Ares Global Credit Income Fund

ARSN 639 123 112 APIR HOW4476AU

October 2024 - Monthly Fact Sheet

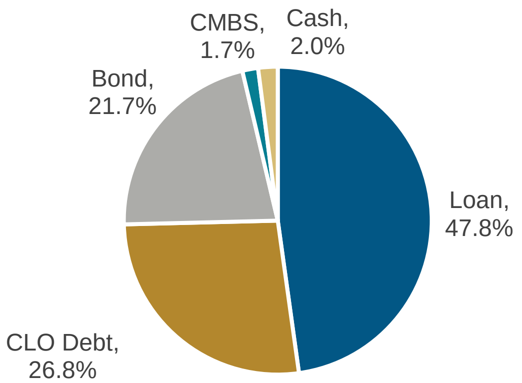
Performance – Class A	1 Month %	3 Month %	6 Month %	1-Year %	2-Year % p.a.	3-Year % p.a.	4-Year % p.a.	Inception % p.a.
Fund return (gross)[1]	0.42	1.75	4.32	10.04	9.87	5.00	5.52	6.58
Fund return (net)[2]	0.45	1.66	4.03	9.33	9.10	4.20	4.74	5.83
Bloomberg AusBond Bank Bill Index	0.37	1.12	2.23	4.45	4.05	2.94	2.21	1.97
Active return	0.08	0.55	1.80	4.88	5.05	1.26	2.53	3.86

[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 October 2024.**

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]	+0.30% / -0.30%
Strategy FUM	$213.1 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 attractive performance and therefore places emphasis on dampening volatility and minimising defaults.

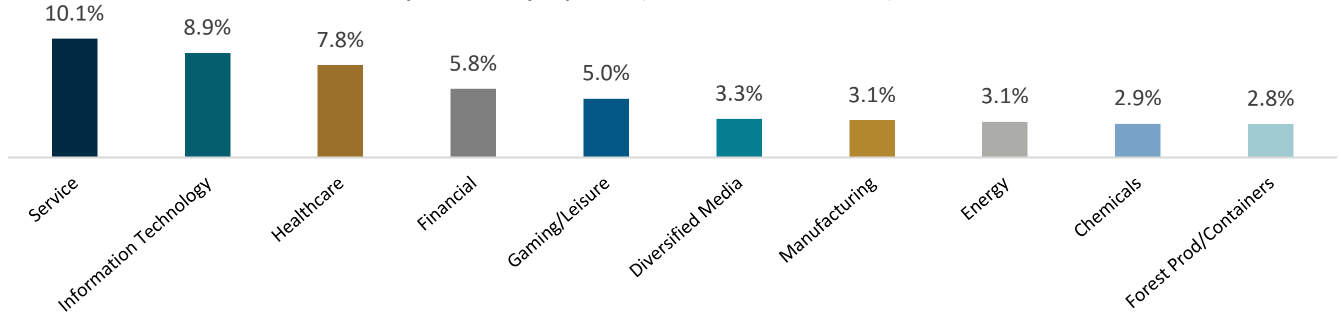
Dynamic asset allocation: The Fund has the ability to dynamically allocate capital based on the best relative value opportunities across industries, issuers and regions within the credit spectrum.

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.

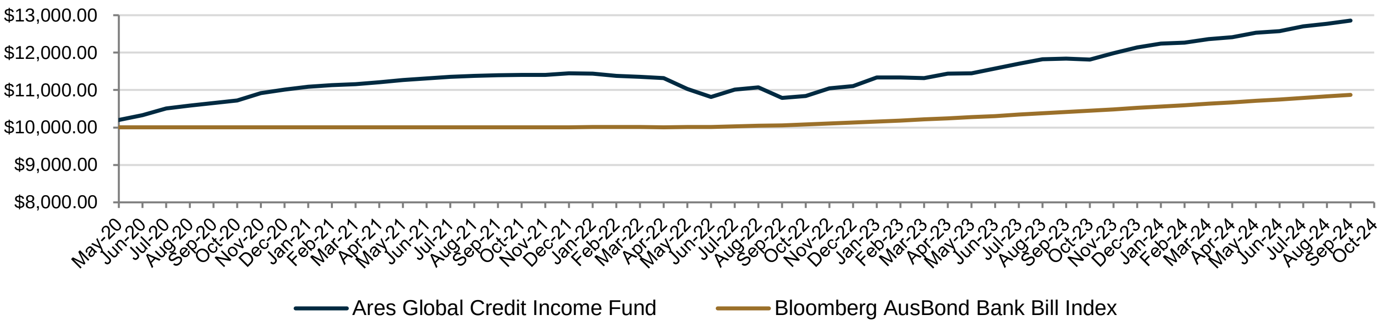
Key Attributes	Fund	Change from 30 Sep 2024
Number of issuers	344	+18
Weighted Average Spread (L+)	323	-
Current Yield (AUD-Hedged)	7.52%	-0.13%
Yield to Worst (AUD-Hedged)	6.89%	+0.44%
Current Yield (Unhedged)	7.53%	-0.22%
Yield to Worst (Unhedged)	6.91%	+0.35%
Duration	1.09	-0.04
Spread Duration	4.05	-0.07
Weighted Average Credit Quality[7]	BB	-
Total Investment Grade Exposure	50.88%	-2.31%

Top 10 Industry Exposure (% of Total Market Value)[8]



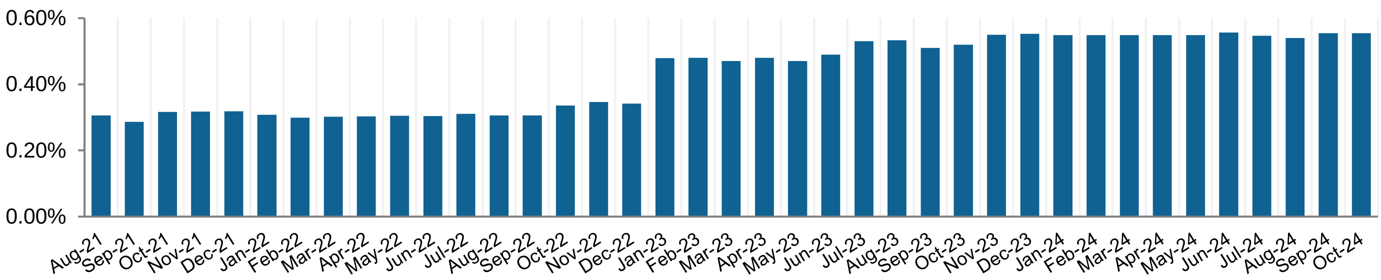
[3] Source: Ares. During normal market conditions, bid/ask spreads have averaged 25 -100bps, however, during periods of volatility, we have observed spreads widen out to 300-400bps.
[4] References to "downside protection" or similar language are not guarantees against loss of investment capital or value.
[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.

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

In October, performance across global risk assets was mixed. Amid strong labor market data and robust consumer spending over the month, the market recalibrated its rate expectations and has reduced its outlook for both the pace and quantum of rate cuts into 2025, which aligns with recent Federal Reserve ("Fed") rhetoric.

U.S. high yield bonds posted a -0.55%[1] return in October, experiencing the first negative monthly performance print since April. High yield spreads actually tightened over the month, but this only partially offset the increase in Treasury yields. Triple-C rated bonds continued to outperform and were the only rating cohort to post a positive return during the month. Notably, new issuance was overwhelmingly driven by refinancings, totalling $260bn year-to-date. Meanwhile, primary market activity for high yield remained modest, with 39 bonds pricing for $27.2 billion over the course of the month.[2]

U.S. leveraged loans returned 0.85%[3] in October, the 17th consecutive month of positive performance for the asset class, due to elevated coupons and a balanced technical dynamic. From a demand perspective, CLO formation remained healthy and the increase in rates during the month alongside recalibrated rate expectations led to positive retail flows into the loan market, totalling $2.7bn for the month[2].

CLO debt securities posted positive returns during the month with all ratings tranches generating gains.[4] Notably, CLO gross issuance saw the most growth in October, totaling $55.2bn, driven both by refinancing and reset activity.[5]

For the year-to-date period, U.S. CLO issuance continues to forge ahead at record pace in 2024, with $159 billion of U.S. CLOs issued through October month-end.[5]

U.S. investment grade bonds returned -2.48%[6] in October largely driven by rates as well as election result anticipation.

Meanwhile, European high yield bonds and leveraged loans returned 0.60%[7] and 0.77%[8] in October, respectively, despite bouts of volatility across risk assets in the lead up to the US election and the potential implications of a policy shift on inflation and interest rates. Returns continue to be supported by the attractive carry profile of the asset class coupled with a strong technical backdrop.

Market Outlook

Markets have been positive thus far in November due to a supportive macroeconomic backdrop and perceived pro-business result from the US elections. Positive sentiment has also been supported by a constructive earning season, with the count of beats doubling misses thus far[2]. The trajectory of short-term rates is expected to remain a tailwind for companies, with the European Central Bank, Bank of England and the Fed all announcing cuts within the last month. That said, policy decisions are expected to diverge in the future given varying labor, inflation and growth trends in the US and Europe. Regardless, rates are expected to remain elevated when compared to recent history, preserving the attractive income profile of leveraged credit assets. While the election has largely been viewed favorably by investors, new risks will likely emerge, particularly given the expectations of a tariff-friendly Trump administration. We believe this will lead to elevated dispersion among industries and individual companies, placing a heightened importance on credit selection and industry positioning. Overall, we believe market conditions are favorable due to a supportive macro backdrop, positive corporate fundamental trends, strong demand technicals driven by elevated yields, and an administration in the US that many expect will be supportive of M&A activity. Within our portfolios, we remain focused on identifying high quality credits, actively rotating exposures based on relative value and identifying pockets of volatility in the leveraged credit market.

Fund Commentary

The Ares Global Credit Income Fund ("AGCIF" or the "Fund") returned 0.42% gross and 0.45% net for the month of October. The allocation to bank debt was the largest contributor to returns in October, primarily driven by elevated base rates. The CLO debt allocation delivered positive contribution as well due to the strong underlying loan technical, while the corporate bond allocation slightly detracted from performance amid increased Treasury yields.

Regarding positioning, we maintained a higher quality risk posture in October and continued to focus on identifying opportunities arising from today's economic environment post-election and Fed cut. In September we were making small adjustments by increasing exposure to corporate bonds in favor of tighter CLO debt securities and loans, given rates were expected to decline. Following the Fed's additional rate cut in October, we are maintaining our current fixed versus floating positioning. From a sector standpoint, we remain overweight defensive and non-cyclical sectors with favorable supply-demand dynamics and earnings trajectories, as well as sectors more upstream in supply chains and companies with strong pricing power and interest coverage, including software and necessary services sectors. We remain underweight sectors that are more susceptible to cyclicality and consumer discretionary income weakness and are closely monitoring certain sectors where liquidity may be challenged and where policy changes given the upcoming change in administration may be impacted. While we are generally positioned defensively, we have maintained core holdings in discount risk positions, the majority of which have defined catalysts. With respect to structured credit, we are comfortable with our current exposure to CLO debt and continue to make relative value swaps as wider Triple-B CLO debt paper becomes available. Similarly, from a geographical perspective, we are maintaining our current exposure to European high yield and are now in favor of fixed over floating in the region, as relative value has shifted. Overall, we believe we are well-positioned for the road ahead and remain focused on security selection, particularly as single-name credit dispersion increases.

As of 31 October 2024. 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.

Assigned as of 11th March 2024
Analyst Driven% 100, Data-Coverage% 100

Views expressed are those of the Ares Global Credit Income Fund Portfolio Managers as of 31 October 2024 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.

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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