Ares Management, L.P.
Stewardship Code Disclosure Statement 2016

Introduction

Ares Management, L.P. ("Ares" or the "Firm") is a publicly traded Los Angeles-based diversified global alternative asset manager with investment groups and strategies focused on credit, private equity and real estate.

The UK Stewardship Code (the "Code")

The Code sets out a number of areas of good practice with the aim of enhancing the quality of engagement between institutional investors and companies to help improve long-term risk-adjusted returns to shareholders.

Given Ares' investment focus away from traditional equities, there is limited direct applicability of the Code to the Firm; however, Ares has adopted this Stewardship Code Disclosure Statement, applying the principles of the Code, where appropriate, to its investment groups.

Code Disclosure

The following sets forth the seven principles of the Code and Ares' approach to each principle.

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

Stewardship activities include monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure, and corporate governance with the aim of enhancing and protecting the value for the ultimate beneficiary or client.

Ares recognizes the importance of its fiduciary and stewardship responsibilities as an asset manager. Ares' stewardship activities differ based on asset class, level of ownership or ability to influence, relative position in the capital structure of an asset or company, and considerations of issue materiality, prioritization and associated risk-return outcomes. For example, control equity positions found mostly within the private equity investment group and certain equity investments in real estate assets, provide more opportunities for and have resulted in a greater degree of engagement as compared with fixed income investments in various credit and debt-based investments in real estate.

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

Ares maintains a robust policy on managing conflicts of interest that ensures decisions are made wholly in the interest of our clients. The Firm takes a risk-based approach to avoiding conflicts of interest and considering potential conflicts when implementing policies and procedures. A copy of Ares' Conflict of Interest Policy 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' performance and the relevant internal or external factors that can affect value and risk is essential to Ares' investment process. Across all investment groups, relevant processes for pre-investment assessment and postinvestment monitoring are in place, utilizing appropriate research and support tools to meet this principle.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

Given that Ares' investment focus is away from traditional equities, there is limited direct applicability of this principle to Ares' investments; however, escalation of stewardship activities through additional efforts or increasing emphasis are employed on a case by case basis, when deemed necessary.

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

Given that Ares' investment focus is away from traditional equities, there is limited direct applicability of this principle to Ares' investments; however, in certain circumstances, Ares collaborates with other investors to exercise the appropriate influence at companies, when it may be required.

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

Proxy voting is of limited applicability to Ares, given the focus of its four investment groups; however, in certain limited instances, asset owners may acquire voting securities and have the right to vote such securities via shareholder proxy. Ares recognizes that proxy voting is an important shareholder right and that reasonable care and diligence must be undertaken to ensure such rights are properly and timely exercised.

Where Ares has been granted discretion by an asset owner to exercise by proxy the voting rights of securities beneficially owned by such owner, Ares will exercise its delegated voting rights. In determining how to vote, the interests of the asset owner as well as any potential conflicts of interest are considered. Proxies are voted in accordance with internally established general guidelines relating to such matters as election of directors, changes in capital structure, corporate restructurings, corporate governance, anti-takeover measures and social and corporate responsibility, unless the agreement with an asset owner requires otherwise.

Ares retains all records pertaining to proxy voting including proxy statements received and votes cast.

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

As noted above, proxy voting is of limited applicability to Ares. Also as noted, Ares' stewardship activities and therefore any reporting thereon will differ based on asset class and considerations of issue materiality, prioritization and associated risk-return outcomes, among other factors. Ares broadly defines reporting to include all types of client communications (verbal, written, formal etc.) which will necessarily vary in frequency, forum, and format.