.9	87%
APAC Private Equity	3.3	13	1.7	13
Private Equity	\$24.5	100%	\$12.6	100%
Secondaries				
Private Equity Secondaries	\$13.5	53%	\$11.6	58%
Real Estate Secondaries	8.0	31	6.2	31
Infrastructure Secondaries	2.6	10	2.0	10
Credit Secondaries	1.5	6	0.1	1
Secondaries	\$25.6	100%	\$19.9	100%
Other Businesses				
Insurance ⁽²⁾	\$4.9	89%	\$3.9	98%
Other	0.6	11	0.1	2
Other Businesses	\$5.5	100%	\$4.0	100%
Total	\$428.3		\$267.1	

1. AUM includes ARCC, IHAM and Senior Direct Lending Program ("SDLP") AUM of \$29.2 billion, \$10.6 billion and \$4.1 billion, respectively. ARCC's wholly owned portfolio company, IHAM, an SEC-registered investment adviser, manages 21 vehicles as of March 31, 2024. SDLP is a program co-managed by a subsidiary of Ares through which ARCC co-invests with Varagon Capital Partners.

2. Excludes \$9.1 billion of AUM and \$8.9 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 March 31, 2024	As of December 31, 2023
Credit		
Liquid Credit ⁽²⁾	\$127.4	\$127.3
Alternative Credit	43.3	37.8
Opportunistic Credit	44.8	42.8
U.S. Direct Lending	86.9	84.6
European Direct Lending	64.3	55.7
APAC Credit	17.0	32.9
Credit	\$383.7	\$381.1
Real Assets		
U.S. Real Estate Equity	\$74.4	\$95.9
European Real Estate Equity	89.4	87.2
Real Estate Debt	25.0	108.6
Infrastructure Opportunities	29.1	28.6
Infrastructure Debt	39.6	33.3
Real Assets	\$257.5	\$353.6
Private Equity		
Corporate Private Equity	\$286.6	\$277.3
APAC Private Equity	16.6	21.9
Private Equity	\$303.2	\$299.2
Secondaries		
Private Equity Secondaries	\$112.8	\$105.9
Real Estate Secondaries	11.9	11.9
Infrastructure Secondaries	3.2	2.8
Credit Secondaries	0.4	—
Secondaries	\$128.3	\$120.6
Other		
Insurance	\$502.9	\$510.4
Other Investments	377.7	376.4
Other	\$880.6	\$886.8
Total	\$1,953.3	\$2,041.3

1. As of March 31, 2024, the fair value of our corporate investment portfolio was \$1,123.4 million as reported in accordance with GAAP. The difference between GAAP and unconsolidated investments represents \$899.4 million of investments in Consolidated Funds that are eliminated upon consolidation and excludes \$69.5 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 \$3,361.5 million.

2. Includes \$83.2 million and \$83.1 million in syndicated loans as of March 31, 2024 and December 31, 2023, 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 March 31, 2024							
(\$ in millions)	Year of Inception	AUM	Returns(%)				Primary Investment Strategy
			Quarter-to-Date		Since Inception ⁽¹⁾		
			Gross	Net	Gross	Net	
Credit							
ARCC ⁽²⁾	2004	\$29,169	N/A	4.0	N/A	12.1	U.S. Direct Lending
CADC ⁽³⁾	2017	5,569	N/A	2.8	N/A	6.6	U.S. Direct Lending
Open-ended core alternative credit fund ⁽⁴⁾	2021	5,023	3.2	2.4	10.5	7.9	Alternative Credit
Real Assets							
AREIT ⁽²⁾	2012	5,289	N/A	(2.8)	N/A	6.3	U.S. Real Estate Equity
AIREIT ⁽³⁾	2017	7,499	N/A	(4.0)	N/A	8.8	U.S. Real Estate Equity
Open-ended industrial real estate fund ⁽⁴⁾	2017	4,666	(1.9)	(1.9)	18.7	15.2	U.S. Real Estate Equity

Note: Past performance is not indicative of future results. AUM and net returns are as of March 31, 2024 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 34-35 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	Capital Invested to Date	As of March 31, 2024		Total Value	MoIC		IRR(%)		Primary Investment Strategy
					Realized Value ⁽⁵⁾	Unrealized Value ⁽⁶⁾		Gross ⁽⁷⁾	Net ⁽⁸⁾	Gross ⁽⁹⁾	Net ⁽¹⁰⁾	
Credit												
Funds Harvesting Investments												
SDL I Unlevered	2018	\$4,684	\$922	\$872	\$380	\$688	\$1,068	1.3x	1.2x	9.2	7.1	U.S. Direct Lending
SDL I Levered			2,045	2,022	1,211	1,514	2,725	1.5x	1.3x	15.4	11.5	
ACE IV Unlevered ⁽¹¹⁾	2018	9,996	2,851	2,265	934	1,914	2,848	1.3x	1.2x	8.2	5.8	European Direct Lending
ACE IV Levered ⁽¹¹⁾			4,819	3,838	2,184	3,052	5,236	1.5x	1.3x	11.1	8.3	
ASOF I	2019	5,337	3,518	3,134	1,967	3,193	5,160	1.9x	1.6x	24.9	19.4	Opportunistic Credit
Funds Deploying Capital												
Pathfinder I	2020	4,255	3,683	3,177	277	3,560	3,837	1.3x	1.2x	16.6	11.8	Alternative Credit
PCS II	2020	5,702	5,114	3,522	448	3,693	4,141	1.2x	1.1x	11.7	7.8	U.S. Direct Lending
ACE V Unlevered ⁽¹²⁾	2020	16,901	7,026	5,095	810	5,172	5,982	1.2x	1.2x	11.5	8.5	European Direct Lending
ACE V Levered ⁽¹²⁾			6,376	4,618	1,077	4,720	5,797	1.3x	1.2x	17.1	12.4	
ASOF II	2021	7,746	7,128	4,062	10	4,580	4,590	1.2x	1.1x	15.4	10.4	Opportunistic Credit
SDL II Unlevered	2021	15,936	1,989	1,320	163	1,342	1,505	1.2x	1.1x	12.5	9.8	U.S. Direct Lending
SDL II Levered			6,047	3,896	758	3,995	4,753	1.3x	1.2x	20.4	15.5	

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 March 31, 2024 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 34 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 March 31, 2024												
(\$ 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 Deploying Capital												
IDF V ⁽¹¹⁾	2020	\$4,768	\$4,585	\$3,645	\$566	\$3,455	\$4,021	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⁾	
Private Equity												
Fund Harvesting Investments												
ACOF V	2017	\$8,597	\$7,850	\$7,611	\$3,515	\$8,087	\$11,602	1.5x	1.4x	10.7	8.1	Corporate Private Equity
Fund Deploying Capital												
ACOF VI	2020	7,575	5,743	5,129	746	6,745	7,491	1.4x	1.3x	23.6	16.7	Corporate Private Equity
Secondaries												
Fund Harvesting Investments												
LEP XVI ⁽⁷⁾	2016	4,691	4,896	3,806	1,990	3,116	5,106	1.5x	1.3x	24.3	16.1	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 March 31, 2024 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.

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. 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. The fund is made up of a Main Class ("Class M") and a Constrained Class ("Class C"). Class M includes investors electing to participate in all investments and Class C includes investors electing to be excluded from exposure to liquid investments. Returns presented in the table are for onshore Class M. The current quarter gross and net returns for Class M (offshore) are 3.4% and 2.5%, respectively. The since inception gross and net returns for Class M (offshore) are 10.5% and 7.5%, respectively. The current quarter gross and net returns for Class C (offshore) are 2.6% and 1.9%, respectively. The since inception gross and net returns for Class C (offshore) are 10.4% and 7.5%, respectively. Prior to the current period, returns were reported using the annualized since inception IRR and MoIC. The gross and net IRR for Class M (onshore) are 12.2% and 9.0%, respectively. The gross and net MoIC for Class M (onshore) are 1.1x and 1.1x, respectively. The gross and net IRR for Class M (offshore) are 12.2% and 8.8%, respectively. The gross and net MoIC for Class M (offshore) are 1.1x and 1.1x, respectively. The gross and net IRR for Class C (offshore) are 10.8% and 7.9%, respectively. The gross and net MoIC for Class C (offshore) are 1.2x and 1.1x, respectively.
5. For the non-opportunistic credit funds, realized value represent the sum of all cash distributions to all partners and if applicable, exclude tax and incentive distributions made to the general partner. For the opportunistic credit funds, realized value represent the sum of all cash distributions to the fee-paying limited partners and if applicable, exclude tax and incentive distributions made to the general partner.
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. For the non-opportunistic credit funds, the unrealized value is based on all partners. For the opportunistic credit funds, the unrealized value is based on the fee-paying limited partners.
7. 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.
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 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.
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, 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.
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. 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 and one feeder fund: ACE IV (D) Levered. ACE IV (E) Levered includes the ACE IV (D) Levered feeder fund. 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 exclude the U.S. dollar denominated feeder fund. The gross and net IRR for ACE IV (G) Unlevered are 9.7% and 7.1%, 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. The gross and net IRR for ACE IV (D) Levered are 13.0% and 9.6%, respectively. The gross and net MoIC for ACE IV (D) Levered are 1.6x 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.
12. 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 13.2% and 10.0%, respectively. The gross and net MoIC for ACE V (G) Unlevered are 1.3x and 1.2x, respectively. The gross and net IRR for ACE V (G) Levered are 17.8% and 13.1%, respectively. The gross and net MoIC for ACE V (G) Levered are 1.3x and 1.3x, respectively. The gross and net IRR for ACE V (D) Levered are 16.3% and 12.1%, 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 11.2% and 8.1%, respectively. The gross and net MoIC for ACE V (Y) Unlevered are 1.2x and 1.2x, 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.

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 AREIT 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 V is made up of U.S. Dollar hedged, Euro unhedged, GBP hedged, Yen hedged, and single investor parallel funds. 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 single investor U.S. Dollar parallel fund are 9.9% and 7.6%, respectively. The gross and net MoIC for the single investor U.S. Dollar parallel fund are 1.1x and 1.1x, respectively. The gross and net IRR for the Euro unhedged parallel fund are 11.9% and 9.0%, 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 12.0% and 8.9%, 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 11.0% and 7.7%, respectively. The gross and net MoIC for the Yen hedged 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)

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 1.4x 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 8.2% for ACOF V and 15.7% for ACOF VI.

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 March 31, 2024												
(\$ 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												
SSF IV	2015	\$1,394	\$1,515	\$1,402	\$1,087	\$1,119	\$2,206	1.8x	1.6x	10.7	8.3	Opportunistic Credit
ACE III ⁽⁷⁾	2015	3,659	2,822	2,373	2,416	1,217	3,633	1.6x	1.4x	9.9	7.0	European Direct Lending
SSG IV	2016	890	1,181	1,731	1,430	595	2,025	1.3x	1.2x	13.3	8.0	APAC Credit
PCS I	2017	3,371	3,365	2,653	2,166	1,606	3,772	1.5x	1.3x	11.8	8.5	U.S. Direct Lending
SSG V	2018	2,213	1,878	2,238	1,882	681	2,563	1.2x	1.1x	25.9	15.2	APAC Credit
Real Assets												
Funds Harvesting Investments												
USPF IV	2010	582	1,688	2,120	2,047	572	2,619	1.2x	1.1x	4.5	1.0	Infrastructure Opportunities
US VIII	2013	211	824	842	1,494	143	1,637	1.9x	1.7x	20.7	16.9	U.S. Real Estate Equity
EF IV ⁽⁷⁾	2014	351	1,299	1,201	1,609	263	1,872	1.6x	1.4x	14.5	9.9	European Real Estate Equity
EPEP II ⁽⁸⁾	2015	207	747	645	665	188	853	1.3x	1.2x	11.8	8.4	European Real Estate Equity
EIF V	2015	672	801	1,439	1,504	588	2,092	1.5x	1.6x	17.3	12.1	Infrastructure Opportunities
US IX	2017	632	1,040	950	1,128	547	1,675	1.8x	1.5x	19.4	16.3	U.S. Real Estate Equity
EF V ⁽⁹⁾	2018	1,759	1,968	1,700	631	1,443	2,074	1.2x	1.1x	9.4	4.2	European Real Estate Equity
IDF IV ⁽¹⁰⁾	2018	2,647	4,012	4,498	2,722	2,405	5,127	1.2x	1.2x	7.1	5.4	Infrastructure Debt
AREOF III	2019	1,593	1,697	1,398	590	1,146	1,736	1.2x	1.1x	15.4	7.5	U.S. Real Estate Equity

Note: Past performance is not indicative of future results. AUM and net returns are as of March 31, 2024 unless otherwise noted. Please refer to supplemental performance metric endnotes on slide 40-41 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 March 31, 2024													
(\$ 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 IV	2012	\$1,084	\$4,700	\$4,319	\$9,153	\$910	\$10,063	2.3x	1.9x	19.1	13.8	Corporate Private Equity	
AEOF	2018	595	1,120	977	112	495	607	0.6x	0.5x	(11.8)	(14.2)	Corporate Private Equity	
Secondaries													
Funds Harvesting Investments													
LEP XV ⁽⁷⁾	2013	1,330	3,250	2,635	3,054	668	3,722	1.6x	1.4x	16.9	11.7	Private Equity Secondaries	
LREF VIII ⁽⁷⁾	2016	3,161	3,300	2,482	1,525	1,702	3,227	1.4x	1.3x	19.6	13.0	Real Estate Secondaries	

Note: Past performance is not indicative of future results. AUM and net returns are as of March 31, 2024 unless otherwise noted. Please refer to supplemental performance metric endnotes on slides 41-42 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. For the non-opportunistic credit funds, realized value represent the sum of all cash distributions to all partners and if applicable, exclude tax and incentive distributions made to the general partner. For the opportunistic credit funds, realized value represent the sum of all cash distributions to the fee-paying limited 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. For the non-opportunistic credit funds, the unrealized value is based on all partners. For the opportunistic credit funds, the unrealized value is based on the fee-paying limited partners.
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 10.7% and 7.7%, 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.

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.

Supplemental Performance Metrics Endnotes (cont'd)

Real Assets (cont'd)

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 14.2% and 10.4%, 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 11.9% and 8.4%, 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 9.0% and 5.8%, 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.
10. 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 4.4%, 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 6.8% and 5.5%, respectively. The gross and net MoIC for the Euro unhedged parallel fund are 1.2x and 1.2x, respectively. The gross and net IRR for the Yen hedged parallel fund are 4.8% and 3.0%, respectively. The gross and net MoIC for the Yen hedged parallel fund are 1.2x and 1.1x, respectively. The gross and net IRR for the single investor U.S. Dollar parallel fund are 5.5% and 4.4%, 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.

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 funds are calculated before giving effect to any bridge financings. Inclusive of bridge financings, the net MoIC would be 1.8x for ACOF IV and 0.5x 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.
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 13.9% 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.

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 of collateral 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.
Effective Management Fee Rate	Effective management fee rate represents represents annualized management fees divided by the average fee paying AUM for the period, excluding the impact of catch-up fees.

Glossary (cont'd)

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.
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 Earnings Margin	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.
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”), Ares Strategic Income Fund (“ASIF”) and Ares European Strategic Income Fund’s (“AESIF”) 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, ASIF and AESIF are only included in IGAUM when Part II Fees are being generated.

Glossary (cont'd)

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.
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”), ASIF and AESIF. 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, ASIF and AESIF 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 incentive fees earned from funds with stated investment periods or carried interest.

Glossary (cont'd)

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 ASIF, CADC and AESIF, our non-traded real estate investment trusts (“REITs”) and Ares Private Markets Fund (“APMF”); (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.

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 adjusts 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 presented 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.