Ares Global Credit Income Fund

ARSN 639 123 112 APIR HOW4476AU

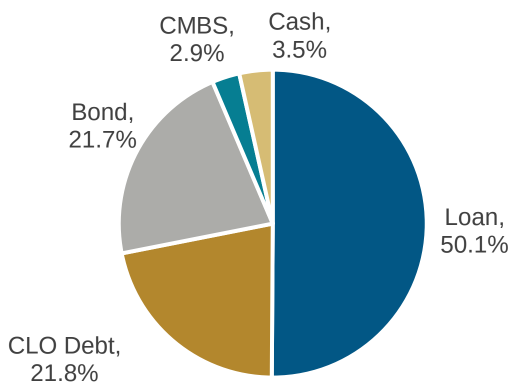
February 2024 - Monthly Fact Sheet

Performance	1 Month %	3 Month %	6 Month %	1-Year %	2-Year % p.a.	3-Year % p.a.	Inception % p.a.
Fund return (gross)[1]	0.2	2.5	4.1	9.0	4.6	4.1	6.2
Fund return (net)[2]	0.2	2.3	3.8	8.1	3.8	3.3	5.4
Bloomberg AusBond Bank Bill Index	0.3	1.1	2.1	4.1	2.9	2.0	1.5
Active return	-0.2	1.2	1.6	4.0	0.8	1.3	3.9

[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, 29 February 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]	+0.40% / -0.40%
Strategy FUM	$126.1 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.

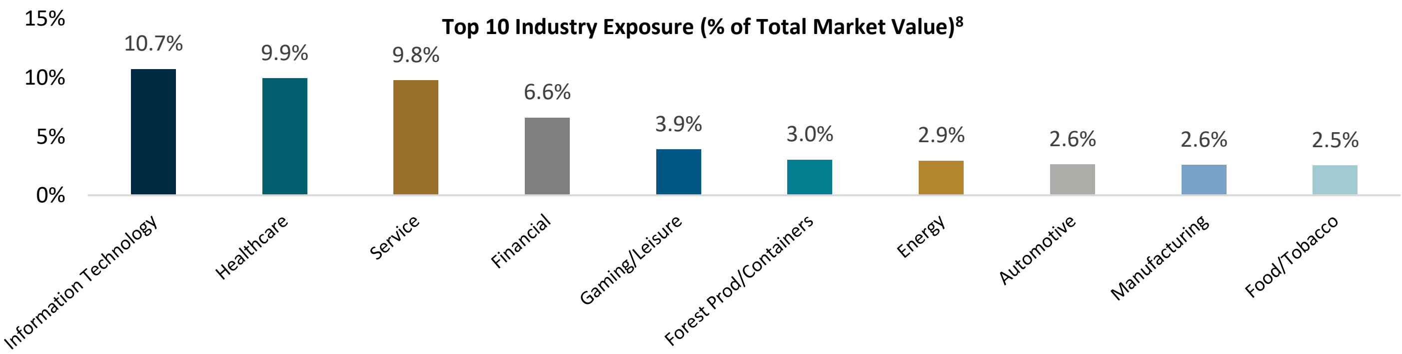
Focus on downside protection:[4] Ares believes protecting principal is key to superior performance and therefore places emphasis on dampening volatility and minimising defaults.

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.

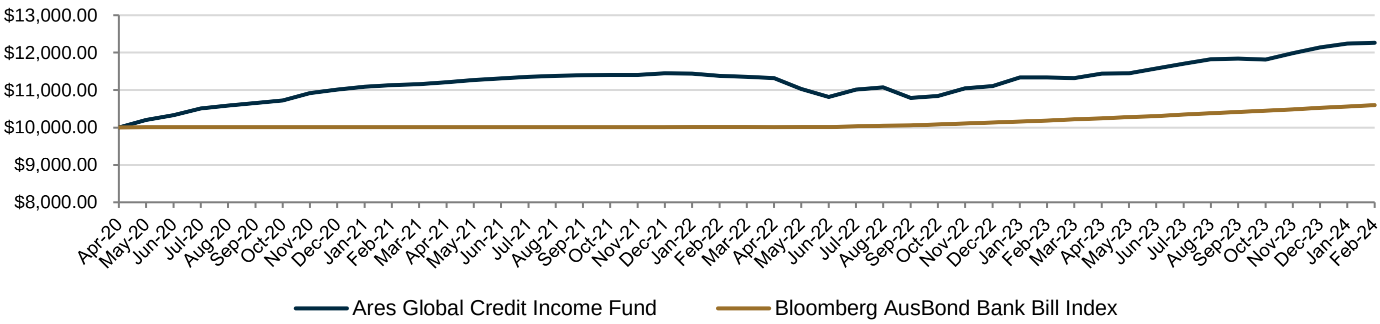
Leading global investment team: The Fund offers access to a leading global investment team with 20+ years of experience investing in global credit markets. The experienced management team applies an integrated and collaborative approach using the scale and power of the platform seeking to deliver compelling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

Key Attributes	Fund	Change from 31 Jan 2024
Number of issuers	277	+10
Weighted Average Spread (L+)	359	+6
Current Yield (AUD-Hedged)	7.09%	-0.16%
Yield to Worst (AUD-Hedged)	6.14%	-0.03%
Current Yield (Unhedged)	8.13%	+0.03%
Yield to Worst (Unhedged)	7.52%	+0.37%
Duration	1.12	+0.12
Spread Duration	3.49	+0.09
Weighted Average Credit Quality[7]	BB	-
Total Investment Grade Exposure	50.11%	-2.75%



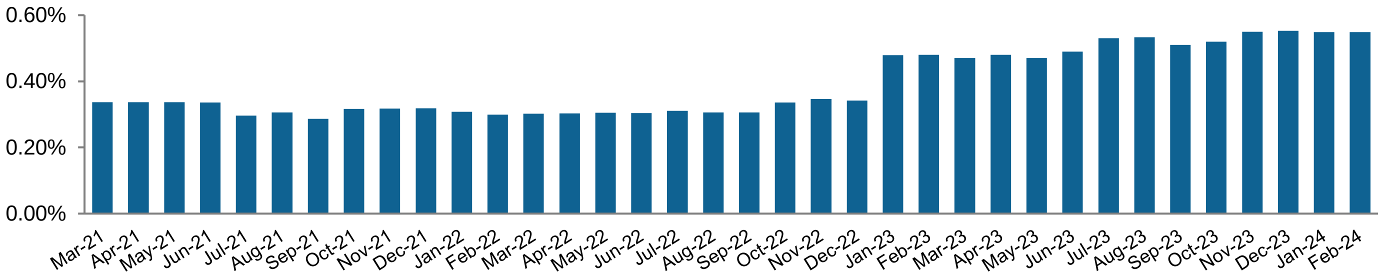
[3] Source: Ares. During normal market conditions, bid/ask spreads have averaged 25 -100bps, however, during periods of volatility, we have observed spreads widen out to 300-400bps.
[4] References to "downside protection" or similar language are not guarantees against loss of investment capital or value.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

Global risk assets posted positive returns in February amid better-than-expected corporate earnings and elevated yields. The January 2024 inflation print in the U.S. upwardly surprised market participants as the last twelve-month figure of 3.1% suggested a slightly heating, rather than cooling, economy. Hence, many expect central banks to tilt towards caution and keep rates elevated, forcing global markets to reprice rate expectations.

U.S. high yield bonds posted a 0.30%[1] return as bond spreads tightened during the month due to improving capital markets access, a neutral hold by the Federal Reserve (the "Fed"), and a rally in equities. Notably, primary market activity for high yield bonds remained elevated with $27.7 billion of bonds pricing over the course of the month. Meanwhile, demand for the asset class slowed but remained positive in February with high yield funds reporting $10 million of inflows, following $406 million of inflows in January.[2]

U.S. leveraged loans outperformed fixed rate peers, returning 0.89%[3] during the month as prices benefitted from robust refinancing activity, robust CLO origination and a supportive technical. Notably, companies continued to capitalize on strong market conditions to term out revolvers, extend maturities, and re-price loans with $63.7 billion of loan paper pricing over the course of the month.

Meanwhile, U.S. loan funds reported $743 million of inflows during February, following $94 million of inflows in January.[2]

CLO debt securities posted positive returns during the month with all ratings tranches generating gains.[4] U.S. CLO issuance ticked higher in February amid tight Triple-A spreads and a pickup in investor demand. Specifically, $20.7 billion of U.S. CLOs priced during the month, which stands as the second highest mark by both dollar volume and deal count in a calendar month in market history.[5]

U.S. investment grade bonds returned -1.41%[6] in February as higher quality fixed income instruments came under pressure amid increased supply and tight spreads.

Meanwhile, European high yield bonds and leveraged loans returned 0.38%[7] and 0.51%[8] during the month, respectively. Notably, lower quality segments of the European leveraged credit market outperformed higher rated cohorts during the month. The wave of repricing activity in the European loan space persisted in February and saw the highest levels since 2020. Net-new issuance continued to fall short of demand, with European loans delivering €9.7 billion of paper over the month. European high yield new issuance lagged loan volumes, printing just €3.3 billion but was largely in line with average levels.

Market Outlook

Leveraged credit markets have rallied thus far in March as prices increased amid resilient growth data, solid earnings results, and improving capital markets access. Further, the February global all-industry output Purchasing Managers' Index (PMI) marked a fourth consecutive monthly increase, signaling improving economic momentum.

As the economic outlook continues to strengthen, economists and market participants alike have reached a consensus view of no recession and higher growth in the next 12 months. With data suggesting an improving economy, markets are now pricing in fewer interest rate cuts, pivoting from at one point nearly seven rate cuts in 2024 to now just over three. In line with market expectations, at his Congressional testimony last week, Federal Reserve Chairman Powell largely reiterated remarks from the most recent Federal Open Market Committee (FOMC) press conference, suggesting the Fed is looking for greater confidence that inflation is moving sustainably towards their 2% target before beginning to ease. While the exact timing of monetary easing remains uncertain, we believe the ability of the Fed to cut rates in a growth shock outweighs the angst around specifics of when and by how much. Regarding fundamentals, Q4'2023 corporate earnings have been better-than-expected and accompanied by a significant increase in refinancing activity. Despite improving sentiment, forward guidance largely remains conservative, and we expect an increase in single-name dispersion this year as the lagging effect of tighter monetary policy will eventually pressure businesses. Meanwhile, the technical environment should continue to improve as we are seeing an increase in capital market activity, and we expect more M&A and are seeing continued demand from global institutional investors. Looking ahead, we continue to closely monitor potential headwinds including the 2024 elections and the potential impacts of elevated geopolitical tensions and we remain focused on security selection as we expect single-name dispersion to increase in the coming months.

Fund Commentary

The Ares Global Credit Income Fund ("AGCIF" or the "Fund") returned 0.25% gross and 0.19% net in February. Specific to Fund performance, the portfolio's allocations to bank debt and CLO debt were the largest contributors to returns in February. The bank debt allocation benefitted from disciplined credit selection within Single-B rated loans, while CLO debt continued to perform well due to the strong floating rate technical in the underlying loan asset class and overall bid for risk.

In terms of positioning, we maintained our higher quality risk posture in February and continued to focus on identifying opportunities arising from today's evolving economic environment. We have been marginally increasing our floating rate exposure and decreasing high yield, adding high current income assets to the portfolio. We continue to actively trade around relative value across individual credits, taking profits on select Double-B rated bonds trading at tight levels, rotating into Single-B rated loans and CLO securities. From a sector perspective, we remain 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 remain underweight sectors that are more susceptible to consumer discretionary income weakness and general cyclicality, and we are closely monitoring certain sectors where liquidity may be challenged. While we are generally positioned defensively, we have maintained core holdings in discounted risk positions, the majority of which have defined catalysts. Specific to structured credit, we continue to favor transactions with top tier managers that we know well, specifically within Triple-B rated CLO debt. From a geographical perspective, we maintained a market-neutral weighting to Europe, focused on allocating to attractive opportunities in the primary market. Importantly, we continue to be mindful of increased dispersion in credit fundamentals in the months ahead and remain focused on security selection. We continue to source compelling opportunities in each component asset class and expect volatility to increase in 2024, underscoring the importance of an actively managed, dynamic portfolio.

As of 29 February 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.

Views expressed are those of the Ares Global Credit Income Fund Portfolio Managers as of 29 February 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.
Indices are provided for illustrative purposes only and not indicative of any investment. They have not been selected to represent appropriate benchmarks or targets for the strategy. Rather, the indices shown are provided solely to illustrate the performance of well known and widely recognized indices. Any comparisons herein of the investment performance of a strategy to an index are qualified as follows: (i) the volatility of such index will likely be materially different from that of the strategy; (ii) such index will, in many cases, employ different investment guidelines and criteria than the strategy and, therefore, holdings in such strategy will differ significantly from holdings of the securities that comprise such index and such strategy may invest in different asset classes altogether from the illustrative index, which may materially impact the performance of the strategy relative to the index; and (iii) the performance of such index is disclosed solely to allow for comparison on the referenced strategy's performance to that of a well known index. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that will differ from the strategy. The indices do not reflect the deduction of fees or expenses. You cannot invest directly in an index. No representation is being made as to the risk profile of any benchmark or index relative to the risk profile of the strategy presented herein. There can be no assurance that the future performance of any specific investment, investment strategy, or product will be profitable, equal any corresponding indicated historical performance, or be suitable for a portfolio.
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