

Ares Management Limited Stewardship Code Disclosure 2011

Introduction

Ares Management Limited (“Ares” or the “Firm”) is a London-based investment manager and a wholly owned subsidiary of Ares Management LLC, an SEC-registered investment adviser based in Los Angeles (the “Parent”). Ares was established in 2006 and acts as investment manager to funds that primarily invest in senior secured bank loans, high yield bonds and other fixed income instruments.

This investment focus away from traditional equities limits the applicability of the Stewardship Code (the “Code”) to the Firm.

The Stewardship Code

The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. The Code sets out good practice on engagement with investee companies to which the Financial Reporting Council believes institutional investors should aspire. The Code is applied on a “comply or explain” basis.

Code Disclosure 2011

The following sets forth the seven principles of the Code and outlines how Ares believes it fulfils each of those principles:

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Ares considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its funds and other clients to recognise the fiduciary responsibility it assumes in acting as an investment manager. Ares also recognises the need to exercise its proxy voting obligations with a view to enhancing our clients’ long-term investment values. However, given Ares’ investment focus, proxy voting is of very limited applicability.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Ares maintains a robust policy on managing conflicts of interest that ensures our decisions are taken wholly in the interest of our clients. In compliance with FSA rules, the Firm takes a risk-based approach to avoiding conflicts of interest and considering conflicts when implementing policies and procedures. A copy of Ares’ Conflict of Interest Policy and Inventory is available upon request from the Chief Compliance Officer.

Principle 3: Institutional investors should monitor their investee companies.

Comprehensive and continuous research and monitoring of investee companies is essential to Ares’ investment process. Ares utilises various research and support tools to

meet this principle.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

Ares' investments on behalf of its clients in investee companies rarely consists of an equity stake, but rather of senior secured bank loans, high yield bonds and other fixed income instruments. Thus the Firm's investment strategy traditionally does not involve escalation.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

As noted above, Ares' investments on behalf of its clients in investee companies rarely consists of an equity stake. Thus the Firm's investment strategy traditionally does not involve collective engagement (i.e., collaboration with other investors in order to effect change in a company in which Ares has invested).

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Currently the compliance policies and procedures of the Parent generally are applicable to Ares, including its policy on proxy voting. In the event Ares is required to vote a proxy on behalf of its client, Ares will vote in accordance with such policy unless in conflict with the best interests of its client.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

Ares' clients may request information about how Ares voted their proxies by contacting the Parent's Legal Department.