Ares Global Credit Income Fund

ARSN 639 123 112 APIR HOW4476AU

March 2023 - Monthly Fact Sheet

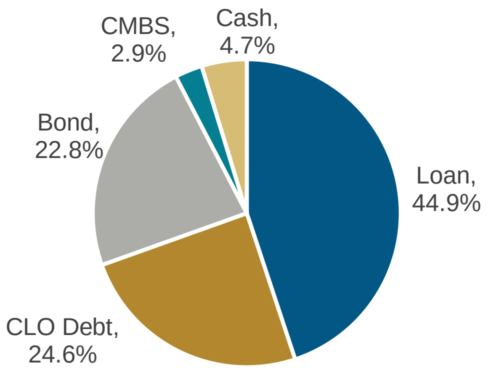
Performance	1 Month %	3 Month %	FYTD %	1-Year %	2-Year % p.a.	5-Year % p.a.	Inception % p.a.
Fund return (gross)[1]	-0.1	2.0	5.3	0.5	1.5	-	5.1
Fund return (net)[2]	-0.2	1.8	4.6	-0.4	0.7	-	4.3
Bloomberg AusBond Bank Bill Index	0.3	0.8	2.0	2.0	1.0	-	0.7
Active return	**-0.5**	**1.0**	**2.6**	**-2.4**	**-0.3**	**-**	**3.6**

[1] Returns are calculated before fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.
[2] Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.
Past performance is not a reliable indicator of future performance. **Data Source: Fidante Partners Limited, 31 March 2023.**

Fund Facts

Portfolio managers	Charles Arduini, Seth Brufsky, Samantha Milner, Boris Okuliar
Inception date	1 May 2020
Management fee	0.75% p.a.
Fund Objective	To outperform the AusBond Bank Bill Index over a three-year period
Buy/sell spread[3]	+0.40% / -0.40%
Strategy FUM	$77.0 M

Asset Class Allocation[6]



Fund Features

Attractive income: The Fund aims to provide a stable income stream for investors by seeking to offer monthly distributions.

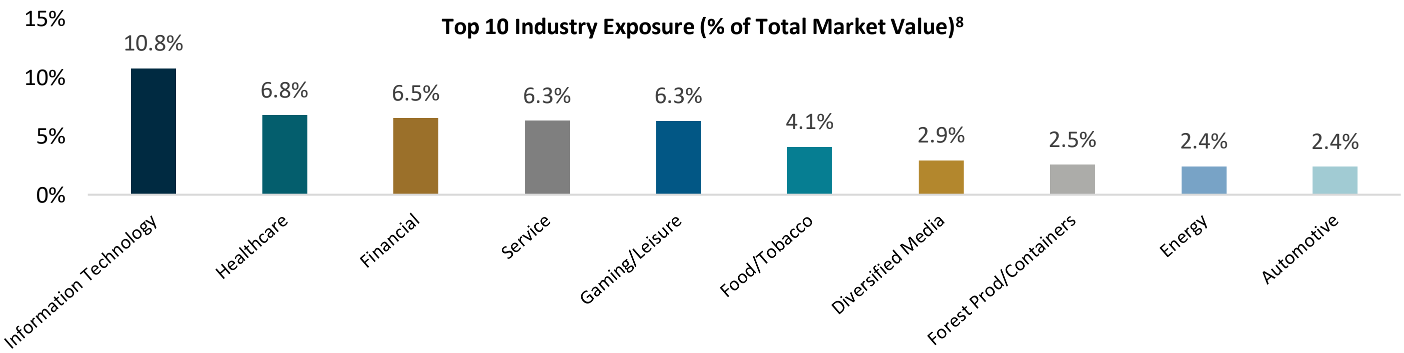
Focus on downside protection:[4] Ares believes protecting principal is key to superior performance and therefore places emphasis on dampening volatility and minimising defaults.

Dynamic asset allocation: The Fund has the ability to dynamically allocate capital based on the best relative value opportunities across industries, issuers and regions within the credit spectrum.

Diversification:[5] The Fund provides access to investment opportunities and asset classes which are generally unavailable to individual investors.

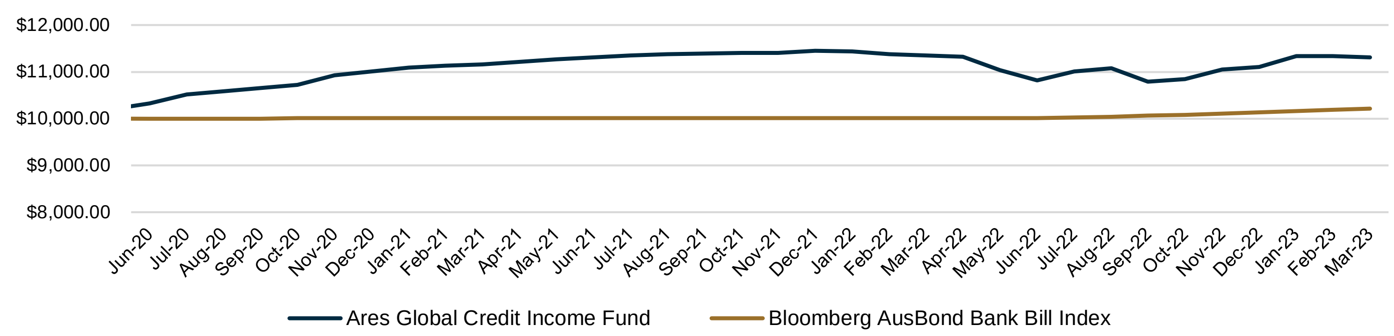
Leading global investment team: The Fund offers access to a leading global investment team with 20+ years of experience investing in global credit markets. The experienced management team applies an integrated and collaborative approach using the scale and power of the platform seeking to deliver compelling risk-adjusted returns through market cycles.

Key Attributes	Fund	Change from 28 Feb 2023
Number of issuers	270	-8
Weighted Average Spread (L+)	322	+4
Current Yield (AUD-Hedged)	6.26%	+0.04%
Yield to Worst (AUD-Hedged)	6.36%	-0.46%
Current Yield (Unhedged)	7.44%	+0.11%
Yield to Worst (Unhedged)	7.55%	-0.38%
Duration	0.90	-
Spread Duration	3.66	+0.11
Weighted Average Credit Quality[7]	BB+	-
Total Investment Grade Exposure	58.48%	+1.16%



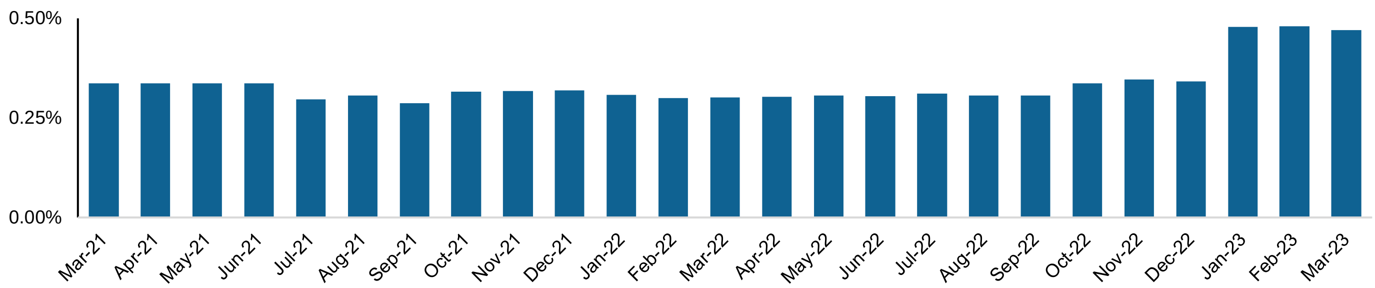
[3] Source: Ares. During normal market conditions, bid/ask spreads have averaged 25 -100bps, however, during periods of volatility, we have observed spreads widen out to 300-400bps.
[4] References to "downside protection" or similar language are not guarantees against loss of investment capital or value.
[5] Diversification does not assure profit or protect against market loss.
[6] The Fund's allocation is based on recent market conditions and is subject to change based on future market conditions at the time of investment and may differ materially from that set forth herein.
[7] Reflects the risk-adjusted weighted average higher of rating using Moody's, S&P, and Fitch.
[8] Credit Suisse Industry Distribution. Excludes CLO debt, CMBS and cash (24.6%, 2.9% and 4.7% as of 31 March 2023, respectively).

Growth of $10,000 Since Inception (Net of Fees)



Past performance is no indication of future performance. Represents performance of a hypothetical $10,000 investment made in this fund from the inception date. There is no guarantee of future results and this may not provide adequate basis for evaluating the performance of the Fund over varying market conditions or economic cycles. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted. The Fund's inception date is 1 May 2020.

Monthly Distribution Rate



Past performance is no indication of future performance. There is no assurance monthly distributions paid by the Fund will be maintained at targeted level or paid at all. Calculated as the cents per unit (CPU) distribution at month end divided by the ex-distribution unit price at the start of the month.

Market Commentary

Global capital markets experienced increased volatility in March as a combination of persistent inflation, broader fears of contagion from bank failures, and a recent stretch of weaker economic data kept investors on edge. Despite initial negative reactions in response to the banking crisis, leveraged credit spreads tightened sharply near quarter-end as aggressive central bank and government actions alleviated fears of wider spread financial turmoil.

U.S. high yield bonds returned 1.13%[1] during the month. The asset class endured initial spread widening, steady retail outflows and a stall in capital market activity in response to the turbulence in the U.S. financial sector; however, high yield markets rallied the last week of the month as the focus shifted from systemic banking risks to longer-term implications on growth.2 Capital market conditions for high yield issuers amid collapsed in March amid elevated rate and equity volatility with only 11 bonds pricing for a total of $5.6 billion over the course of the month. Meanwhile, U.S. high yield funds reported outflows of $4.9 billion over the course of the month.[2]

U.S. loans underperformed fixed rate peers, returning -0.10%[3] in March as increased volatility and a significant re-pricing of the rate curve weighed on performance. Further, the asset class endured elevated loan outflows and a halt in new issuance amid weaker investor sentiment.

Specifically, U.S. loan primary market activity declined by over 50% in March with only $17.4 billion of loan paper pricing over the course of the month.[2]

Collateralized Loan Obligation (CLO) debt securities experienced mixed returns in March with most ratings tranches posting losses due to a relatively weaker technical in the underlying loan market.[4] Despite market headwinds and moderating loan supply, CLO issuance is running slightly ahead of last year's pace as origination surged during February amid declining liability costs and growing appetite for the asset class.[5]

U.S. investment grade bonds returned 2.54%6 in March as investor appetite remained biased towards higher quality assets.

European leveraged credit markets posted flat to negative total returns in March, with high yield bonds and leveraged loans returning -0.42%[7] and 0.02%,[8] respectively. The constructive tone for risk assets at the beginning of the month quickly unravelled mid-month as banking turmoil raised economic downturn concerns. Regarding supply dynamics, rate volatility and the shock to the bank sector contributed to the slowdown in new issue volumes. Conversely, demand for European leveraged credit remained robust during the month.

Market Outlook

Risk assets produced mixed performance in the first week of April as a weaker stretch of economic data refocused investors' attention on growth risks and produced a sharp decline in Treasury yields. From a macro environment perspective, U.S. GDP growth expanded at an estimated 3.25% rate in 1Q'23; however, trade, employment and business survey releases signaled an economic downshift is underway. Meanwhile, Organization of Petroleum Exporting Countries (OPEC) announced a surprise production cut, boosting brent oil prices to a one-month high. While spreads tightened sharply during the final week of March, we continue to have an up-in-quality bias across the preponderance of our portfolios in anticipation of slower economic growth over the next 12 months. Looking forward, while we anticipate increased ratings downgrades (and defaults to a lesser degree) and ultimately heightened volatility and dispersion, we expect solid loan and high yield returns in the next 12-18 months given the starting point of spread, yield, and discount. While we have seen a modest increase in the high yield bond and loan default rates in Q1'23, we expect them to remain manageable in the 3.5-4.5% range for 2023. Further, corporate fundamentals remain decent albeit declining and leveraged credit issuers have done a good job pushing out near-term maturities and shoring up liquidity to strengthen balance sheets. As the banking crisis is keeping markets on edge, we are closely monitoring potential downstream effects from recent events including a potential for contraction in financing to the tech ecosystem, negative impacts to small and medium sized businesses who are supported by regional banks, risk to the commercial real estate market as regional banks represent 80% of lending to this sector, and a general contraction in credit availability that further exacerbates the tightening in lending standards. Overall, we expect choppy market conditions to continue and are maintaining a steady focus on the attractive go-forward return opportunity in below investment grade credit. We believe that in the wake of increased dispersion, disciplined and opportunistic credit pickers that take advantage of the volatility will be rewarded.

Fund Commentary

The Ares Global Credit Income Fund ("AGCIF" or the "Fund") returned -0.10% gross and -0.17% net for the month of March. Performance across asset classes was mixed, with the portfolio's allocation to high yield bonds being the largest contributor to performance, benefiting from disciplined credit selection within the Double-B rated cohort. Meanwhile, the portfolio's structured credit allocation weighed on performance amid the weaker technical in the loan asset class.

During the month, we maintained our higher quality risk posture and continued to focus on identifying opportunities arising from today's complex economic environment. In terms of positioning, we remain overweight floating rate assets and are more focused on volatility and downgrade risk rather than default risk. We continued to be buyers of the higher quality segments of the high yield bond market given the discount benefit and overall higher quality nature of the asset class. Within corporate credit, we are overweight defensive sectors with favorable supply-demand dynamics and earnings trajectories, as well as sectors more upstream in supply chains and companies with strong pricing power, including software and necessary services sectors. We are underweight sectors that are more susceptible to consumer discretionary income weakness, input cost pressures and general cyclicality. In light of recent events, we are closely watching companies that have outsized exposure to small-medium enterprises, who could potentially be more impacted by the deposit outflows and funding issues at regional banks. We are also monitoring certain sectors where liquidity may be challenging, such as certain segments of the technology and healthcare sectors. Specific to structured credit, we continue to favor transactions with top tier managers that we know well and are maintaining our exposure given attractive relative value for high quality assets. From a geographical perspective, we have modestly increased our European exposure given decreased tail risk in the region and improved relative value versus the U.S. Importantly, we anticipate increased dispersion in credit fundamentals in the months ahead and believe our dynamic and active approach to portfolio management remains critical to unearthing relative value opportunities in the current economic environment.

As of 31 March 2023. Sources: (1) ICE BofA US High Yield Index "H0A0", (2) JP Morgan, (3) Credit Suisse Leveraged Loan Index "CSLLI", (4) CLOIE, (5) LCD News. (6) Bloomberg Barclays U.S. Aggregate Bond Index, (7) ICE BofA European Currency High Yield Constrained Index Hedged to EUR, (8) Credit Suisse Western European Leveraged Loan Index Hedged to EUR.

Views expressed are those of the Ares Global Credit Income Fund Portfolio Managers as of 31 March 2023 are subject to change at any time, and may differ from the views of other portfolio managers or of Ares Australia Management as a whole.

The outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a pandemic, has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on energy, transportation, hospitality, tourism, entertainment and other industries. The impact of COVID-19 has led to significant volatility and declines in the global financial markets and oil prices and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. Any public health emergency, including any outbreak of COVID-19 or other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on the Fund, the value of its investments and its portfolio companies. The performance investment information herein is as of 31 March 2023 and not all of the effects, directly or indirectly, resulting from COVID-19 and/or the current market environment may be reflected herein. The full impact of COVID-19 and its ultimate potential effects on portfolio company performance and valuations is particularly uncertain and difficult to predict.

Index Definition & Disclosure:

The Bloomberg AusBond Bank Bill Index is engineered to measure the Australian money market by representing a passively managed short term money market portfolio. This index is comprised of 13 synthetic instruments defined by rates interpolated from the RBA 24-hour cash rate, 1M BBSW, and 3M BBSW.

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This material has been prepared by Ares Australia Management Pty Ltd ABN 51 636 490 732, AFSL 537 666 (AAM), the investment manager of the Ares Global Credit Income Fund (ARSN 639 123 112) (the Fund) and is current as at the date of publication. Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and is the issuer and responsible entity of the Fund. Other than information which is sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this publication, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at www.fidante.com should be considered before making a decision about whether to buy or hold units in the Fund(s). To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not indicative of future performance. Any projections are based on assumptions which we believe are reasonable but are subject to change and should not be relied upon. Fidante has entered into arrangements with Ares and AAM in connection with the distribution and administration of financial products managed by Ares or AAM. In connection with those arrangements, Fidante or AAM may receive remuneration or other benefits. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. The performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group nor AAM or its related bodies corporate.

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