



SSG Capital Transaction Overview
January 2020

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Executive Summary

Ares has agreed to acquire a majority interest in SSG Capital Holdings Limited and its operating subsidiaries (collectively, “SSG”), an alternative asset management firm focused on credit and special situations investing in Asia ⁽¹⁾

Leading Pan-Asian Platform

- With \$6.2 billion in AUM (\$3.9 billion in Dry Powder), SSG has delivered attractive investment performance across various market cycles, transaction types and Asian countries
- Supported by a global, institutional investor base, SSG is regarded as one of the top investment firms in Asia with numerous industry distinctions and accolades for its lending and special situations ⁽²⁾

Large and Experienced Team

- SSG has ~40 total investment professionals who have invested across several countries in the region including India, Indonesia, China and Thailand ⁽³⁾
- Senior professionals average more than 20 years of relevant experience

Attractive Market with Secular Growth Trends

- Asia is one of the largest and fastest growing economic regions with key countries projected to have higher growth rates than the U.S. and Europe ⁽⁴⁾
- Structural inefficiencies of a concentrated banking sector will drive capital needs for the underserved middle market, creating opportunity for non-bank lenders ⁽⁵⁾

Compelling Combination

- SSG is expected to complement Ares’ existing direct origination businesses in North America and Europe
- The combination is expected to enhance investment sourcing, execution, market intelligence and relative value analysis as well as create new growth opportunities

Financial Benefits

- The transaction is expected to be minimally accretive in the first full year and a more meaningful driver of growth in earnings in the years ahead ⁽⁶⁾

Note: All figures are as of September 30, 2019. Assets Under Management (“AUM”) include drawn and undrawn amounts, certain of the amounts that are subject to regulatory leverage restrictions and/or borrowing base restrictions. 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 (commonly referred to as “Available Capital”).

1. Transaction is subject to customary closing conditions, including regulatory approvals.

2. SSG has been honored with numerous industry accolades, including Private Debt Investor’s 2018 Distressed Debt Investor of the Year, Asia-Pacific and 2017 Lender of the Year, Asia-Pacific.

3. A portion of the investment professionals are employed by third parties with whom SSG maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.

4. McKinsey Asia Asset Management Survey, 2019.

5. Based upon Ares’ market observations.

6. Accretion expected to after-tax realized income per Class A common stock.



Overview of SSG

Pan-Asian multi-strategy asset manager investing in several countries with an attractive track record

Expected Key Drivers of Success

Scalable platform with cross-border experience & proprietary sourcing networks

- Established relationships, infrastructure and licenses to source and execute a wide array of proprietary Pan-Asian opportunities
- 88% of executed deals in SSG's special situations funds were sourced via proprietary channels ⁽¹⁾
- Meaningful incumbent relationships with a majority of special situations fund capital deployed to repeat borrowers ⁽¹⁾

Tenured leadership team with a demonstrated track record of investment performance

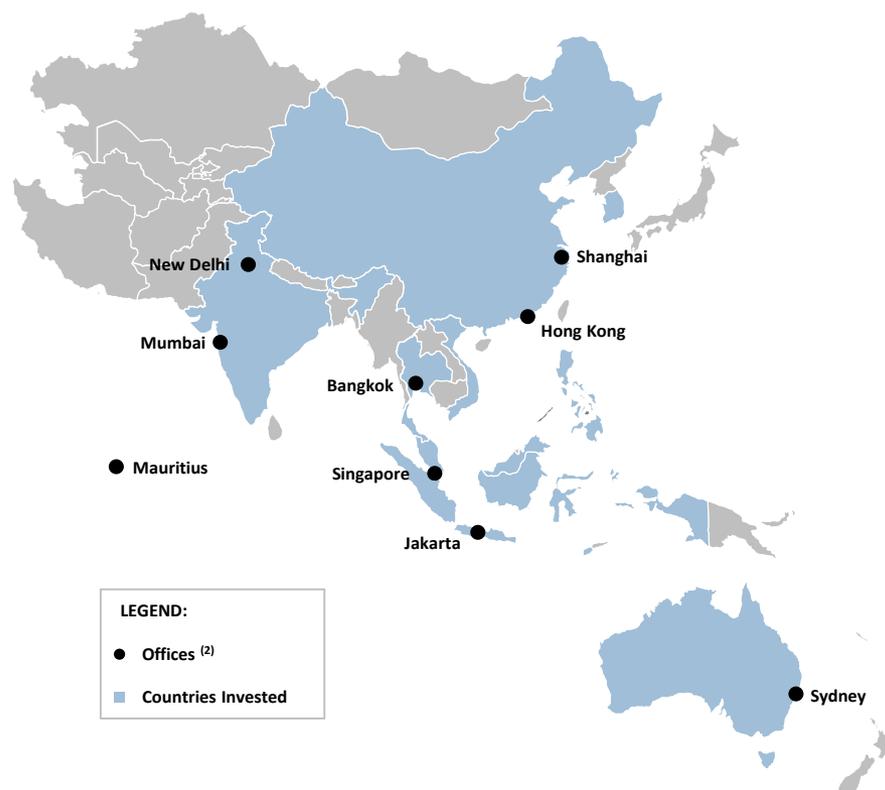
- The 7 founding members have worked together for an average of 15 years
- Highly experienced investment team with multi-cycle investing experience in target markets
- Attracted a diverse and growing institutional investor base

Strong credit and investment culture similar to Ares

- Investment approach and processes are culturally similar to Ares
- Flexible investment structuring with strong focus on downside risk
- Disciplined and selective approach using relative value analyses

Broad Geographic Footprint

Experience in originating and structuring transactions throughout a complex multi-country region



Past performance is not necessarily indicative of future results and there is no guarantee that target returns can be achieved.

1. Executed in Special Situations Funds I – IV as of September 2019.

2. Certain offices refer to locations owned by third parties with whom SSG maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.

SSG's Current Investment Offerings

	SPECIAL SITUATIONS FUNDS	SECURED LENDING FUNDS
Strategy Inception	2009	2011
Strategy Description	<p><i>Focuses on secondary special situations and new direct lending investments</i></p> <ul style="list-style-type: none"> • Secondary Special Situations: Seek to acquire loans, securities and claims at attractive valuations • New Direct Lending: Seek to originate and invest in special situations where a new private lending opportunity is priced at a significant discount to intrinsic value 	<p><i>Targets high quality, privately sourced loans that do not exhibit financial strain</i></p> <ul style="list-style-type: none"> • Seek to originate secured debt investments which generate fixed income returns with a significant cash coupon and attractive risk-reward
Targeted Investment Types	<ul style="list-style-type: none"> • Restructuring situations • Deep value acquisitions arising from balance sheet stress of borrowers or motivated bank sellers • Last-mile financing 	<ul style="list-style-type: none"> • Secured loans, sometimes with equity upside • Growth capital financing • Acquisition financing

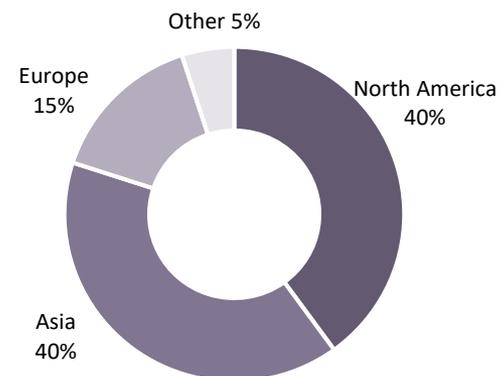
SSG's Fund Vintages and Investor Base

SSG's strong history has led to a diverse and growing investor base – currently at over 120 LPs ⁽¹⁾

Fund Strategies and Vintages

	Special Situations					Secured Lending	
	SSG I	SSG II	SSG III	SSG IV ⁽²⁾	SSG V ⁽³⁾	SLO I ⁽²⁾	SLO II
Fund Vintage	2010	2012	2014	2017	2019	2015	2017
Fund Size (\$ millions)	\$104	\$400	\$915	\$1,181 <i>does not include \$500 sidecar</i>	\$1,903 <i>does not include \$825 sidecar</i>	\$325 <i>does not include \$152 sidecar</i>	\$815

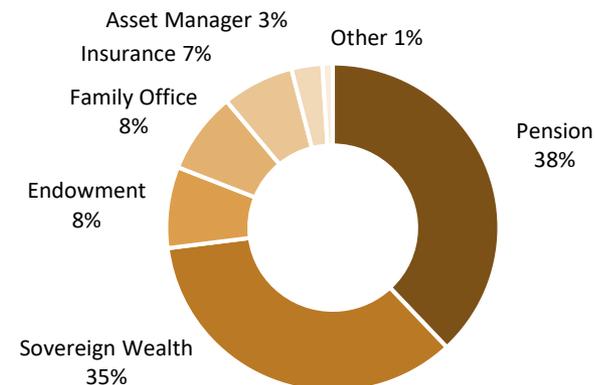
Investors by Region ⁽⁴⁾



SSG Industry Accolades Since 2011 ⁽⁵⁾



Investors by Type ⁽⁴⁾



1. As of September 30, 2019 and pro forma for SSG V closing as of November 2019.

2. Funds include additional commitments and sidecar funds.

3. Based on committed capital as of November 2019.

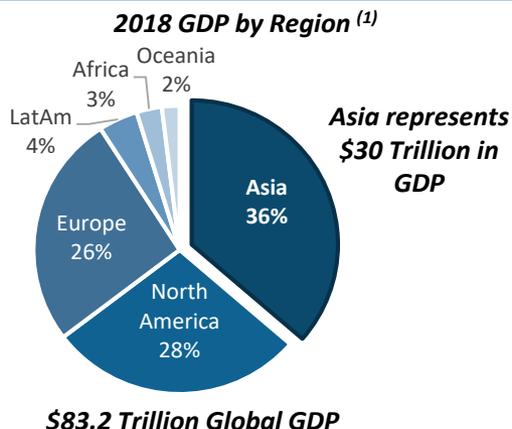
4. Based on original committed capital as of November 2019.

5. The performance awards shown herein are not representative of any given client's experience and should not be viewed as indicative of SSG's past performance or its funds' future performance. All investments involve risk, including loss of principal.

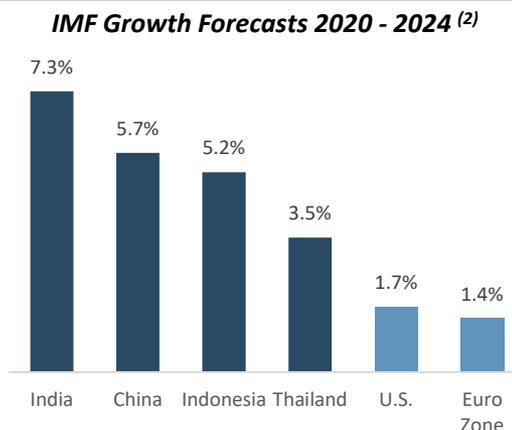
Market Opportunity

We believe Asian markets are strategic for Ares and offer new avenues for growth and collaboration

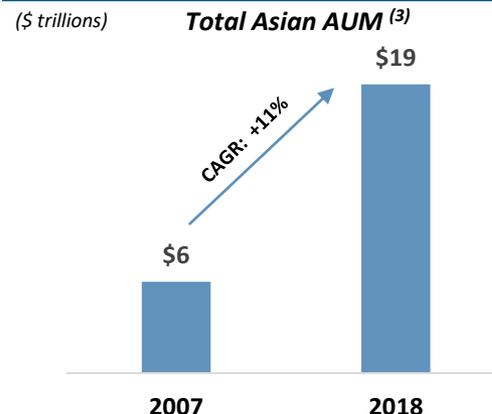
Asia is the Largest Economic Region



High Growth Forecasts for the Region



Total Asian AUM Continues to Increase



Key Market Forces Driving Expected Opportunity

Large Market for Alternative Assets

- In the \$19 trillion AUM market in Asia,⁽³⁾ the alternative market is approximately ~\$3 trillion ⁽⁴⁾
- Investors have expressed the most interest in emerging Asian alternative investments relative to those of other emerging markets ⁽⁵⁾

Regulatory Changes Creating Opportunities ⁽⁶⁾

- Policy driven restrictions on supply of credit is forcing financial institutions to de-leverage, creating an opportunity to purchase non-core assets
- Regulations have reduced competition in areas such as acquisition financing, working capital financing, restructurings and asset purchases

Underserved Middle Market and Bank Policy Reform Drive Opportunities for Non-Bank Lenders ⁽⁶⁾

- Inefficiencies in lending market are providing opportunities for non-bank lenders
- With banks staying local, cross border and multinational relationship lending presents significant opportunities

1. IMF, 2018.
 2. IMF World Economic Outlook, October 2019.
 3. McKinsey Asia Asset Management Survey, 2019.
 4. PwC's Asset & Wealth Management 2025 Report, as of January 2019.
 5. Preqin Investor Views on Emerging Markets Survey, July 2019.
 6. Based upon Ares' market observations.

Growth Platform for Ares' Expansion in Asia

We believe the SSG acquisition provides a foundation for continued expansion into Asia

1

ENHANCED GLOBAL PERSPECTIVES AND CAPABILITIES

- Expands Ares' relative value insights, deal sourcing, market intelligence and investing capabilities
- Deep local relationships that will enable us to scale across Asia and potentially expand into different asset classes

2

NATURAL EXTENSION OF CREDIT FRANCHISE

- Natural extension of Ares' existing North American and European direct lending franchises creates meaningful opportunity for collaboration and synergies

3

FUNDRAISING SYNERGIES

- Significant opportunities to cross market products to the combined 1,000+ direct institutional investor relationships

4

COMPLEMENTS EXISTING ASIAN PRESENCE

- Meaningfully builds upon Ares' established presence in the region
- Entrepreneurial and experienced management that shares similar cultural approach to Ares

