Ares Global Credit Income Fund

ARSN 639 123 112 APIR HOW4476AU

March 2024 - Monthly Fact Sheet

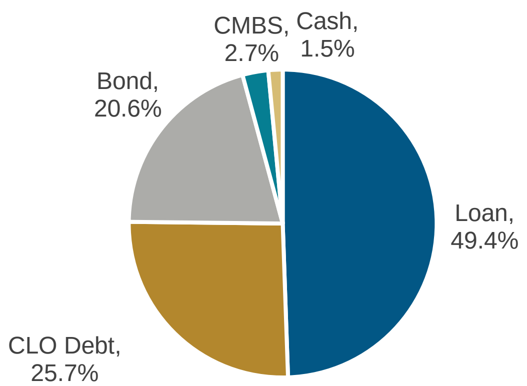
Performance – Class A	1 Month %	3 Month %	6 Month %	1-Year %	2-Year % p.a.	3-Year % p.a.	Inception % p.a.
Fund return (gross)[1]	0.9	2.1	4.8	10.0	5.2	4.3	6.3
Fund return (net)[2]	0.8	1.9	4.4	9.2	4.3	3.5	5.6
Bloomberg AusBond Bank Bill Index	0.4	1.1	2.2	4.2	3.1	2.1	1.6
Active return	0.4	0.8	2.2	5.0	1.2	1.4	4.0

[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 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	$134.1 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.

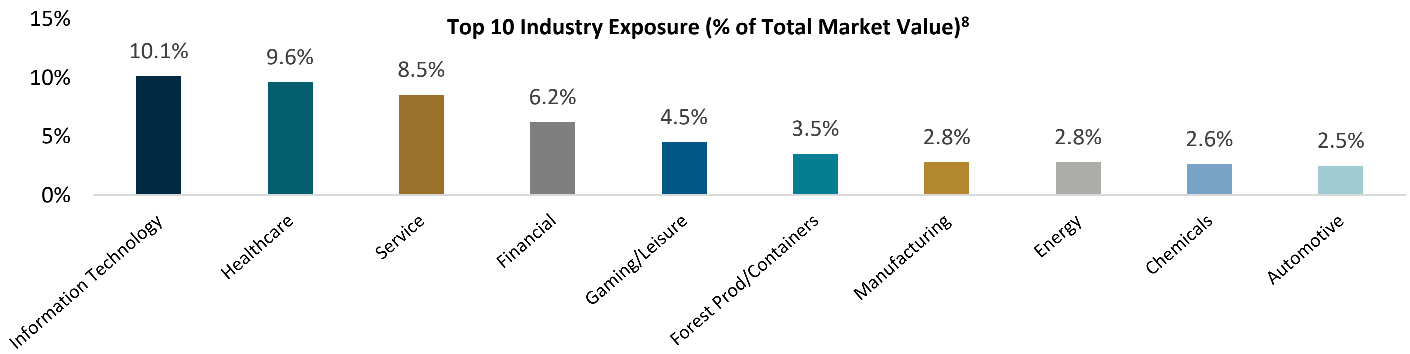
Focus on downside protection:[4] Ares believes protecting principal is key to superior performance and therefore places emphasis on dampening volatility and minimising defaults.

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.

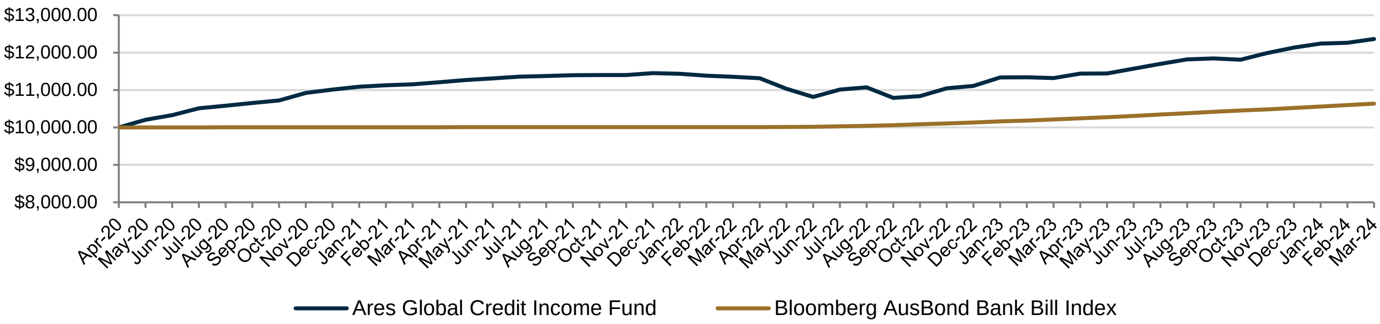
Leading global investment team: The Fund offers access to a leading global investment team with 20+ years of experience investing in global credit markets. The experienced management team applies an integrated and collaborative approach using the scale and power of the platform seeking to deliver compelling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

Key Attributes	Fund	Change from 29 Feb 2024
Number of issuers	281	+4
Weighted Average Spread (L+)	361	+2
Current Yield (AUD-Hedged)	7.22%	+0.13%
Yield to Worst (AUD-Hedged)	6.53%	+0.39%
Current Yield (Unhedged)	8.02%	-0.11%
Yield to Worst (Unhedged)	7.34%	-0.18%
Duration	1.04	-0.08
Spread Duration	3.68	+0.19
Weighted Average Credit Quality[7]	BB	-
Total Investment Grade Exposure	50.80%	0.69%



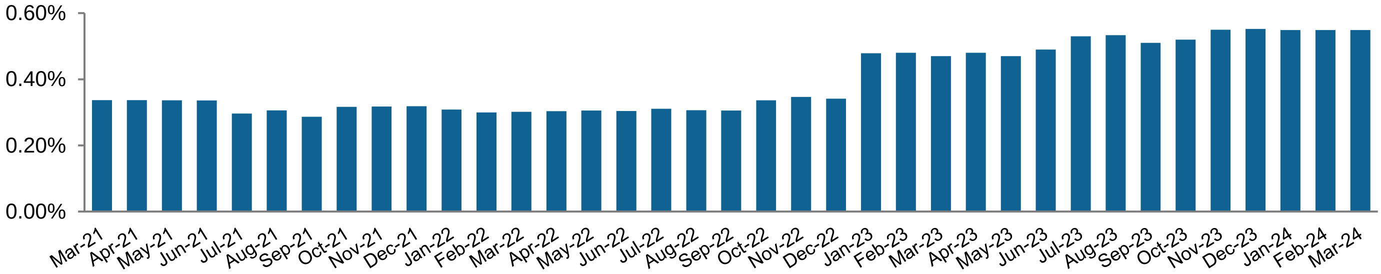
[3] Source: Ares. During normal market conditions, bid/ask spreads have averaged 25 -100bps, however, during periods of volatility, we have observed spreads widen out to 300-400bps.
[4] References to "downside protection" or similar language are not guarantees against loss of investment capital or value.
[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 continued to rally during March amid resilient economic data, encouraging corporate earnings, and improving capital markets access. With data largely 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 under three. While the exact timing of monetary easing is uncertain, the narrative remains the same with the market anticipating rate reductions as 'non-recessionary adjustment cuts'.

U.S. high yield bonds posted a 1.19%[1] return in March as bond spreads continued to be supported by solid equity gains and a dearth of new supply. Notably, primary market activity for high yield bonds remained elevated with $28.3 billion of bonds pricing over the course of the month. Meanwhile, demand for the asset class picked up in March with high yield funds reporting $405 million of inflows, following $10 million of inflows in February.[2]

U.S. leveraged loans returned 0.83%[3] during the month as prices continued to benefit from steady inflows, robust CLO origination and a positive macro narrative. Throughout March, prepayments removed almost $7 billion of loan paper. In the primary market, while March's gross loan issuance was large, nearly 90% of proceeds were for refinancing or repricing transactions.[2]

Against limited net-new supply, robust CLO issuance (ex-refi/reset) and retail loan fund inflows continued to bolster a favourable technical, making loan prices notably well-bid.[2]

CLO debt securities posted positive returns during the month with all ratings tranches generating gains.[4] U.S. CLO issuance ticked higher with March's volume finishing at the second-highest monthly level since November 2021, despite the recent slowdown in CLO Triple-A spread tightening.[5]

U.S. investment grade bonds returned 0.92%[6] during the month as fixed rated instruments rallied amid spread tightening in the asset class and a supportive technical.

Meanwhile, European high yield bonds and leveraged loans returned 0.43%[7] and 0.19%[8] in March, respectively. During the month, the Swiss National Bank unexpectedly cut interest rates by 25 bps, resulting in spread compression across European leveraged credit assets. Further, European leveraged credit market technicals remained firm during the month due to resilient capital markets activity and stable demand. Notably, the wave of refinancing activity in the European loan and high yield space persisted during the month and continued to be well absorbed by investors.

Market Outlook

Performance across leveraged credit markets has been mixed thus far in April as investors absorbed an equity sell-off, rising commodity prices, and a strong payroll report that reaffirmed the resilience of the economy. Despite a rise in idiosyncratic stress over the past month, credit spreads continued to be supported by solid equity gains year-to-date, resilient earnings, improving capital markets access, and limited new supply. Macro-economic data prints remained firm in March, but with a few mixed signals across key segments. For example, core inflation increased 0.4% month-over-month while the pricing of shelter improved. Further, the unemployment rate ticked higher in March while payroll growth continued to beat expectations. The market is pricing in 2.9 cuts for the remainder of 2024, relative to 6.3 cuts at the beginning of the year. 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 markets activity, more M&A is expected, and we 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. We remain focused on security selection as we expect elevated credit dispersion in the coming months.

Fund Commentary

The Ares Global Credit Income Fund ("AGCIF" or the "Fund") returned 0.87% gross and 0.81% net in March. The portfolio's allocations to high yield bonds, bank debt and CLO Debt were the largest contributors to returns in March. The high yield cohort generated attractive returns in large part due to credit selection within Double-B rated bonds, while bank debt continued to benefit from disciplined credit selection within Single-B rated loans. Meanwhile, CLO Debt continued to perform well due to the strong floating rate technical in the underlying asset class and overall bid for risk.

During the month, we maintained our higher quality risk posture and continued to focus on identifying opportunities arising from today's evolving economic environment. In terms of positioning, after reducing our fixed rate exposure during the first quarter of this year, we are taking a pause on further reductions, and will look to maintain our current fixed versus floating positioning. Within the portfolio's bond allocation, we are focused on reducing risk given tighter spread valuations; as a result, we expect the portfolio's duration to increase slightly given rates are at their highest level for the year-to-date period. From a sector perspective, we remain overweight defensive sectors with favourable 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 a handful of discount risk positions, the majority of which have defined catalysts. Specific to structured credit, we continue to favour 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 are sourcing 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 31 March 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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