



**Ares Management, L.P. (“ARES”)
Frequently Asked Tax Questions – Corporate Tax Treatment**

The following FAQs relate to periods beginning March 1, 2018, when ARES is treated as a corporation for U.S. federal and state income tax purposes. ARES, a Delaware state law limited partnership, made an election to be treated as a corporation for U.S. federal and state income tax purposes effective March 1, 2018.

For tax periods prior to March 1, 2018, please refer to the separate Partnership Tax Treatment FAQs.

Where’s my Form 1099?

For periods beginning March 1, 2018, shareholders will receive a Form 1099-DIV rather than a Schedule K-1. The initial Form 1099-DIV should be available in late January 2019 covering the distributions made for the period from March 1, 2018 to December 31, 2018.

Are adjustments to my tax basis maintained by ARES?

No. Shareholder should maintain their own tax records to track basis.

Are distributions from ARES subject to U.S. withholding?

Yes. Distributions from ARES are considered “fixed, determinable, annual or periodic” (“FDAP”) income and will be subject to withholding for non-U.S. shareholders, unless an exception is available.

I am a U.S. tax-exempt investor that owns ARES shares. Does ARES generate “unrelated business taxable income” (“UBTI”)?

Effective March 1, 2018, Ares Management, L.P. changed its tax classification from a partnership to a corporation for U.S. federal income tax purposes. Thus, effective March 1, 2018, a tax-exempt investor should not derive income from Ares Management, L.P. that would otherwise typically be treated as “unrelated business taxable income” (UBTI).

However, a tax-exempt investor should consult its own tax advisor about the U.S. federal income tax consequences applicable to such investor in connection with the acquisition, ownership and disposition of our shares, including any UBTI considerations that may arise if such investor chooses to acquire our shares through debt financing or uses our shares in its own trade or business.

I am a non-U.S. investor owning ARES shares. Does ARES generate “effectively connected income” (“ECI”) or income or gains treated as ECI pursuant to FIRPTA (Foreign Investment in Real Property Tax Act of 1980)?

Beginning March 1, 2018, your investment in ARES should not generate any ECI or FIRPTA income.

Does my investment in ARES shares subject me to U.S. state tax filing requirements?

No. Beginning March 1, 2018, ARES shareholders are not allocated U.S. state sourced income and so should no longer have any state filing requirements with respect to holding shares in ARES.