Ares Global Credit Income Fund

ARSN 639 123 112 APIR HOW4476AU

November 2020 - Monthly Fact Sheet

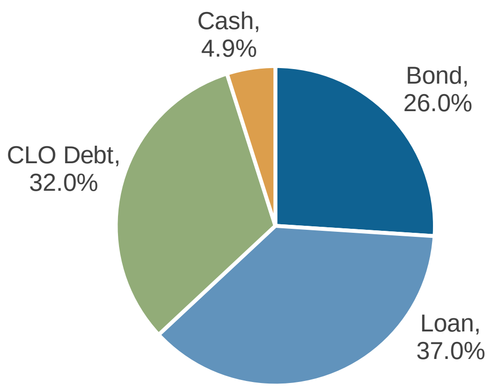
Performance	1 month %	Quarter %	FYTD %	1 year %	3 years % p.a.	5 years % p.a.	Inception % p.a.
Fund return (gross)[1]	1.9	3.2	5.9	-	-	-	9.5
Fund return (net)[2]	1.9	3.2	5.7	-	-	-	9.2
Bloomberg AusBond Bank Bill Index	0.0	0.0	0.0	-	-	-	0.1
Active return	**1.9**	**3.2**	**5.7**	**-**	**-**	**-**	**9.2**

[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. **Past performance figures that are less than 12 months are for informational purposes only and are not to be relied upon when considering the likely future performance of the Fund. Data Source: Fidante Partners Limited, 30 November 2020.**

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	$8.6 M
Distribution Frequency	Monthly

Asset Class Allocation



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

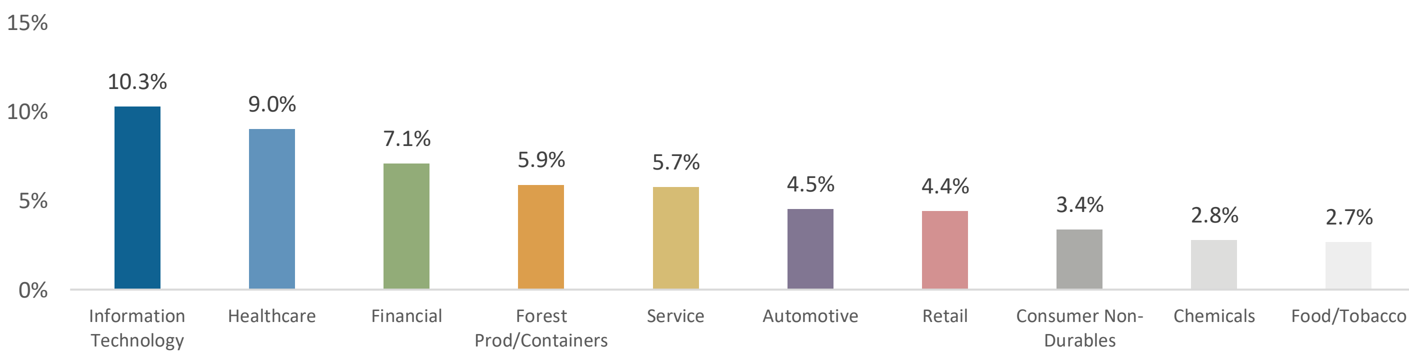
Dynamic asset allocation: The Fund has the ability to dynamically allocate capital based on the best relative value opportunities across industries, issuers and regions within the credit spectrum.

Diversification:[6] 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 Oct 2020
Number of issuers	73	-5
Weighted Average Spread (L+)	351	+5
Current Yield (Fx Adjusted to AUD)	3.93%	-0.12%
Yield to Worst (Fx Adjusted to AUD)	3.71%	-0.38%
Weighted Average Credit Quality (S&P)	BB	+
Total Investment Grade Exposure	51.66%	-0.94%

Top 10 Industry Exposure (% of Total Market Value)[4]



[3] 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] Credit Suisse Industry Distribution. Excludes collateralised loan obligations and cash (32.0% and 4.9% portfolio market value as of 30 November 2020, respectively).
[5] References to "downside protection" or similar language are not guarantees against loss of investment capital or value.
[6] Diversification does not assure profit or protect against market loss.

Market Commentary

Global risk assets rallied in November on the back of positive vaccine news, increased clarity of U.S. election results and positive Q3'20 corporate earnings reports. Despite the Coronavirus resurgence and underwhelming employment data, U.S. equities hit record highs in November, posting gains of 10.95%(1). Spreads in U.S. leveraged credit continued to tighten, amid broad equity market strength, as investor sentiment was supported by President-elect Biden's market-friendly cabinet picks and encouraging COVID-19 vaccine developments.

High yield bond yields decreased to an all-time low, resulting in gains of 4.00% for the month(2), as lower quality paper and virus-sensitive energy and leisure sectors drove outperformance. Heading into year-end, the pace of primary market issuance has declined, with $32.2 billion of gross new issue volume for the month compared to $37.3 billion in October and $50.9 billion in September(3). The lack of supply and accommodative Federal Reserve are expected to provide tailwinds for the secondary market in December and support a year-end "Santa Rally" despite the recent surge in COVID-19 cases.

U.S. leveraged loans returned 2.13%(4) in November and have now entered positive territory for the year-to-date period. Further spread tightening, declining retail outflows and a benign forward calendar lifted investor appetite for the loan asset class. Within the loan market, lower quality paper and COVID-affected sectors led performance for the month. Year-to-date, Double-B rated loans have underperformed compared to Single-B and Triple-C rated loans. Notably, the Triple-C rated cohort posted the best performance for its rating category in 11 years, while Double-B rated loans still have negative returns for the year as of November month-end(5).

Similarly, U.S. CLOs delivered strong returns in November as well, with all rating tranches experiencing positive gains, but outsized performance driven by the Double-B and Single-B tranches.(6) Central bank support, improving fundamentals, and low net supply across spread products provided a supportive technical backdrop.

U.S. investment grade credit lagged the broader market rally, returning 0.98%(7) for the month. Softness in the high-grade market was driven by heavy new issue supply alongside elevated investor appetite for risk assets amid positive vaccine news.

Meanwhile, the European leveraged credit market posted one of its strongest monthly returns on record, as high yield bonds and leveraged loans returned 4.31%(8) and 2.66%(9), respectively. Despite Brexit uncertainties and elongated lockdown restrictions in Europe, expectations of additional stimulus from the European Central Bank coupled with forecasts of a rapid economic recovery in 2021 drove strong performance.

The Ares Global Credit Income Fund ("the Fund") delivered positive returns in November, benefitting from the broad risk rally in credit. All of the Fund's underlying asset categories were positive contributors to returns, with the primary driver of performance being its exposure to corporate bonds. Specifically, strong performance was driven by lower quality paper, which outperformed this month due to increased appetite for risk. Within the Structured Credit allocation, the Fund's CLO Debt exposure posted positive returns, retracing mark-to-market losses from the prior month. From a portfolio positioning perspective, we modestly increased the Fund's exposure to Triple-B rated CLO Debt, given attractive relative yields. Within the corporate credit allocation, we continued to rotate out of Triple-B's and into high quality Single-B rated debt investments. Additionally, we were active in the new issue market for both high yield and bank loans, including several cross-platform transactions where Ares' collaboration and scale resulted in favourable allocations and preferred economics relative to the Street. Looking forward, we will remain defensively positioned as we continue to actively re-position the portfolio, while seeking relative value opportunities that arise amid "air pockets" of volatility in an evolving market environment. We believe the Ares Global Credit Income Fund is well-positioned to deliver attractive returns due to our disciplined investment process rooted in fundamental credit selection, relative value analysis, and rigorous risk management.

Market Outlook

Markets have continued to grind tighter in December behind vaccine-related optimism, and most credit sectors are trading at or inside pre-pandemic levels. We too, are optimistic going into next year given the current valuation of the market, the expected timeline of herd immunity, and continued central bank support. We believe fundamentals will continue to improve, and a strong technical backdrop will persist in the leveraged credit markets, particularly as new issue heads into a seasonal lull and demand for loans and bonds remains elevated. While recent headlines are driving broad optimism, we'll continue to closely monitor developments that may drive near-term volatility, including additional fiscal stimulus in the U.S., Brexit negotiations in Europe and global vaccine distribution plans. Ultimately, we believe the path and pace of recovery will vary across regions, industries, and companies, which underscores the need for an active allocation framework. We'll continue to build a resilient portfolio by employing a tactical and dynamic approach to managing exposures within the Global Credit Income Fund, focused on striking a balance between yield and safety. Overall, we remain focused on utilizing the full depth and breadth of the Ares platform to source opportunities, avoid credit mistakes and actively rotate exposures to generate attractive risk-adjusted returns.

As of November 30, 2020. Sources: [1] S&P 500. [2] The ICE BofA US High Yield Index ("H0A0"). [3] JPM. [4] Credit Suisse Leveraged Loan Index. [5] Credit Suisse. [6] CLOIE. [7] Bloomberg Barclays U.S. Aggregate Bond Index. [8] ICE BofA European Currency High Yield Constrained Index Hedged to EUR. [9] 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 30 November 2020 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 recent 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 30 November 2020 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.
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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For further information, please contact:

Fidante Partners Investor Services | **p:** 13 51 53 | **e:** info@fidante.com.au | **w:** www.fidante.com