

## Sub-Fund Supplement

to the Private Placement Memorandum of Ares Wealth Management Solutions Global Access S.C.A., SICAV-RAIF

relating to the sub-fund **Ares Wealth Management Solutions Global Access S.C.A., SICAV-RAIF – Ares Private Markets Offshore Access Fund**

(hereinafter the “**Sub-Fund**”)

### Important Notice

Ares Wealth Management Solutions Global Access S.C.A., SICAV-RAIF – APMF Offshore Access Fund offers its investors (“**Investors**”<sup>1</sup>) indirect access to the Ares Private Markets Fund a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (“**Investment Company Act**”) (the “**Master Fund**”) via the Sub-Fund’s investment in the Master Fund. Investors may participate in the Sub-Fund via equity investments and may thus participate indirectly in the risks and performance of the Master Fund.

The present Sub-Fund Supplement forms part of, and should be read in conjunction with, the Ares Wealth Management Solutions Global Access S.C.A., SICAV-RAIF’s (the “**Fund**”) private placement memorandum (the “**Private Placement Memorandum**”) and summarises selected features of the Sub-Fund in table format.

Capitalised terms used but not defined herein shall have the meanings given to them in the Private Placement Memorandum. This Sub-Fund Supplement includes the following Annexes:

- **Annex A:** an overview of the structure chart of the Fund and Sub-Fund;
- **Annex B:** a copy of the supplement relating to the Master Fund dated 12 August 2022 as further amended or supplemented from time to time (the “**APMF Supplement**”)

The Shares of the Sub-Fund may be offered, advised on, or sold to certain Investors who do not qualify as Professional Investors, provided however that such Investors qualify as Eligible Investors. A Key Information Document (“**KID**”) in relation to the Sub-Fund will be provided free of charge to such Investors in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the “**PRIIPs Regulation**”).

A copy of the APMF Supplement as well as other similar documents is available free of charge upon request to the General Partner. Neither the General Partner, the AIFM, nor any affiliate thereof, will assume liability for the correctness and completeness of the APMF Supplement, the offering documentation or any other similar document, or any reporting or disclosure prepared by the Master Fund, its general partner or any affiliate thereof in relation to the Master Fund (together, the “**APMF Documents**”).

Investors are strongly recommended to carefully read the documentation of the Sub-Fund and of the Master Fund and to seek professional advice. Prospective investors acknowledge that the APMF Documents are only being made available to them in relation to their interest in investing in the Sub-Fund, and the distribution of this

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<sup>1</sup> As defined in the Private Placement Memorandum, Investors are natural persons or entities investing directly in the Sub-Fund and should not be confused with Underlying Investors (as defined below) who invest via a Nominee.

Sub-Fund Supplement and the APMF Documents do not constitute an offer or invitation to invest in the Master Fund or its parallel or other feeder funds (if any).

The General Partner, acting on behalf of the Sub-Fund, and the AIFM will each only be liable for the description in this Sub-Fund Supplement to the extent it is misleading, incorrect or inconsistent when read together with the aforementioned documentation.

**Investors are specifically referred to the risk factors in the Private Placement Memorandum, in this Sub-Fund Supplement, under “Investment Risks”, “Selling Restrictions” and in section 7 and section 8 of the APMF SUPPLEMENT under “Risks” and “Potential Conflicts of Interest” for APMF.**

In the Subscription Agreement, each Investor will be required to make certain representations and warranties with respect to its investment and the aforementioned documentation. Investors are advised to carefully read the documentation and, if necessary, seek professional advice.

Participation in the Sub-Fund is associated with intricate tax and regulatory matters that may differ from Investor to Investor. By signing the Subscription Agreement, each Investor confirms it has read and acknowledged the information contained within the Private Placement Memorandum (including all annexes and exhibits thereto), this Sub-Fund Supplement and the Articles. Each Investor is advised to clarify the actual tax and regulatory effects with its personal tax and legal adviser.

<b>Investment Strategy</b>	<p>Under normal market conditions, it is intended that the Sub-Fund will invest at least 95% of its assets in the Master Fund, with the balance of the Sub-Fund’s assets intended to be used for (i) a liquidity reserve to facilitate Investor redemptions (the “<b>Liquidity Reserve</b>”); and (ii) any reserves for the payment of expenses, liabilities or other obligations of the Sub-Fund, in each case which may comprise cash, cash equivalents and/or liquid instruments.</p> <p>The Master Fund seeks to generate attractive long-term capital appreciation. In pursuing its investment strategy objective, the Master Fund intends to invest in an actively managed portfolio of private equity and other private assets.</p> <p>The Master Fund will invest in a diversified portfolio of underlying investments (as provided in the APMF Supplement). In doing so, the Sub-Fund will satisfy the diversification requirements set forth in CSSF Circular 07/309 (including, without limitation, no investment into a single asset in excess of 30% of the Sub-Fund’s assets).</p> <p>The General Partner may make borrowings on behalf of the Sub-Fund, on a short-term basis, up to 30% of the Sub-Fund’s NAV, provided that such borrowing is for the purpose of short-term liquidity management as further described below in “Bridge Financing”.</p> <p>The investment policy of the Sub-Fund may be modified subject to the approval of 75% of the Investors of the Sub-Fund as well as the consent of the General Partner.</p>
<b>Master Fund</b>	<p>Ares Private Markets Fund</p> <p>The full terms of the Master Fund are contained in the APMF Documents and in the subscription agreement of the Master Fund, all of which are available free of charge upon request to the General Partner. Each Investor is aware that such documents may change from time to time. Each Investor accepts such future changes and acknowledges that neither it, the General Partner nor the Sub-Fund will have any control over the activities of, or make any decisions with respect to, the Master Fund.</p>

	For the avoidance of doubt, the Sub-Fund qualifies as a feeder fund within the meaning of 2013 Law with the Master Fund qualifying as a master fund. The Master Fund is established in Delaware, USA.
<b>Liquidity Reserve</b>	A Liquidity Reserve may be created for the Sub-Fund and which may be used for, among other things, the settlement of costs, equalisation amounts charged by the Master Fund, as well as other expenses and liabilities (including meeting redemption requests). The Liquidity Reserve may comprise any form of liquid instruments, including bank deposits. The holding of such a liquidity reserve may impact the overall performance of the Sub-Fund in comparison with the performance of the Master Fund.
<b>AIFM Directive Leverage</b>	<p>The Sub-Fund does not intend to make use of leverage as that concept is defined under the AIFMD other than currency hedging in the normal course of business. The Sub-Fund may enter into short-term borrowings as referred above in this paragraph "Investment Strategy".</p> <p>The AIFMD requires the fund to make certain disclosures defined as maximum gross leverage and maximum commitment leverage which are calculated, depending on which methodology is used, by summing up various Sub-Fund exposures including total maximum borrowings, assets, hedging notional, derivatives and cash which are then stressed on a percentage of NAV basis. The calculation methodology is defined under Article 7 and Article 8 of the AIFMR, and since this is a total exposure basis means that features of the Sub-Fund, such as currency hedging techniques designed to reduce risk, may result in higher figures which may not necessarily be representative of how investors view leverage for their own analysis. For the Sub-Fund the maximum gross leverage is 300% and the maximum commitment leverage is 200%.</p>
<b>Hedging</b>	<p>The Sub-Fund may from time to time enter into interest rate and/or currency risk arrangements, including through the use of derivatives, for hedging or efficient portfolio management purposes. However, it shall not enter into derivative transactions for speculative purposes. The costs associated with hedging of the investments will be borne by the Sub-Fund.</p> <p>With respect to currency hedging specifically, individual Classes may be denominated in different currencies. The Sub-Fund (directly or indirectly through the mechanisms outlined herein) may hedge Classes of Shares which are denominated in any other currency than the Base Currency of the Sub-Fund, however, depending on the prevailing circumstances, the Sub-Fund (directly or indirectly through the mechanisms outlined herein) may or may not hedge certain Classes, either partially or fully, and has no obligation to hedge any Class at all. In relation to currency hedging undertaken, if any, in the interest of a hedged Class, note that various Classes of Shares do not constitute separate portfolios of assets and liabilities. Accordingly, while gains and losses on the hedging transactions and the expenses of the hedging program will be allocated to the hedged Classes only, the Sub-Fund, as a whole (including the non-hedged Classes), may be liable for obligations in connection with currency hedges in favour of a specific Class of Shares and the Sub-Fund may also be liable for similar obligations in connection with currency hedges with respect to the Sub-Fund or a portfolio company. Additionally, any financing facilities or guarantees utilised in connection with the hedging program may be entered into by the Sub-Fund and not any specific Class.</p>
<b>Shares</b>	All Shares will be fully paid-up at the time of subscription.

	<p>More details regarding the subscription process can be found in the general part of the Private Placement Memorandum as well as in the "<i>Subscription of Shares</i>" section below. All Shares of the Sub-Fund will be registered in the share register of the Fund as described in the Private Placement Memorandum.</p> <p>Each Investor in whose name Shares are registered in the share register shall provide the General Partner with a postal address and an email address for the transmission of all notifications and announcements made by the Sub-Fund. Subject to the consent of the Investors and to the extent permitted by law, the transmission of notifications and announcements may be made by way of electronic communication.</p>																				
Currency of the Sub-Fund	<p>The Sub-Fund is denominated in U.S. Dollars (USD).</p> <p>The Sub-Fund may offer Classes (as defined below) denominated in other currencies. Subscription payments and distributions will be made in the currency of the applicable Class.</p> <p>The NAV per Share for the applicable Class will be reported to the Investors, and Class returns will be calculated and reported, in the applicable Class currency.</p>																				
Share Classes	<p>The Sub-Fund currently offers the following classes of Shares (the “<b>Classes</b>” and each a “<b>Class</b>”):</p> <table><tr><th>Class</th><th>Currency</th><th>Type of Investor</th><th>Type of Share</th></tr><tr><td>Class I UD</td><td>USD</td><td>Institutional</td><td>Distribution</td></tr><tr><td>Class I UA</td><td>USD</td><td>Institutional</td><td>Accumulating</td></tr><tr><td>Class S UD</td><td>USD</td><td>Advisory</td><td>Distribution</td></tr><tr><td>Class S UA</td><td>USD</td><td>Advisory</td><td>Accumulating</td></tr></table> <p>Subject to the sole discretion of the General Partner, each Investor will generally be eligible for Class I Shares or Class S Shares as follows:</p> <p>Class I Shares are generally available to investors who have account-based fee arrangements, known as a wrap account or a discretionary managed account, or comparable fee arrangements with their financial intermediary. Class I Shares may also be available to related parties to Ares, investors in markets with legal prohibition on payment of shareholder servicing and similar fees and other categories of investors as determined at the discretion of the General Partner. Class I Shares have no distribution fee. Class S Shares are available to all other investors.</p> <p>Class S Shares will generally be available to Investors where a distribution fee is payable to a financial intermediary through which such Investor acquired Shares and/or which provides such Investor with ongoing reporting, administrative and/or other services.</p> <p>Classes in currencies other than USD are intended to be hedged against USD. Any costs associated with such hedging shall be allocated to the relevant Class.</p> <p>Before making an investment decision each Investor should consult with their financial intermediary (as applicable) regarding their eligibility for any Class.</p>	Class	Currency	Type of Investor	Type of Share	Class I UD	USD	Institutional	Distribution	Class I UA	USD	Institutional	Accumulating	Class S UD	USD	Advisory	Distribution	Class S UA	USD	Advisory	Accumulating
Class	Currency	Type of Investor	Type of Share																		
Class I UD	USD	Institutional	Distribution																		
Class I UA	USD	Institutional	Accumulating																		
Class S UD	USD	Advisory	Distribution																		
Class S UA	USD	Advisory	Accumulating																		

	<p>Except as otherwise described herein, the terms of each Class are identical. The General Partner has the authority to issue different Classes, sub-Classes, categories or sub-categories of Shares within the Sub-Fund. Details of the characteristics of each Class offered by the Sub-Fund will be determined by the General Partner and Classes may have different rights, benefits, powers or duties, and may be subject to different terms, including with respect to fees, distributions and liquidity, which will be described in this Sub-Fund Supplement (as amended from time to time).</p>
<b>Type of Shares</b>	Registered shares only.
<b>Minimum Subscription</b>	<p>The minimum initial subscription amount by each Investor in the Sub-Fund will be the equivalent of EUR 100,000. Subsequent subscriptions may be made in denominations of 10,000 of the applicable currency, and each Investor shall maintain a minimum holding of EUR 100,000 or, in each case, the equivalent amount in another admitted currency. Certain sub-distributors, countries and/or Classes may have higher minimums. The General Partner may, in its absolute discretion, accept initial and/or subsequent subscriptions of a lesser amount provided that the relevant Investor qualifies, at all times, as a Well-Informed Investor within the meaning of article 2 of the RAIF Law.</p>
<b>Bridge Financing</b>	<p>The General Partner may, subject to the limitation set out in paragraph “<i>Investment Strategy</i>” above, for administrative convenience and/or to facilitate the day-to-day management of the operations of the Sub-Fund or for similar reasons (including meeting liabilities of the Sub-Fund in relation to the Master Fund that may be caused by any Investor redemption request), incur indebtedness e.g. by use of a credit facility or short-term borrowing (together, “<b>Bridge Financing</b>”). Such borrowing may be secured through the assets of the Sub-Fund including its investments. The General Partner shall use reasonable efforts to facilitate the repayment of such borrowing as soon as practicable, taking into account the best interests of the Sub-Fund and the Investors.</p> <p>For the purpose of any Bridge Financing, Investors may be required, at the request of the General Partner, to execute and deliver certain documents or provide certain confirmations reasonably requested by the lending counterparty to put in place or perfect security over the Investors’ undrawn commitments.</p>
<b>Initial Subscription Price</b>	<p>Until the Sub-Fund has determined its first NAV, the initial subscription price for Shares in a Class will be USD 100.00, EUR 100.00, GBP 100.00 or CHF 100.00.</p>
<b>Underlying Investors</b>	<p>Investments in the Sub-Fund may be made (i) directly or (ii) by appointing an entity, such as a distributor, nominee, clearing system or correspondent bank which will act as a Nominee on behalf of an Eligible Investor (each, “<b>Underlying Investor</b>”) to acquire Shares in the Sub-Fund, in accordance with and subject to the terms of the general part of the Private Placement Memorandum.</p> <p>Any reference in the Private Placement Memorandum and this Sub-Fund Supplement to “Investors” shall be read as a reference to the relevant Nominee and/or where appropriate, the Underlying Investor and any penalties, sanctions and requirements that can be imposed on an Investor will be, in respect of the relevant Nominee, applied to the relevant pro-rata portion of the relevant Nominee’s Shares corresponding to the relevant Underlying Investor, in accordance with and subject to the terms of the Private Placement Memorandum.</p> <p>Likewise, voting rights will be exercised by Nominees through, depending on the terms of the relevant nominee arrangement with each Underlying Investor, either a split vote</p>

	<p>following voting instructions from each Underlying Investor or exercising voting rights further to a general power of attorney to vote on behalf of each Underlying Investor.</p> <p>In addition, each participation by a Nominee on account of any single Underlying Investor will be treated as a separate participation from that Nominee's other participations (including, without limitation, for equalisation purposes and the treatment of subsequent and existing Investors, for distribution purposes and reinvestment, Investor's clawback purposes (if any) and default provisions (if any)), in accordance with and subject to the terms of the Private Placement Memorandum and the Articles.</p>
<b>Eligible Investors</b>	<p>The Sub-Fund is exclusively offered to a person who:</p> <ul style="list-style-type: none"> <li>(i) is a "Well-Informed Investor" within the meaning of article 2 of the RAIF Law and who has, on the basis of the Private Placement Memorandum and this Sub-Fund Supplement, carried out such person's own assessment of the conditions for participating in the Sub-Fund;</li> <li>(ii) is not a U.S. Person<sup>2</sup>;</li> <li>(iii) is a person to whom Shares in the Sub-Fund may be offered and marketed to under applicable national law with or without the need for any further registration, as applicable (See "<i>Selling Restrictions</i>" section below).</li> </ul> <p>Each potential Investor wishing to subscribe for Shares in the Sub-Fund is required to execute a Subscription Agreement and make certain representations and warranties to the Sub-Fund, the General Partner and the AIFM. Each potential Investor must also satisfy the Eligible Investor qualifications as set out in the Subscription Agreement.</p>
<b>Communication and announcements to the Investors</b>	<p>To the extent permitted by the 1915 Law, the RAIF Law or any other Luxembourg laws or regulations, an electronic secure platform (the details of which have been set forth in the relevant Subscription Agreements) may be used for the transmission of all notifications and announcements of the General Partner and the Sub-Fund, such as, for instance information notices, distribution notices, financial reports and corporate information.</p>
<b>Subscription of Shares</b>	<p>Prospective Investors and/or Investors may submit subscription requests to purchase Shares on an ongoing basis, but Prospective Investors and/or Investors may only purchase Shares pursuant to accepted subscription orders as of the first Business Day of each month (the "<b>Dealing Date</b>"). As used in this Sub-Fund Supplement, "<b>Business Day</b>" means each day on which banks are open for business in Luxembourg, in the United Kingdom and the United States.</p> <p>A prospective Investor and/or Investor must provide to the Central Administrative Agent a completed Subscription Agreement, along with other required documents, e.g. anti-money laundering documentation, in a form satisfactory to the Fund and the General Partner by 5p.m. Central European Time on the 7th Business Day prior to the Dealing Date (in each case, unless such notice period is waived by the General Partner) and cleared funds must be provided before 5p.m. Central European Time on the 6<sup>th</sup> Business Day prior to the Dealing Date and must be made in cash by wire transfer unless the</p>

<sup>2</sup> As defined in the Private Placement Memorandum, any person as defined under the U.S. Securities Act of 1933, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder.

	<p>General Partner determines otherwise. If an Investor fails to fund its subscription, the respective application for subscription will not be accepted. The Sub-Fund, the General Partner, the AIFM, the Portfolio Manager (if any), the Central Administrative Agent and the Depositary have no liability for any delay or failure to issue Shares as a result of an Investor failing to fund its subscription. If cash is not received by such date, the relevant subscription will be cancelled and the Investor liable for any charges that may fall due.</p> <p>To be accepted, a subscription request must be accompanied by an executed Subscription Agreement completed in good order and to the satisfaction of the Fund and the General Partner, including (a) satisfying any additional requirements imposed by the Prospective Investor and/or Investor's broker-dealer and/or other financial intermediary, (b) satisfying the know your client (KYC), terrorist financing and anti-money laundering checks carried out by the Fund (or such other person appointed by the General Partner) by such time as advised by the Fund or its representative.</p> <p>The General Partner has the discretion to accept or reject subscription requests in full or in part, and in particular the General Partner may determine in the best interests of Investors that all or part of a subscription request should be deferred to a later Dealing Date. The General Partner may also declare additional or more frequent Dealing Dates.</p> <p>The initial purchase price per Share of each Class will be USD 100.00, EUR 100.00, GBP 100.00 or CHF 100.00. Thereafter, the purchase price per Share of each Class will be equal to the NAV per Share for such Class as of the immediately preceding Valuation Day (as defined below) to the relevant Dealing Date. Monthly NAV per Share for each Class and sub-class (if any) as at such Valuation Day will generally be available by the 5<sup>th</sup> Business Day after the Master Fund NAV Publication Date. Prospective Investors and/or Investors will therefore not know the NAV per Share of their subscription until after the subscription has been accepted.</p> <p>The "Master Fund NAV Publication Date" is expected by the last calendar day of the month following the relevant Valuation Date.</p> <p>Investors may also be required to pay subscription fees to their financial intermediary (as set out more particularly in the "Fees" section below).</p> <p>The General Partner may in its discretion agree to issue Shares to one or more Investors as consideration for a contribution in kind in compliance with the conditions set forth by Luxembourg law.</p>
<p><b>Conversion of Shares</b></p>	<p>Investors may request the conversion of Shares between Classes in the Sub-Fund, including, for the avoidance of doubt, between accumulation and distribution sub-classes, provided that such Investor meets any applicable investor eligibility criteria and conditions applicable to such Class as set out in this Sub-Fund Supplement and the Private Placement Memorandum. Accordingly, references to a "Class" in this section shall include such sub-classes. The General Partner reserves the right to reject any application for conversion of Shares in its sole discretion.</p> <p>The General Partner may suspend conversions in respect of Shares during any period that the determination of the NAV of the relevant Class is suspended in accordance with the rules set out in the Articles and the Private Placement Memorandum.</p> <p>An Investor may request the conversion of all or part of its Shares of a Class on any Dealing Date; provided that the Investor fulfils the applicable eligibility criteria of the relevant Class into which the conversion is requested and subject to the written consent of the Investor's broker or other financial intermediary, if applicable, and the General</p>

	<p>Partner or its delegate. Any conversion request which, when executed, would cause the Investor's investment to fall below the applicable minimum holding requirement, will be considered as a request for a full conversion for that Investor's Shares in that particular Class.</p> <p>Written conversion requests should be sent to the Central Administrative Agent by 5p.m. Central European Time on the 7th Business Day before the Dealing Date (the "<b>Conversion Cut-Off</b>").</p> <p>All conversion requests must contain the following information:</p> <ul style="list-style-type: none"> <li>• the Dealing Date in respect of which the conversion request is made;</li> <li>• the full name(s) in which the Shares to be converted are registered;</li> <li>• the Class and its ISIN code from which Shares are to be converted and the Class and its ISIN code to which Shares will be converted; and</li> <li>• either the monetary amount or the number of Shares to be converted.</li> </ul> <p>If accepted by the General Partner, conversion requests received by the Central Administrative Agent before the relevant Dealing Date (in respect of which the conversion request is made) will be dealt with on such Dealing Date on the basis of the NAV of the relevant Classes prevailing on that Dealing Date. Any conversion requests received after the Conversion Cut-off for a Dealing Date will be processed on the next Dealing Date on the basis of the NAV of the relevant Classes prevailing on such Dealing Date.</p> <p>The number of Shares to be allocated in the new class (the "<b>New Class</b>") will be determined by dividing (a) the aggregate NAV of the number of Shares of the existing Class to be converted (adjusted for currency exchange), by (b) the NAV per Share of the New Class, in each case with the NAV determined on the relevant Valuation Day.</p> <p>Following such conversion of Shares, the Central Administrative Agent will inform the applicable Investor of the number of Shares of the New Class obtained by conversion and the price thereof. Fractions of Shares in the New Class to two decimal places may be issued.</p> <p>The General Partner (or its delegate) may in its own discretion at any time convert Shares from one Class into another Class of Shares where (i) the holding by the applicable Investor of Shares in a particular Class has fallen below the minimum investment and holding requirement for that Class as set out in the Private Placement Memorandum and/or this Sub-Fund Supplement, (ii) an Investor does not meet or ceases to meet investor eligibility criteria and conditions set out in the Private Placement Memorandum, this Sub-Fund Supplement and/or the Investor's Subscription Agreement, (iii) Investors are not otherwise entitled to acquire or possess these Shares, or (iv) the General Partner or its delegate determines that such conversion is necessary or advisable and not inequitable to Investors.</p> <p>The calculation procedure set out above will apply to any conversions so conducted at the direction of the General Partner and/or its delegate.</p>
<b>Redemption of Shares</b>	<p>Investors may request quarterly Share redemptions subject to and in accordance with the redemption process of the Master Fund. Investors will generally be able to request Share redemptions on a quarterly basis, effective as at the first Business Day in January, April, July and October each year (each a "<b>Redemption Date</b>"). Investors may generally</p>

make a redemption request with a view to redeeming part or all of their Shares as at a Redemption Date by submitting a notice to the Central Administrative Agent (in the form made available by the Sub-Fund) before 5p.m. Central European Time on the 7<sup>th</sup> Business Day prior to the applicable Redemption Date (unless such notice period is waived by the General Partner). Once a redemption notice has been submitted, the Investor may not withdraw or revoke the redemption request save with the General Partner's consent. Any revocation request must be submitted before 5p.m. Central European Time on the 6<sup>th</sup> Business Day prior to the relevant Redemption Date in respect of which such redemption request is made.

Amounts distributed in connection with a redemption will be based upon the NAV per Share of the applicable Class of Shares being redeemed as of the Valuation Day immediately preceding such Redemption Date, less any applicable Early Redemption Deduction (defined below) for the benefit of the Sub-Fund. The monthly NAV of the Sub-Fund will generally be available on the 5<sup>th</sup> Business Day following the Master Fund NAV Publication Date in relation to the relevant Valuation Date. Investors may therefore not know the NAV per Share of their redeemed Shares until after the redemption has been processed.

Under normal market conditions, the Sub-Fund expects that settlements of Share redemptions will generally be made within 7 Business Days of the Master Fund NAV Publication Date, provided that settlements of Master Fund share redemptions have occurred in relation to the relevant Valuation Day. Investors whose redemption requests are accepted will cease to be Investors with respect to such redeemed Shares as of such Redemption Date and will therefore cease to be entitled to the rights of an Investor with respect to the redeemed Shares as of such date, including the right to receive distributions, and will not be entitled to interest on redemption payments. The aggregate NAV of total redemptions (on an aggregate basis (without duplication) across the Sub-Fund, the Master Fund, but excluding any Early Redemption Deduction (as defined below) applicable to the redeemed Shares) is conditional to the redemption availability and terms of the Master Fund, generally limited to 5% of the aggregate NAV per quarter of the Master Fund, under normal market conditions and except in the event of exceptional circumstances described below.

Redemption requests will be fulfilled to the extent that the Sub-Fund may redeem corresponding units in the Master Fund, unless otherwise agreed by the General Partner.

The General Partner has the discretion to accept or reject redemption requests or to modify or suspend the redemption program in full or in part, and to determine in the best interests of Investors whether and to what extent to fulfil redemptions, and the timing of such fulfilment.

The General Partner may suspend redemptions entirely in certain circumstances, as more particularly set out in the general part of the Private Placement Memorandum and in the Articles. For the avoidance of doubt, it is intended that, in the absence of any market shifts or extraordinary market conditions, in which redemptions could be expected to be suspended, the General Partner expects suspensions of redemptions to take place in exceptional circumstances and not on a systematic basis.

In determining whether to suspend redemptions, the General Partner shall at all times take into account whether such redemption is considered to be in the best interests of the Sub-Fund and its Investors as a whole and/or if other such Investors are not harmed by such redemption, such as when redemptions of Sub-Fund Shares would place an

	<p>undue burden on the Sub-Fund's liquidity, adversely affect the Sub-Fund's operations, risk having an adverse impact on the Sub-Fund that would outweigh the benefit of redemptions of units or as a result of legal or regulatory changes.</p> <p>In making such a determination to suspend redemptions, the General Partner will have regard to the liquidity available to the Sub-Fund, including without limitation (i) utilizing the Liquidity Reserve, (ii) relying on a credit facility, or (iii) using distributable proceeds, provided that the Sub-Fund is under no obligation to take any of the above actions, or to realize investments, solely for the purpose of meeting redemption requests. As a general matter, however, an investment in the Sub-Fund should be considered to be illiquid.</p> <p>Material modifications to the Sub-Fund's redemption program, including any amendment to the quarterly limitation on redemptions and suspensions of the redemption program will be promptly disclosed to Investors via the Sub-Fund's electronic secure platform or otherwise. If the redemption program is suspended, then the General Partner will be required to evaluate on a quarterly basis whether the continued suspension of the redemption program is in the best interests of the Sub-Fund and the Investors as a whole.</p> <p>In the event that, pursuant to the limitations above, not all of the Shares submitted for redemption during a given quarter are to be accepted for redemption by the Sub-Fund, Shares submitted for redemption during such quarter will be redeemed on a <i>pro rata</i> basis (based on the redemption availability applied by the Master Fund). All unsatisfied redemption requests will be cancelled and Investors will have to resubmit a new redemption request for the next available Redemption Date.</p> <p>Corresponding redemption and suspension procedures apply at the level of the Master Fund, as more particularly set out in the documentation governing the Master Fund, which includes, for the avoidance of doubt, the quarterly redemption of units in the Master Fund as at each Redemption Date.</p>
<b>Transfers</b>	<p>Investors may transfer part or all their Shares in the Sub-Fund upon prior consent from the General Partner, in its sole discretion, which shall be provided 7 Business Days prior to the applicable Dealing Date. The absence of a favorable response within 30 calendar days shall be considered a refusal to such transfer.</p> <p>Any Transferee must provide the Central Administrative Agent with a duly completed Subscription Agreement, any required AML/KYC documents and any additional information or documentation as requested by the Central Administrative Agent in connection with the Transfer and by the Transferee's broker or financial intermediary, as applicable, including, without limitation, a written transfer agreement signed by the Transferor and Transferee in relation to the Shares being transferred.</p> <p>Any transferee must meet investor eligibility criteria and conditions applicable to the relevant Class of Shares as set out in this Sub-Fund Supplement and the Private Placement Memorandum.</p>
<b>Term of the Sub-Fund</b>	<p>The Sub-Fund will continue for an unlimited period of time, until it is put into liquidation in the circumstances described in the "<i>Dissolution</i>" section below.</p>
<b>Distributions</b>	<p>With respect to accumulation sub-class Shares, the Sub-Fund does not anticipate declaring or paying cash dividends on such Shares. Accordingly, the Sub-Fund retains all realized net capital gains as to the accumulation sub-class Shares, if any, and investment income to increase the Sub-Fund's net assets. With respect to distribution</p>

	<p>sub-class Shares, any distributions the Sub-Fund makes are at the discretion of the General Partner, considering factors such as earnings, investment income, cash flow, capital needs, taxes and general financial condition and the requirements of applicable law. As a result, the Sub-Fund's distribution rates and payment frequency may vary from time to time. There is no assurance the Sub-Fund will pay distributions in any particular amount, if at all.</p> <p>For the avoidance of doubt, in the event amounts are distributed with respect to any accumulation sub-class Shares, those shall be reinvested by the General Partner in such Class (considering factors such as capital needs, taxes and general financial condition and the requirements of applicable law).</p> <p>It should be noted that the amount of distributions per Share on Class S Shares (if any) and Class I Shares (if any) will generally differ as the higher fees applicable to Class S Shares will be deducted from gross distributions attributable to Class S Shares. Accordingly, distributions on Class S Shares (if any) will be lower than Class I Shares.</p> <p>Investors holding Shares with a functional currency other than USD are exposed to fluctuations of the foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed.</p>
<b>Distributions in-kind</b>	<p>Distributions may, only with the consent of the relevant Investors, be made in-kind, in accordance with all applicable laws and regulations.</p> <p>In the event that an in-kind distribution is made, the relevant assets shall be deemed to have been sold at their value as confirmed by the Auditor, and the proceeds of such sale shall be deemed to have been distributed in the form of distributable cash to the Investors. Distributions in-kind shall be made in proportion to the aggregate amounts that would be distributed to each Investor as determined by the General Partner.</p> <p>Distributions in-kind may have tax consequences for Investors. Investors are advised to consult their own tax advisers on the tax treatment of any in-kind distribution.</p>
<b>Net Asset Value</b>	<p>Under the supervision of the AIFM, the Central Administrative Agent will determine the NAV per Share for each Class and sub-class (if any) of the Sub-Fund as of the last Business Day of each calendar month (the "<b>Valuation Day</b>"). The monthly NAV per Share for each Class and sub-class (if any) will generally be available within 5 Business Days following the Master Fund NAV Publication Date. The NAV of the Sub-Fund will be expressed in USD. The NAV per Share for each Class and sub-class (if any) of the Sub-Fund shall be expressed in the reference currency for such Class and sub-class, as applicable.</p>
<b>Reporting</b>	<p>After the end of each financial year, Investors will be provided with an audited annual report in the Sub-Fund's currency.</p> <p>The Net Asset Value as determined at the end of each month will be disclosed to the Investors in a short unaudited statement. In addition, the Sub-Fund intends to provide the Investors on at least quarterly basis investor reports subject to the Sub-Fund having received appropriate information from the Master Fund to enable Investors to carry out an assessment of their investment.</p>
<b>Management Fee</b>	<p>The Sub-Fund shall, in consideration of portfolio management and investment advisory services (where applicable and relevant) provided to the Sub-Fund, for each financial</p>

	<p>year (as described in the Private Placement Memorandum) pay a management fee (the “<b>Management Fee</b>”) , calculated, in respect of each Valuation Day (Valuation Day “M”), at the Management Fee Rate equal to 0.20% per annum of the Sub-Fund’s Net Asset Value as of the immediately prior Valuation Day (Valuation Day “M-1”), after giving effect to any subscriptions and redemptions in respect of the Valuation Day M-1 and any distributions reported and payable after the Valuation Day M-1.</p> <p>The Management Fee will be payable to the Portfolio Manager (if any) or the Investment Advisor pursuant to the relevant portfolio management or investment advisory agreement and is subject to a minimum amount of up to USD 175,000 on an annual basis or equivalent in another currency per annum. The Management Fee shall be payable quarterly in arrears and each Investor shall be liable to pay its share of the Management Fee on a pro rata basis.<b>Distribution Fee.</b></p> <p>The Distributors, in respect of each financial year (as described in the Private Placement Memorandum), may be paid a distribution fee applicable to Class S Shares (the “<b>Distribution Fee</b>”) equal to an amount of 0.85% of the Class S Shares’ Net Asset Value.</p> <p>The Distribution Fee shall be paid to Distributors, in accordance with the amount of the Sub-Fund’s NAV determined by the General Partner to have been distributed by each Distributor.</p> <p>The Distribution Fee is charged in addition to the Management Fee.</p> <p>For the avoidance of doubt, Distribution Fees will be borne by the Class S Shares of the Sub-Fund and Investors will not receive a separate invoice for payment of their fees. The Distribution Fee shall be calculated and accrued based on the Class S Shares’ Net Asset Value as of each Valuation Date, before giving effect to any accruals for the Management Fee and for the Distribution Fee, any distributions and any impact to Net Asset Value solely caused by currency fluctuations for non-USD Classes.</p> <p>The General Partner may, in its absolute discretion, determine the Distribution Fee to be allocated to the Distributor through which an Underlying Investor has subscribed and/or which provides ongoing services to such Underlying Investor. Any amounts allocated in accordance with the foregoing sentence will compensate such Distributor for any placement, reporting, administrative and/or other services provided to an Underlying Investor by such Distributor. The receipt of the Distribution Fee by a Distributor will result in a conflict of interest.</p> <p>The Distributors may also levy an upfront fee (“<b>Upfront/Subscription Fee</b>”) or other fees and charges (if any) on Underlying Investors in each Class. If applied, the Upfront/Subscription Fee or such other fees and charges (if any) will be charged on Underlying Investors directly by the relevant Distributor and separate from the subscription amount of the Underlying Investor to the Sub-Fund. In addition, the Distributor may receive further fees or remuneration from third-parties, such as the Master Fund’s manager or other parties, paid directly by such parties to the Distributors and separate from the subscription amount of the Underlying Investor to the Sub-Fund.</p> <p><b>All fees referenced above are exclusive of any applicable tax unless otherwise stated.</b></p>
<b>Operational Costs/Fees</b>	<b>The following fees (together the “Operational Costs/Fees”) are in addition to and not part of the Management Fee</b>

**Fees for the General Partner**

The General Partner is entitled to receive fees out of the assets of the Sub-Fund on a cost plus arrangement. Such profit margin is designed to comply with Luxembourg transfer pricing rules and will be determined in accordance with the international transfer pricing standards established by the Organisation for Economic Cooperation and Development.

**Fees for the AIFM**

The AIFM will be entitled to receive from the Sub-Fund, such fees as set out in the AIFM fee letter as well as ancillary fees (including Domiciliation Agent fee as set out in a separate engagement letter). The fees for the AIFM are subject to a minimum amount of EUR 30,000 per annum. The exact fees contain a variable component with multiple bases as outlined in the relevant service agreement, which will be made available to investors upon request free of charge at the registered office of the Fund. The AIFM may be entitled to be reimbursed by the Sub-Fund for any expenses related to the advice of legal counsel and any other out-of-pocket expenses to the extent agreed by the Fund in the AIFM Agreement and the AIFM fee letter and such costs shall fall within scope of the Operational Expenses of the Sub-Fund. For the avoidance of doubt, fees for the AIFM will be payable in addition to, and not as part of, the Management Fee.

**Fees for the Depositary**

The Depositary is entitled to receive out of the assets of the Sub-Fund a depositary fee as set out in the Depositary Agreement. The fees and charges of any sub-custodian or correspondent appointed by the Depositary shall also be payable out of the assets of the Sub-Fund and shall be payable in addition to the depositary fee charged by the Depositary.

**Fees for the Central Administrative Agent**

The Central Administrative Agent is entitled to receive out of the assets of the Sub-Fund an administration fee as set out in the Central Administrative Agent Agreement.

**Early Redemption Deduction**

Any request for the redemption of Shares as of a date within one year of the Business Day immediately preceding the effective subscription date of such Shares will be subject to an early redemption deduction equal to 2% of the value of the NAV of the Shares being redeemed (calculated as of the relevant Valuation Day in relation to the applicable redemption request) (the "**Early Redemption Deduction**") for the benefit of the Sub-Fund.

The Early Redemption Deduction is paid to the Sub-Fund which in turn may use this to meet any early redemption fees it incurs from the net proceeds indirectly to the benefit of the Master Fund. The General Partner may but is not obliged to, waive the Early Redemption Deduction in exceptional circumstances.

All questions as to the applicability of the Early Redemption Deduction to specific facts and the validity, form, eligibility (including time of receipt of required documents) of a qualification for an exemption from the Early Redemption Deduction will be determined by the General Partner, in its sole discretion, and its determination shall be final and binding.

**Other costs**

	<p>As described in Section 12 of the Private Placement Memorandum, the General Partner will pay on behalf of the Sub-Fund and out of the assets of the Sub-Fund, all expenses, liabilities and costs incurred by the General Partner or third parties in connection with the Sub-Fund, if and to the extent such expenses, liabilities and costs are directly incurred in connection with the investments or the management of the Sub-Fund or its subsidiaries.</p> <p>In addition, the Sub-Fund will be charged with the costs for its setting-up as described in Section 12 of the Private Placement Memorandum.</p> <p><b>The above mentioned fees are exclusive of value added tax, unless otherwise stated.</b></p> <p><b>Except where the Private Placement Memorandum or this Sub-Fund Supplement describes a fixed amount, there is no maximum of fees, charges and expenses that may be borne directly or indirectly by Shareholders. There are certain fees, charges and expenses that will be borne directly or indirectly by Shareholders that cannot be readily quantified in advance. For example, it is not possible to quantify and predict amounts of such expenses which depend on numerous unknown variables and other factors, such as the number of investors, the nature of the underlying acquisition, holding and disposition of investments made by the Master Fund, tax or the degree of involvement of professional advisors and other service providers.</b></p>
<b>Discretionary Expense Cap</b>	<p>The General Partner may, in its sole discretion, apply an expense cap to certain Operational Costs/Fees and Organisational Expenses (the “<b>Cap</b>”) incurred by the Sub-Fund in any given month and defer the payment and/or reimbursement of the expenses exceeding the Cap to subsequent periods. If a Cap is applied, the General Partner may, in its sole discretion, remove the Cap and from such time, the Sub-Fund will bear any excess unreimbursed expenses deferred pursuant to the preceding sentence.</p>
<b>Establishment Costs</b>	<p>The Sub-Fund shall be required to bear the establishment costs associated with establishing the Sub-Fund, which shall be paid by the Sub-Fund commencing the first month from the first subscription and amortised over 5 years, as well as a portion of the establishment costs associated with establishing the Fund as a whole. Establishment Costs (in relation to the Sub-Fund and to the Fund on a pro-rata basis) are estimated to be around EUR 300,000 (exclusive of any applicable tax) but may change at the discretion of the General Partner.</p> <p>Investors should note that a pre-funding of the establishment costs of the Sub-Fund has been provided by an affiliate of the investment adviser of the Master Fund.</p>
<b>Depositary Function</b>	<p>The Depositary shall not be entitled to transfer or reuse the assets of the Sub-Fund.</p> <p>The Depositary is responsible for the functions contemplated by Articles 21(7) to 21(9) of the AIFMD.</p> <p>Under the Depositary Agreement, the Depositary may delegate all or any part of its duties, functions, powers and discretions to a delegate, in accordance with the requirements of the AIFMD and the Depositary Agreement. The Depositary may contractually discharge itself of liability in case of a loss of financial instruments held in custody by such third parties if and to the extent agreed in a written contract between the parties to such contract.</p> <p>Notwithstanding the foregoing, the Depositary has not delegated any of its safekeeping functions with respect to the Sub-Fund’s assets and is not expected to enter into any</p>

	arrangement to contractually discharge itself of liability in accordance with Article 21(13) of the AIFMD (as transposed into Luxembourg law).
<b>Integration of sustainability risks</b>  <b>(in accordance with SFDR)</b>	<p>The AIFM integrates Sustainability Risk as part of its investment process, as further described in Section 4 “Approach to Sustainability” and Section 18 “Risk Factors” of the Private Placement Memorandum.</p> <p>Although the integration of sustainability risks forms part of the investment process, the materiality of such risks and financial impacts on an individual asset and on a portfolio as a whole depends on industry, country, asset class, and investment style. The Master Fund is typically sufficiently diversified. It is therefore not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.</p>
<b>Exclusivity</b>	The functions and duties which the General Partner, the AIFM, the Investment Advisor and/or any of their affiliates undertake on behalf of the Sub-Fund will not be exclusive and they may perform similar functions and duties for themselves and for others and, without limitation, act as manager, investment advisor or general partner (or equivalent) in respect of other funds, accounts or other products.
<b>Dissolution</b>	In addition to the grounds for dissolution set out in the Private Placement Memorandum, the Sub-Fund may be put into liquidation for any other reason as determined by a decision of the General Partner. Any decision to put the Sub-Fund into liquidation will take into account the best interests of the Investors.
<b>Investment Risks</b>	<p><i>All risk factors and investment considerations detailed in Section 18 of the Private Placement Memorandum should be considered applicable, directly or indirectly, to an investment in the Sub-Fund. An investment in the Shares of the Sub-Fund involves a significant degree of risk. There can be no assurance that the Sub-Fund or the Master Fund will realise an attractive rate of return or that there will be any return of capital.</i></p> <p><i>Prospective Investors should carefully read and evaluate these considerations, which are considered to represent the most relevant risks of an investment in the Shares of the Sub-Fund, as well as the other information included in this Sub-Fund Supplement before becoming an Investor in the Sub-Fund. The occurrence of one or more of the risks set out in the general part of the Private Placement Memorandum and the following risk factors, taken alone or together with other circumstances, can adversely affect the performance of the Sub-Fund or the assets held in the Sub-Fund and thus also have a negative impact on the value of the Shares of the Sub-Fund. For a summary of risk factors and potential conflicts of interest relevant to the Sub-Fund’s investment in the Master Fund, see “Section 7: Risk Factors” and “Section 8: Conflicts of Interest” in APMF Supplement. For a summary of risk factors and potential conflicts of interest relevant to the Sub-Fund, see “Section 18: Risk Factors” and “Section 17: Conflicts of Interest” in the Private Placement Memorandum.</i></p> <p><i>In particular, prospective Investors should note that the risks specific to Sub-Funds investing in Target Funds or a Master Fund, as set out in Section 18.6 of the Private Placement Memorandum are applicable to the Sub-Fund.</i></p> <p><i>In addition to the risks and uncertainties described in this Sub-Fund Supplement or the general part of the Private Placement Memorandum, the performance of the Sub-Fund can be adversely affected by various other risks and uncertainties that are currently</i></p>

*unknown. The order in which the risks in the applicable documentation are listed contains neither a statement about the probability of their occurrence nor about the extent or impact of the occurrence of individual risks.*

#### **Risk of total loss, maximum risk**

The Sub-Fund can only pay out free liquidity to Investors. No default capital or guarantee capital is available. Therefore, there is no guarantee that Investors will get back the amount of their capital invested in the Sub-Fund. If the Sub-Fund does not achieve sufficient proceeds from its underlying assets, the total loss of the capital paid-in to the Sub-Fund by an Investor can occur.

The maximum risk for an Investor investing in the Shares of the Sub-Fund can exceed the total loss of its capital paid-in the Sub-Fund. If an Investor has taken-up external financing to fund its investment in the Shares of the Sub-Fund, the Investor must repay - out of its own assets - the amount of the loan taken-up by the Investor together with any interest payments, irrespective of whether the Investor receives any cash distributions from the Sub-Fund.

Investors should be aware that as a result of the risks identified above and below, the following outcomes may arise:

- a. potential loss of some or all of an Investor's original investment (the effect of such loss may be magnified in cases where an Investor has used leverage to fund part or all of its investment in the Sub-Fund);
- b. an inability of the Sub-Fund to make cash distributions; and
- c. some or all of the underlying assets of the Sub-Fund may remain illiquid for a significant period (and potentially in perpetuity), requiring Investors to remain Shareholders of the Sub-Fund for longer than anticipated.

#### **Tax risks with respect to the Master Fund**

With respect to any tax risks as a result of the investment of the Sub-Fund in the Master Fund please see the relevant considerations in the APMF Supplement of the Master Fund, which is appended to this Sub-Fund Supplement. Generally, the Sub-Fund will not be involved in any structuring at the level of the Master Fund and therefore any risks in this respect are outside the control of the Sub-Fund.

#### **UK Reporting Fund Status tax risks**

Dry tax charges may occur to Investors where the Sub-Fund has more reportable income than it distributes. This could particularly arise where the underlying entities of the Sub-Fund (including the Master Fund, co-investments, special purpose vehicles or other legal entities) generate more reportable income than they distribute to the Sub-Fund, and hence this income cannot be distributed by the Sub-Fund, including for example where cash is held back to pay future expenses. Subject to Investors' personal circumstances, such dry tax charges may be offset at a future date, when the Investor disposes of their investment in the Sub-Fund.

There is no certainty that the Sub-Fund will elect to be a UK reporting fund, potentially as a result of underlying entities (such as the Master Fund) not providing any or sufficient

	<p>information to make UK reporting fund status beneficial. In such circumstances, Sub-Fund returns may be treated entirely as an income for UK tax purposes.</p>
<p><b>Certain Luxembourg tax considerations</b></p>	<p><b>General Remarks</b></p> <p>Investors must read the corresponding disclosure in the Tax Status and BEPS and ATAD considerations set out in the Private Placement Memorandum. Investors are strongly encouraged to consult their own tax advisers with regard to the tax consequences of holding and selling Shares as well as the tax consequences for distributions received with regard to the Shares.</p> <p>In addition, Investors are themselves responsible for fulfilling their tax-related declaration and reporting obligations whose non-fulfilment may possibly have adverse tax consequences for an Investor.</p> <p><b>Luxembourg taxation of Investors</b></p> <p>Under current legislation, Investors are not subject to any capital gains, income or withholding taxes in Luxembourg irrespective of the type of income/payment from the Sub-Fund (notably including repayment of capital, in kind distribution, cash distribution), except for those domiciled, resident or having a permanent establishment in Luxembourg to which the Shares can be attributed. Please note that Luxembourg gift tax may apply, but only in the event that a gift is made pursuant to a deed signed before a Luxembourg notary or is registered in Luxembourg. Clawbacks of distributions should also not trigger any adverse tax consequences in Luxembourg at the level of the Investors or the Fund.</p> <p>The Investors may however be subject to taxation (which may vary depending on the type of distribution from the Sub-Fund) in jurisdictions where they are established or resident which would ultimately reduce returns to such affected Investors.</p> <p><b>Taxation of the Fund</b></p> <p>The Fund is liable in Luxembourg to a subscription tax (<i>taxe d'abonnement</i>) of in principle 0.01% (zero point zero one percent) per annum of its net assets, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of the relevant calendar quarter.</p> <p>There is no withholding tax on any distributions made by the Fund to the Investors.</p>
<p><b>Selling Restrictions</b></p>	<p><b>Notice to potential Investors</b></p> <p>Neither this Private Placement Memorandum nor this Sub-Fund Supplement constitute an offer to sell to, or a solicitation of an offer to subscribe from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorised, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offering of units in any country or jurisdiction where any such action for that purpose is required. Accordingly, Shares may not be offered or sold, directly or indirectly, and neither this Private Placement Memorandum, nor this Sub-Fund Supplement, nor any other information, Subscription Agreement, advertisement or other</p>

document may be distributed or published in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Prospective Investors should review the information and comply with the restrictions set forth in this section “*Selling Restrictions*”. Persons into whose possession the Private Place Memorandum and this Sub-Fund Supplement come must inform themselves about and observe any legal restrictions affecting any subscription of Shares. The Fund is only suitable for well-informed, professional or experienced investors, or those who have taken professional advice.

#### **Notice to residents of the European Economic Area**

For the purposes of the AIFMD, the Fund will constitute an EU AIF whose alternative investment fund manager is the AIFM, itself an EU AIFM. Each Member State of the EEA is adopting or has adopted legislation implementing the AIFMD into national law. Under the AIFMD, marketing to any investor domiciled or with a registered office in the EEA will be restricted by such laws and no such marketing shall take place except as permitted by such laws. Prior to implementation of the AIFMD into national law, Shares in the Fund may only be offered and issued in accordance with applicable laws in relevant member states. Potential Investors should ensure they are able to subscribe for shares in the Fund in accordance with the above laws.

Any offering of Shares to prospective Investors may only be made in accordance with either national private placement marketing rules in force in each EEA jurisdiction where the Fund and Sub-Fund are registered for marketing and AIFMD requirements or following a request made at the investor’s own initiative.

The AIFM has taken steps to register the Fund and Sub-Fund in the EEA under national private placement marketing rules in the following countries: Luxembourg and Liechtenstein.

Any Investor who is based in the EEA but is not based in Luxembourg or Liechtenstein has been provided with this Private Placement Memorandum solely as a result of an unsolicited expression of interest in investing in the Fund and Sub-Fund. In addition, only EEA Investors in jurisdictions in which the laws and regulations that implement the AIFMD permit Investors to invest in undertakings that are alternative investment funds for the purposes of the AIFMD on their own initiative and which, in those circumstances, do not impose any obligation on any manager of such alternative investment fund or on any affiliate, agent or designee of such manager, may consider investment in the Fund and Sub-Fund.

Please also see the country-specific selling legend for your country.

In addition, the AIFM has taken steps to register the Fund and Sub-Fund in Switzerland.

#### **Notice to Residents of the United Kingdom**

The Sub-Fund is an Unregulated Collective Investment Scheme as defined in the Financial Services and Markets Act 2000 of the United Kingdom (“FSMA 2000”) and an Alternative Investment Fund as defined in the Alternative Investment Fund Managers Regulations 2013, as amended from time to time (“AIFM Regulations”). The Sub-Fund has not been authorised, or otherwise recognised or approved by the UK Financial

Conduct Authority ("FCA") and, as an unregulated scheme, it accordingly cannot be promoted in the United Kingdom ("UK") to the general public.

In the UK, the contents of the Private Placement Memorandum and this Sub-Fund Supplement have not been approved by an authorised person within the meaning of Section 21 of FSMA 2000. Approval is required unless an exemption applies under Section 21 of FSMA 2000. Reliance on the Private Placement Memorandum or this Sub-Fund Supplement for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all the property or other assets invested. The Private Placement Memorandum and this Sub-Fund Supplement will only be communicated to persons to whom a financial promotion can be made lawfully by an unauthorised person (without prior approval of an authorised person) pursuant to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "FPO") and then, if made by an authorised person, only where it can also be made under the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended) (the "PCISO"). It will therefore only be communicated to: (i) persons believed on reasonable grounds to fall within one of the categories of "investment professionals" as defined in Article 19(5) of the FPO and Article 14 PCISO; (ii) persons believed on reasonable grounds to be "high net worth individuals" within the meaning of Article 48 of the FPO and Article 21 PCISO; (iii) "high net worth companies, unincorporated associations etc" within the meaning of Article 49 of the FPO and Article 22 PCISO; (iv) persons who are "certified sophisticated investors" as described in Article 50 of the FPO and Article 23 PCISO, namely persons who hold a current certificate and who have signed a statement in the form prescribed by the FPO or the PCISO (as applicable) not more than twelve months prior to the date of this Sub-Fund Supplement; (v) persons who are "professional investors", each being an investor which is considered to be a professional client, or who may, on request, be treated as a professional client within the meaning of Article 2(1)(8) of Regulation (EU) 600/2014 on Markets in Financial Instruments (as retained in the laws of the United Kingdom); (vi) persons to whom the Private Placement Memorandum or this Sub-Fund Supplement may otherwise lawfully be provided in accordance with FSMA 2000 and the FPO/PCISO (as amended); and (vii) if communicated by an authorised firm, to persons who fall within the exemptions set out in Rule 4.12B.7R of the FCA's Conduct of Business Sourcebook. Any person who is in any doubt about the investment to which the Private Placement Memorandum or this Sub-Fund Supplement relates should consult an authorised person specialised in advising on investments of the kind in question. Transmission of the Private Placement Memorandum or this Sub-Fund Supplement to any other person in the UK is unauthorised and may contravene FSMA 2000.

**Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.**

**Estimated reading time: 2 min**

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be very complex and high risk.

**What are the key risks?**

	<p><b>1. You could lose all the money you invest</b></p> <ul style="list-style-type: none"> <li>• If the business offering this investment fails, there is a high risk that you will lose all your money. Businesses like this often fail as they usually use risky investment strategies.</li> <li>• Advertised rates of return aren't guaranteed. This is not a savings account. If the issuer doesn't pay you back as agreed, you could earn less money than expected or nothing at all. A higher advertised rate of return means a higher risk of losing your money. If it looks too good to be true, it probably is.</li> <li>• These investments are very occasionally held in an Innovative Finance ISA (IFISA). While any potential gains from your investment will be tax free, you can still lose all your money. An IFISA does not reduce the risk of the investment or protect you from losses.</li> </ul> <p><b>2. You are unlikely to be protected if something goes wrong</b></p> <ul style="list-style-type: none"> <li>• The Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover investments in unregulated funds. You may be able to claim if you received regulated advice to invest in one, and the adviser has since failed. Try the FSCS investment protection checker at <a href="http://www.fscs.org.uk/check/investment-protection-checker/">www.fscs.org.uk/check/investment-protection-checker/</a>.</li> <li>• Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection at <a href="http://www.financial-ombudsman.org.uk/consumers">www.financial-ombudsman.org.uk/consumers</a>.</li> </ul> <p><b>3. You are unlikely to get your money back quickly</b></p> <ul style="list-style-type: none"> <li>• This type of business could face cash-flow problems that delay payments to investors. It could also fail altogether and be unable to repay any of the money owed to you.</li> <li>• You are unlikely to be able to cash in your investment early by selling your investment. In the rare circumstances where it is possible to sell your investment in a 'secondary market', you may not find a buyer at the price you are willing to sell.</li> <li>• You will not be able to take any money out of your investment early.</li> </ul> <p><b>4. This is a complex investment</b></p> <ul style="list-style-type: none"> <li>• This kind of investment has a complex structure based on other risky investments, which makes it difficult for the investor to know where their money is going.</li> <li>• This makes it difficult to predict how risky the investment is, but it will most likely be high.</li> <li>• You may wish to get financial advice before deciding to invest.</li> </ul> <p><b>5. Don't put all your eggs in one basket</b></p>
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- Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments.

If you are interested in learning more about how to protect yourself, visit the FCA's website at [www.fca.org.uk/investsmart](http://www.fca.org.uk/investsmart).

For further information about unregulated funds, visit the FCA's website at [www.fca.org.uk/consumers/unregulated-collective-investment-schemes](http://www.fca.org.uk/consumers/unregulated-collective-investment-schemes).

### **Notice to residents of Switzerland**

The Fund is not approved by the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”) for offering to non-qualified investors in Switzerland pursuant to Art. 120 (1) and (2) of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (“**CISA**”). Accordingly, pursuant to Art. 120(4) CISA and, subject to the following paragraph, Shares may only be offered or advertised and the Private Placement Memorandum, this Sub-Fund Supplement, the Articles, the Subscription Agreement and any other offering material or document relating to the Fund, the Sub-Fund and/or the Shares may only be offered or otherwise made available in Switzerland to qualified investors as defined in Art. 10(3) and (3te) CISA and its implementing ordinance, as amended from time to time, in connection with Art. 4 para. 3 – 5 and Art. 5 para. 4 of the Swiss Federal Act on Financial Services (“**FinSA**”) and the most current practice of the FINMA). Investors do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA in connection with the approval for offering.

The Private Placement Memorandum and this Sub-Fund Supplement do not constitute an issue prospectus in accordance with the disclosure standards for issue prospectuses under the FinSA or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland.

### **Additional Information relevant to residents of Switzerland**

#### *Location where the relevant documents may be obtained:*

Copies of the Articles, this Private Placement Memorandum, this Sub-Fund Supplement, the latest financial reports as well as any further documents, agreements and/or reports in respect of the Sub-Fund may be obtained free of charge from the representative in Switzerland, i.e. Reyl et Cie S.A., as well as the registered office of the Sub-Fund.

#### *Payment of retrocessions and rebates*

#### **Retrocessions**

The Sub-Fund and its agents may pay retrocessions as remuneration for distribution activity in respect of Shares in Switzerland. This remuneration may be deemed payment for the following services in particular:

Sales promotions and introductions with potential clients, the organisation of road shows and/or fund fairs, assistance in making applications, forwarding of subscription,

conversion and redemption orders, providing investors with the documents of the Fund and the Sub-Fund and any other documents related to the Fund and the Sub-Fund, verification of identification documents and the performance of due diligence tasks as well as keeping documentary records, where required.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

### **Rebates**

In respect of distribution in Switzerland, the Sub-Fund and its agents do not pay any rebates to reduce the fees or costs incurred by the Investor and charges to the Sub-Fund.

### **Place of performance and jurisdiction**

In respect of the Shares offered in Switzerland, the place of performance and jurisdiction is the registered office of the Representative.

### **Notice to Residents of Hong Kong**

THE CONTENTS OF THIS SUB-FUND SUPPLEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. INVESTORS ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS SUB-FUND SUPPLEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

SHARES IN THE SUB-FUND HAVE NOT BEEN OFFERED OR SOLD AND WILL NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT, OTHER THAN (A) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) OF HONG KONG (THE "SFO") AND ANY RULES MADE UNDER THE SFO AND (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32) OF HONG KONG (THE "C(WUMP)O") OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O.

NO PERSON MAY ISSUE, OR HAVE IN THEIR POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO SHARES IN THE SUB-FUND, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SHARES IN THE SUB-FUND THAT ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) (THE "SFO") AND ANY RULES MADE UNDER THE SFO.

### Notice to Residents of Singapore

The offer or invitation of the Shares, which is the subject of this Sub-Fund Supplement, does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”) or recognised under Section 287 of the SFA. The Sub-Fund is not authorised or recognised by the Monetary Authority of Singapore (the “**MAS**”) and the Shares may not be offered to the retail public. This Sub-Fund Supplement and any other document or material issued in connection with the offer or sale of the Shares is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable for them.

This Sub-Fund Supplement has not been registered as a prospectus with the MAS. Accordingly, this Sub-Fund Supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 304 of the SFA, (ii) to an accredited investor (as defined in Section 4A of the SFA) or other relevant person (as defined in Section 305(5) of the SFA) pursuant to Section 305(1) of the SFA, or any person pursuant to Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Shares are subscribed for or purchased under Section 305 of the SFA by a relevant person which is:

- (a) a corporation (which is not an investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 305A(2)(c)(ii) or Section 305A(3)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 305A(5) of the SFA; or

	<p>(v) as specified in Regulation 36A of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.</p> <p>Investors are required to ensure that any of their own transfer arrangements in relation to any Shares comply with the above restrictions and should seek legal advice to ensure compliance with the same.</p> <p><b>Notice to residents of Taiwan</b></p> <p>Shares in the Sub-Fund may be made available outside Taiwan for purchase by investors located in Taiwan but may not be recommended, marketed, sold or offered within Taiwan. No person or entity in Taiwan has been authorized to market offer, sell, give advice regarding or otherwise intermediate the offering and sale of Shares in the Sub Fund.</p>
<b>Notice to Investors</b>	<p>Investors should be aware that while they are being offered the opportunity to invest in the Sub-Fund which has been formed to invest in the Master Fund, no Investor will be a direct investor in the Master Fund. In particular, Investors will have no contractual relationship with and no voting rights or direct recourse against the Master Fund, the general partner of the Master Fund or the investment advisor of the Master Fund respectively (together, the “<b>Master Fund Parties</b>”), their respective Affiliates or any of their respective general partners, investment advisors, officers, directors, employees, partners or members. Investors in the Sub-Fund will not be parties to the operating documents of the MasterFund, and, will not have any rights thereunder and may not bring a direct action on their own behalf against the Master Fund Parties, any of their respective affiliates or any of their respective general partners, investment advisors, officers, directors, employees, partners or members for any breach thereof.</p> <p>The Master Fund Parties, each of their affiliates, and the officers, directors, employees, managers, agents, partners (for the avoidance of doubt, other than the Sub-Fund) and members of the foregoing (collectively, the “<b>Master Fund Parties</b>”), are not responsible for the Sub-Fund's compliance with, and will have no liability associated with, any violation of any law or regulation governing the offer or sale of interests in the Sub-Fund in those jurisdictions in which such interests have been offered and sold. No Underlying Master Fund Party makes any representations regarding, and expressly disclaims any liability or responsibility to, any recipient of this legend text for such information or any other information set forth herein. No Underlying Master Fund Party has approved the content of this legend text or made any representation or warranty, express or implied, with respect to the content, adequacy, fairness, accuracy, reasonableness or completeness of any of the information contained herein.</p> <p>The Underlying Master Fund Parties (i) have not participated in the offering of Shares, (ii) are not responsible for such offering of Shares, the operation of the Sub-Fund, any information provided by any of the Sub-Fund, the General Partner, the AIFM or S64 (together, the “<b>Sub-Fund Parties</b>”) such as the Sub-Fund's governing documents, related agreements and instruments and any accompanying sales documentation, each as amended or supplemented (such information, the “<b>Sub-Fund Information</b>”), (iii) are not making any warranties or representations whatsoever regarding the quality, content, completeness, accuracy, suitability and adequacy of the Sub-Fund Information and (iv) are not responsible for updating the Sub-Fund Information. The Underlying Master Fund Parties are not affiliated with the Sub-Fund Parties, and have not endorsed and make no recommendation with respect to Shares in the Sub-Fund offered hereby, and will have no responsibility for the affairs or the administration of the Sub-Fund, nor are they</p>

	<p>responsible for the Sub-Fund Information. The Underlying Master Fund Parties expressly disclaim any and all responsibility or liability for the Sub-Fund Information and the operation of the Sub-Fund.</p> <p>To the extent of any inconsistency between this legend text and the offering documents of the Master Fund, the offering documents of the Master Fund shall be deemed to prevail. All statements in this legend text regarding the Master Fund and its terms or the Master Fund Parties are qualified in their entirety by reference to the offering documents of the Master Fund, which is subject to change. The terms of the Master Fund may be subject to continuing negotiation with prospective investors who invest directly in the Master Fund and may be different from those summarised herein or provided in the materials referenced herein.</p>
<b>AIFMD Disclosures</b>	<p>References to “Article” below refers to the relevant article within AIFMD.</p> <p><b><u>Investment Strategy:</u></b></p> <p><b>Article 23(1)(a)</b>, description of the investment strategy and objectives of the AIF:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: <i>Section 4: Investment Objectives and Policy</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> </ul> <p><b>Art 23(1)(a)</b>, information on where master AIF is established and where the underlying funds are established:</p> <ul style="list-style-type: none"> <li>• Ares Private Markets Fund, a Delaware statutory trust</li> </ul> <p><b>Article 23(1)(a)</b>, a description of the types of assets in which the AIF may invest and the investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: <i>Section 4: Investment Objectives and Policy</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> </ul> <p><b>Article 23(1)(a)</b>, all associated risks with investment techniques:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: <i>Section 18: Risk Factors</i></li> <li>• Private Placement Memorandum: <i>Section 17: Conflicts of Interest</i></li> <li>• Sub-Fund Supplement: <i>Investment Risks</i></li> </ul> <p><b>Article 23(1)(a)</b>, any applicable investment restrictions:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: <i>Section 4: Investment Objectives and Policy</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> <li>• Sub-Fund Supplement: <i>Selling Restrictions</i></li> </ul> <p><b><u>Leverage Disclosures:</u></b></p> <p><b>Article 23(1)(a)</b>, the circumstances in which the AIF may use leverage and the types and sources of leverage permitted:</p>

	<ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 4: <i>Investment Objectives and Policy - Borrowing</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> <li>• Sub-Fund Supplement: <i>Bridge Financing</i></li> </ul> <p><b>Article 23(1)(a)</b>, associated risks of the types and sources of leverage permitted:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 4: <i>Investment Objectives and Policy</i></li> <li>• Private Placement Memorandum: Section 18: <i>Risk Factors</i></li> <li>• Sub-Fund Supplement: <i>Risk Factors</i></li> </ul> <p><b>Article 23(1)(a)</b>, any restrictions on the use of leverage and any restrictions on the use of collateral and asset reuse arrangements:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: <i>Section 14: Certain Shareholder Matters - Meetings, Reports and Financial Year</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> <li>• Sub-Fund Supplement: <i>Depositary Function</i></li> </ul> <p><b>Article 23(1)(a)</b>, the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 4: <i>Investment Objectives and Policy - Borrowing</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> <li>• Sub-Fund Supplement: <i>Bridge Financing</i></li> </ul> <p><b>Article 23(1)(b)</b>, a description of the procedures by which the AIF may change its investment strategy or investment policy, or both:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: <i>Section 4: Investment Objectives and Policy</i></li> <li>• Private Placement Memorandum: <i>Section 16: Amendments</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> </ul> <p><b>Article 23(1)(c)</b>, a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established:</p> <ul style="list-style-type: none"> <li>• Investors in the Sub-Fund will become Shareholders in the Fund, established in Luxembourg, with the rights, duties and obligations as set out in the Private Placement Memorandum and the Sub-Fund Supplement.</li> <li>• Private Placement Memorandum: <i>Section 14: Certain Shareholder Matters - Recognition and Enforcement of Judgments in Luxembourg</i></li> <li>• Private Placement Memorandum: <i>Section 15: Information Available</i></li> <li>• Sub-Fund Supplement: <i>Master Fund</i></li> </ul>
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	<p><b>Article 23(1)(p)</b>, a description of how and when the information required in relation to liquidity, leverage and risk profile under Article 23(4) and Article 23(5) will be disclosed:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 4: <i>Investment Objectives and Policy – Borrowing</i></li> <li>• Private Placement Memorandum: Section 14: <i>Certain Shareholder Matters - Meetings, Reports and Financial Year</i></li> <li>• Sub-Fund Supplement: <i>Investment Strategy</i></li> </ul> <p><b><u>Service Provider Disclosures:</u></b></p> <p><b>Article 23(1)(d)</b>, identity of the AIFM description of duties of the AIFM and investor's rights against the AIFM</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 1: <i>Definition and Interpretation - AIFM</i></li> <li>• Private Placement Memorandum: Section 3: <i>Management and Administration – The AIFM</i></li> <li>• Private Placement Memorandum: Section 14: <i>Certain Shareholder Matters - Shareholders' rights in relation to Service Providers</i></li> </ul> <p><b>Article 23(1)(d)</b>, identity of the depositary, auditor and other service providers, description of the duties of the depositary, auditor and other service providers and investors' rights against the depositary, auditor and other service providers:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 1: <i>Definitions and Interpretations – Depositary, Auditor, Central Administrative Agent</i></li> <li>• Private Placement Memorandum: Section 3: <i>Management and Administration – The Depositary, The Central Administrative Agent, The Auditor</i></li> <li>• Private Placement Memorandum: Section 14: <i>Certain Shareholder Matters - Shareholders' rights in relation to Service Providers</i></li> </ul> <p><b>Article 23(1)(e)</b>, a description of how the AIFM complies with the requirements (professional negligence) relating to professional liability risk in Article 9(7):</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 3: <i>Management and Administration – The AIFM – Professional Liability</i></li> </ul> <p><b>Article 23(1)(o)</b>, identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed:</p> <ul style="list-style-type: none"> <li>• Not applicable</li> </ul> <p><b>Article 23(1)(o)</b>, details of the provision in the contract with the depositary on the possibility of transfer and reuse of assets:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 3: <i>Management and Administration – The Depositary</i></li> <li>• Sub-Fund Supplement: <i>Depositary Function</i></li> </ul>
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**Delegation:**

**Article 23(1)(f)**, a description of any AIFM management function delegated by the AIFM:

- Private Placement Memorandum: Section 3: *Management and Administration – The AIFM - Delegation*

**Article 23(1)(f)**, a description of any conflicts of interest arising from delegated management function:

- Private Placement Memorandum: Section 17: *Conflicts of Interest*

**Article 23(2)**, any arrangements by the depositary to contractually discharge itself of its liability pursuant to Article 21(13):

- Private Placement Memorandum: Section 3: *Management and Administration – The Depositary*
- Sub-Fund Supplement: *Depositary Function*

**Policies and Procedures:**

**Article 23(1)(g)**, a description of the AIF's valuation procedure and of the pricing methodology for valuing assets and a description of the methods used in valuing any hard-to-value assets:

- Private Placement Memorandum: Section 3: *Management and Administration - Valuation*
- Private Placement Memorandum: Section 9: *Calculation of the Net Asset Value*
- Private Placement Memorandum: Section 10: *Suspension of the Calculation of the Net Asset Value*
- Sub-Fund Supplement: *Net Asset Value*
- Sub-Fund Supplement: *Reporting*

**Article 23(1)(h)**, a description of the AIF's liquidity risk management:

- Private Placement Memorandum: *Section 4: Investment Objectives and Policy – Liquidity Risk Management*
- Sub-Fund Supplement: *Liquidity Reserve*

**Investor Arrangements:**

**Article 23(1)(h)**, a description of the redemption rights in normal circumstances:

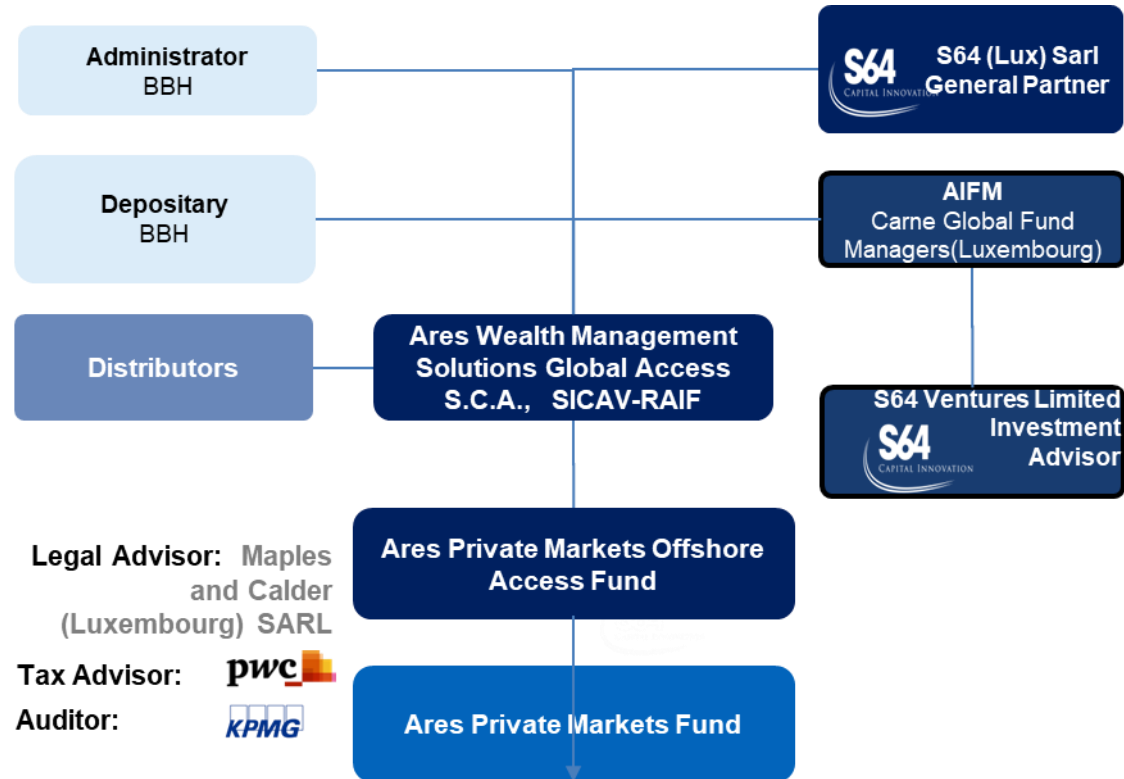
- Private Placement Memorandum: Section 4: *Investment Objectives and Policy – Liquidity Risk Management*
- Private Placement Memorandum: *Section 6: Transfer of Shares*
- Private Placement Memorandum: *Section 7: Shareholder Withdrawal*
- Sub-Fund Supplement: *Redemption of Shares*

	<p><b>Article 23(1)(h)</b>, a description of the redemption rights in exceptional circumstances:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 10: <i>Suspension of the Calculation of the Net Asset Value</i></li> <li>• Private Placement Memorandum: Section 14: <i>Certain Shareholder Matters</i></li> <li>• Supplement: <i>Redemption of Shares</i></li> </ul> <p><b>Article 23(1)(h)</b>, a description of existing redemption arrangements with investors:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 4: <i>Investment Objectives and Policy – Liquidity Risk Management</i></li> <li>• Supplement: <i>Redemption of Shares</i></li> </ul> <p><b>Article 23(1)(i)</b>, a description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 12: <i>Costs and Expenses</i></li> <li>• Sub-Fund Supplement: <i>Management Fee</i></li> <li>• Sub-Fund Supplement: <i>Operational Costs/Fees</i></li> <li>• Sub-Fund Supplement: <i>Establishment Costs</i></li> </ul> <p>Except where the Sub-Fund Supplement and/or the Private Placement Memorandum describes a fixed amount, there is no maximum of fees, charges and expenses that may be borne directly or indirectly by the Investors. There are certain fees, charges and expenses that will be borne directly or indirectly by the Investors that cannot be readily quantified in advance. For example, it is not possible to quantify and predict amounts of such expenses which depend on numerous factors, such as the nature of the underlying acquisition, holding and disposition of investments made by the Sub-Fund or the degree of involvement of professional advisors and other service providers.</p> <p><b>Article 23(1)(j)</b>, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment; and where relevant, their legal or economic links with the AIF or AIFM:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 14: <i>Certain Shareholder Matters – Fair Treatment of Shareholders</i></li> <li>• Private Placement Memorandum: Section 17: <i>Conflicts of Interest</i></li> <li>• Private Placement Memorandum: Section 18: <i>Risk Factors</i></li> </ul> <p><b>Article 23(1)(k)</b>, the latest annual report:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: <i>Section 14: Certain Shareholder Matters - Meetings, Reports and Financial Year</i></li> <li>• Sub-Fund Supplement: <i>Reporting</i></li> </ul>
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	<p><b>Article 23(1)(l)</b>, the procedure and conditions for the issue and sale of units or shares:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 5: <i>Issue of Shares</i></li> <li>• Sub-Fund Supplement: <i>Shares</i></li> <li>• Sub-Fund Supplement: <i>Share Classes</i></li> </ul> <p><b>Article 23(1)(m)</b>, the latest net asset value of the AIF or the latest market price of the unit or share of the AIF in accordance with Article 19:</p> <ul style="list-style-type: none"> <li>• Private Placement Memorandum: Section 9: <i>Calculation of the Net Asset Value</i></li> <li>• Private Placement Memorandum: Section 15: <i>Information Available</i></li> <li>• Sub-Fund Supplement: Page 15: <i>Net Asset Value</i></li> </ul>
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## Annex A

Structure Chart



## **Annex B**

### APMF SUPPLEMENT



## ARES PRIVATE MARKETS FUND

**Class A Shares (AMSAX)**

**Class D Shares (AMSDX)**

**Class I Shares (AMSIX)**

**October 17, 2023**

Ares Private Markets Fund (the "Fund") is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), as a non-diversified, closed-end management investment company. Ares Capital Management II LLC serves as the Fund's investment adviser (the "Adviser") and is responsible for making investment decisions for the Fund's portfolio.

The Fund's investment objective is to seek attractive long-term capital appreciation. In pursuing its investment objective, the Fund invests in an actively managed portfolio of private equity and other private assets (collectively, "Private Assets"). The Fund may gain access to Private Assets through a number of different approaches, including: (i) secondary purchases of interests in private equity and other private asset funds managed by unaffiliated asset managers ("Portfolio Funds"), including through privately negotiated transactions, from investors in a Portfolio Fund or directly from the Portfolio Fund ("Secondary Investments"); (ii) primary investments in Portfolio Funds ("Primary Investments"); and (iii) direct investments in the equity and/or debt of private companies, including investments alongside private equity firms ("Direct Investments"). The Fund expects to invest principally in Secondary Investments and, to a lesser degree, in Primary Investments and Direct Investments, although the allocation among those types of investments may vary from time to time. The Fund also invests a portion of its assets in a portfolio of liquid assets, including cash and cash equivalents, liquid fixed-income securities and other credit instruments, and other investment companies, including exchange traded funds.

This prospectus (the "Prospectus") applies to the offering of three separate classes of shares of beneficial interest of the Fund ("Shares") designated as Class A, Class D and Class I Shares. The Shares are generally offered on the first business day of each month at the net asset value ("NAV") per Share on that day. No person who is admitted as a shareholder of the Fund (a "Shareholder") will have the right to require the Fund to redeem its Shares.

	<u>Per Class A Share</u>	<u>Per Class D Share</u>	<u>Per Class I Share</u>	<u>Total</u>
Public Offering Price <sup>(1)</sup>	Current NAV	Current NAV	Current NAV	\$1,000,000,000
Sales Load <sup>(2)</sup>	3.50%	None	None	
Proceeds to the Fund <sup>(3)</sup>	Current NAV less applicable sales load	Current NAV	Current NAV	Up to \$1,000,000,000

<sup>(1)</sup> Generally, the stated minimum investment by an investor in the Fund is \$25,000 with respect to Class A Shares and Class D Shares and \$1,000,000 with respect to Class I Shares. The stated minimum investment for Class I Shares may be reduced for certain investors as described under "Purchasing Shares."

<sup>(2)</sup> Investments in Class A Shares are sold subject to a sales charge of up to 3.50% of the investment. The table assumes the maximum sales load is charged. For some investors, the sales charge may be waived or reduced. The full amount of sales charge may be reallocated to brokers or dealers participating in the offering. Your financial intermediary may impose additional charges when you purchase Shares of the Fund. While neither the Fund nor the Distributor (as defined herein) impose an initial sales charge on Class I or Class D Shares, if a Shareholder buys Class D Shares through certain selling agents or financial intermediaries, such selling agent or financial intermediary may directly charge Shareholders transaction or other fees in such amount as they may determine. Class A Shares and Class D Shares pay a Distribution and Servicing Fee (as defined herein) to the Distributor at an annual rate of 0.85% and 0.25%, respectively, based on the aggregate net assets of the Fund attributable to such class. Class I Shares are not subject to a Distribution and Servicing Fee. See "Summary of Fund Fees and Expenses" and "Plan of Distribution."

<sup>(3)</sup> Assumes that all Shares currently registered are sold in the continuous offering and the maximum sales load is charged. The proceeds may differ from that shown if additional Shares are registered. The Fund bears certain ongoing offering costs associated with the Fund's continuous offering of Shares.

The Fund relies on an exemptive order from the U.S. Securities and Exchange Commission (the "SEC") that permits the Fund to offer more than one class of Shares, and the Fund may offer additional classes of Shares in the future. Each class of Shares is subject to different fees and expenses.

Investments in the Fund may be made only by eligible investors that are both "accredited investors" as defined in Section 501(a) of Regulation D under the Securities Act of 1933, as amended, and "qualified clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended.

**An investment in the Fund is speculative with a substantial risk of loss. The Fund and the Adviser do not guarantee any level of return or risk on investments and there can be no assurance that the Fund's investment objective will be achieved. You should carefully consider these risks together with all of the other information contained in this Prospectus before making a decision to invest in the Fund. See "Summary of Offering Terms—Risk Factors" and "Risks."**

- **The Fund has limited operating history.**
- **Shares are not listed on any securities exchange, and it is not anticipated that a secondary market for Shares will develop. Although the Fund may offer to repurchase Shares from time to time, Shares will not be redeemable at an investor's option nor will they be exchangeable for shares of any other fund. As a result, an investor may not be able to sell or otherwise liquidate his or her Shares. The Adviser intends to recommend that, in normal market circumstances, the Fund's Board of Trustees conduct quarterly repurchase offers of no more than 5% of the Fund's net assets.**
- **An investment in the Fund may not be suitable for investors who may need the money they invested in a specified timeframe.**
- **Shares are subject to substantial restrictions on transferability and resale and may not be transferred or resold except as permitted under the Fund's agreement and declaration of trust.**
- **The amount of distributions that the Fund may pay, if any, is uncertain.**

**You should rely only on the information contained in this Prospectus and the Fund's Statement of Additional Information. The Fund has not authorized anyone to provide you with different information. You should not assume that the information provided by this Prospectus is accurate as of any date other than the date shown below. Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

You should read this Prospectus, which concisely sets forth information about the Fund, before deciding whether to invest in the Shares and retain it for future reference. A Statement of Additional Information, dated October 17, 2023, containing additional information about the Fund (the "SAI"), has been filed with the SEC and, as amended from time to time, is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the SAI, the table of contents of which is on page 93 of this Prospectus, as well as free copies of the Fund's annual and semi-annual reports to Shareholders, and other information about the Fund by calling 1-866-324-7348, by writing to the Fund at 245 Park Avenue, 44th Floor, New York, New York 10167 or [wmsoperations@aresmgmt.com](mailto:wmsoperations@aresmgmt.com). The Prospectus, the SAI, and the Fund's annual and semi-annual reports to Shareholders are also published on the following website [www.areswms.com/ares-wealth-management-solutions/investors/apmf](http://www.areswms.com/ares-wealth-management-solutions/investors/apmf). You can get the same information for free from the SEC's website, <https://www.sec.gov>, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

**You should not construe the contents of this Prospectus as legal, tax or financial advice. You should consult with your own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Fund.**

**This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, a security in any jurisdiction or to any person to whom it is unlawful to make such an offer or solicitation in that jurisdiction.**

**The Fund's Shares do not represent a deposit or an obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**

Ares Wealth Management Solutions, LLC (the "Distributor"), an affiliate of the Fund and the Adviser, acts as principal underwriter for the Fund's Shares and serves in that capacity on a reasonable best efforts basis, subject to various conditions. The principal business address of the Distributor is 1200 17th Street, Suite 2900, Denver, Colorado 80202.

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## SUMMARY OF OFFERING TERMS

*The following is only a summary and does not contain all of the information that you should consider before investing in Ares Private Markets Fund (the "Fund"). Before investing in the Fund, you should carefully read the more detailed information appearing elsewhere in this Prospectus, the SAI and the Fund's Declaration of Trust (as defined herein).*

### **The Fund**

The Fund is a Delaware statutory trust that is registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") as a closed-end, non-diversified, management investment company. The Fund sells its Shares of beneficial interest ("Shares") only to eligible investors that are both "accredited investors," as defined in Section 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

The Fund relies on an exemptive order from the U.S. Securities and Exchange Commission (the "SEC") that permits the Fund to offer more than one class of Shares. The Fund currently offers three separate classes of Shares designated as Class A, Class D and Class I Shares. Each class of Shares is subject to different fees and expenses. The Fund may offer additional classes of Shares in the future.

The business operations of the Fund are managed and supervised under the direction of the Fund's Board of Trustees (the "Board"), subject to the laws of the State of Delaware and the Fund's agreement and declaration of trust (the "Declaration of Trust"). The Board is comprised of eight trustees, a majority of whom are not "interested persons" (as defined in the Investment Company Act) of the Fund ("Independent Trustees").

### **The Investment Adviser**

Ares Capital Management II LLC (the "Adviser") serves as the Fund's investment adviser. The Adviser is registered as an investment adviser with the SEC under the Advisers Act.

### **Investment Objective and Strategy**

The Fund's investment objective is to seek attractive long-term capital appreciation. In pursuing its investment objective, the Fund invests in an actively managed portfolio of private equity and other private assets (collectively, "Private Assets").

The Fund may gain access to Private Assets through a number of different approaches, including: (i) secondary purchases of interests in private equity and other private asset funds managed by unaffiliated asset managers ("Portfolio Funds"), including through privately negotiated transactions, from investors in a Portfolio Fund or directly from the Portfolio Fund ("Secondary Investments"); (ii) primary investments in Portfolio Funds ("Primary Investments"); and (iii) direct investments in the equity and/or debt of private companies, including investments alongside private equity firms ("Direct Investments"). The Fund expects to invest principally in Secondary Investments and, to a lesser degree, in Primary

Investments and Direct Investments, although the allocation among those types of investments may vary from time to time. Typical Secondary Investments generally will include purchases by the Fund of interests in Portfolio Funds, typically after the end of the Portfolio Fund's fundraising period, with existing underlying portfolio companies, whereas typical Primary Investments are investments in newly established Portfolio Funds where the underlying portfolio companies are not known as of the time of the Fund's commitment.

Under normal circumstances, the Fund intends to invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in Private Assets. The Adviser seeks to invest in Private Assets that represent a broad spectrum of types of private equity and other private asset opportunities (*e.g.*, buyout, venture and growth capital, special situations, credit, venture capital, infrastructure, real estate and private credit) and vintage years (*i.e.*, the year in which a Portfolio Fund begins investing).

The Adviser seeks to build a broad portfolio of assets within the Fund. By investing the Fund's assets across Secondary Investments, Primary Investments and Direct Illiquid Investments, as well as in Liquid Assets (as defined herein), the Adviser seeks to limit the Fund's exposure to uncalled commitments and to shorten the duration of expected cash flows relative to a traditional portfolio consisting substantially of Primary Investments. This portfolio construction approach is designed to maintain a relatively high level of exposure to Private Assets while still maintaining appropriate portfolio liquidity to manage redemptions by holders of the Fund's Shares ("Shareholders").

The Fund, either directly through Direct Investments or indirectly through Portfolio Funds, may invest in companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions, including emerging market countries. The Fund defines emerging market countries generally to include every nation in the world except developed countries, that is, the United States, Canada, Japan, Australia, New Zealand and most countries located in Western Europe. The Fund may seek to hedge all or a portion of the Fund's foreign currency risk. Depending on market conditions and the views of the Adviser, the Fund may or may not hedge all or a portion of its currency exposures.

The Adviser manages the Fund's asset allocation and investment decisions with a view towards managing liquidity and maintaining a high level of investment in Private Assets. The Fund's asset allocation and amount of Private Assets may be based, in part, on anticipated future capital calls and distributions from such investments. This may result in the Fund making commitments to Private Assets in an aggregate

amount that exceeds the total amounts invested by Shareholders in the Fund at the time of such commitment (*i.e.*, to "over-commit"). The Adviser may also take other anticipated cash flows into account, such as those relating to new subscriptions into the Fund, the repurchase of Shares through periodic tenders by Shareholders and any distributions made to Shareholders. To forecast portfolio cash flows, the Adviser utilizes quantitative and qualitative factors, including historical private equity data, actual portfolio observations and qualitative forecasts prepared by the Adviser.

The Fund is permitted to borrow money or issue debt securities in an amount up to 33 1/3% of its total assets in accordance with the Investment Company Act. The Fund has established a credit line to borrow money for a range of purposes, including to provide liquidity for capital calls by Portfolio Funds, to satisfy tender requests, to manage timing issues in connection with the inflows of additional capital and the acquisition of Fund investments and to otherwise satisfy Fund obligations. There is no assurance, however, that the Fund will be able to timely repay any borrowings under such credit line, which may result in the Fund incurring leverage on its portfolio investments from time to time. To enhance the Fund's liquidity, particularly in times of possible net outflows through the repurchase of Shares by periodic tender offers to Shareholders, the Adviser may sell certain of the Fund's assets.

The Fund also invests a portion of its assets in a portfolio of liquid assets ("Liquid Assets"), including cash and cash equivalents, liquid fixed income securities and other credit instruments, and other investment companies, including exchange traded funds ("ETFs"). During normal market conditions, it is generally not expected that the Fund will hold more than 20% of its net assets in Liquid Assets for extended periods of time. For temporary defensive purposes, liquidity management or in connection with implementing changes in its asset allocation, the Fund may hold a substantially higher amount of Liquid Assets.

The Fund may make investments directly or indirectly through one or more wholly-owned subsidiaries (each, a "Subsidiary" and collectively, the "Subsidiaries"). The Fund may form a Subsidiary in order to pursue its investment objective and strategies in a potentially tax-efficient manner or for the purpose of facilitating its use of permitted borrowings. Except as otherwise provided, references to the Fund's investments also will refer to any Subsidiary's investments.

There can be no assurance that the Fund's investment objective will be achieved or that the Fund's investment program will be successful.

## Principal Risk Factors

Investment in the Fund is suitable only for those persons who, either alone or together with their duly designated representative, have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of their proposed investment, who can afford to bear the economic risk of their investment, who are able to withstand a total loss of their investment and who have no need for liquidity in their investment and no need to dispose of their Shares to satisfy current financial needs and contingencies or existing or contemplated undertakings or indebtedness. Investors should consult with their own financial, legal, investment and tax advisors prior to investing in the Fund.

The following are certain principal risk factors that relate to the operations and terms of the Fund. These considerations, which do not purport to be a complete description of any of the particular risks referred to or a complete list of all risks involved in an investment in the Fund, should be carefully evaluated before determining whether to invest in the Fund. The Fund's investment program is speculative and entails substantial risks. In considering participation in the Fund, prospective investors should be aware of certain principal risk factors, including the following:

### **General Risks of Investing in the Fund**

**General Investment Risks.** There is no assurance that the investments held by the Fund will be profitable, that there will be proceeds from such investments available for distribution to Shareholders, or that the Fund will achieve its investment objective. An investment in the Fund is speculative and involves a high degree of risk.

**Limited Operating History.** The Fund is a non-diversified, closed-end management investment company with limited operating history. The Fund has limited historical financial statements and other meaningful operating or financial data on which potential investors may evaluate the Fund and its performance.

**Management Risk.** The Fund is subject to management risk because it is an actively managed investment portfolio. The Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. The Fund may be subject to a relatively high level of management risk because the Fund invests in Private Assets. The Fund's allocation of its investments across Portfolio Funds, Direct Investments and other portfolio investments representing various strategies, geographic regions, asset classes and sectors may vary significantly over time based on the Adviser's analysis and judgment. It is possible that the Fund will focus on an investment that performs poorly or underperforms other investments under various market conditions.

**Dependence on the Adviser and Key Personnel.** The Fund depends on the Adviser's ability to select, allocate and reallocate effectively the Fund's assets. The success of the Fund is thus substantially dependent on the Adviser and its continued employment of certain key personnel. Similarly, the success of each Portfolio Fund investment in which the Fund invests is also likely to be substantially dependent on certain key personnel of a Portfolio Fund Manager. There can be no assurance that these key personnel will continue to be associated with or available to the Adviser or the general partners of the Portfolio Funds throughout the life of the Fund.

**Closed-End Fund Structure; Liquidity Limited to Periodic Repurchases of Shares.** An investment in the Fund, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. The Shares are appropriate only for investors who are comfortable with investment in less liquid or illiquid portfolio investments within an illiquid fund. Unlike open-end funds (commonly known as mutual funds), which generally permit redemptions on a daily basis, the Shares are not redeemable at a Shareholder's option. Unlike stocks of listed closed-end funds, the Shares are not listed, and are not expected to be listed, for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Shares in the foreseeable future.

**Repurchase of Shares Risk.** Although the Board may, in its sole discretion, cause the Fund to offer to repurchase outstanding Shares at their net asset value and the Adviser intends to recommend that, in normal market circumstances, the Board conduct quarterly repurchase offers of no more than 5% of the Fund's net assets, there can be no assurance that the Fund will conduct repurchase offers in any particular period and Shareholders may be unable to tender Shares for repurchase for an indefinite period of time. Offers for repurchases of Shares, if any, may be suspended, postponed or terminated by the Board under certain circumstances.

It is possible that the Fund may be unable to repurchase all of the Shares that a Shareholder tenders due to the illiquidity of the Fund's investments or if the Shareholders request the Fund to repurchase more Shares than the Fund is then offering to repurchase. In addition, substantial requests for the Fund to repurchase Shares could require the Fund to liquidate certain of its investments more rapidly than otherwise desirable in order to raise cash to fund the repurchases and achieve a market position appropriately reflecting a smaller asset base. This could have a material adverse effect on the value of the Shares.

There will be a substantial period of time between the date as of which Shareholders must submit a request to have their Shares repurchased and the date they can expect to receive payment for their Shares from the Fund. Shareholders whose

Shares are accepted for repurchase bear the risk that the Fund's net asset value may fluctuate significantly between the time that they submit their repurchase requests and the date as of which such Shares are valued for purposes of such repurchase. Shareholders will have to decide whether to request that the Fund repurchase their Shares without the benefit of having current information regarding the value of Shares on a date proximate to the date on which Shares are valued by the Fund for purposes of effecting such repurchases. See "Repurchase of Shares."

**Payment In-Kind For Repurchased Shares.** The Fund generally expects to distribute to Shareholders that have their Shares repurchased cash in satisfaction of such repurchase. However, there can be no assurance that the Fund will have sufficient cash to pay for Shares that are being repurchased or that it will be able to liquidate investments at favorable prices to pay for repurchased Shares. The Fund has the right to distribute securities as payment for repurchased Shares in unusual circumstances, including if making a cash payment would result in a material adverse effect on the Fund. In the event that the Fund makes such a distribution of securities, Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities.

**Restrictions on Transfers.** Transfers of Shares may be made only with consent of the Fund, which may be withheld in the Fund's sole discretion. Notice to the Fund of any proposed transfer must include evidence satisfactory to the Fund that the proposed transferee, at the time of transfer, meets any requirements imposed by the Fund with respect to investor eligibility and suitability.

**Non-Diversified Status.** The Fund is a "non-diversified" investment company for purposes of the Investment Company Act, which means it is not subject to percentage limitations under the Investment Company Act on assets that may be invested in the securities of any one issuer. Having a larger percentage of assets in a smaller number of issuers makes a non-diversified fund, like the Fund, more susceptible to the risk that one single event or occurrence can have a significant adverse impact upon the Fund.

**Valuation Risk.** The Fund is subject to valuation risk, which is the risk that one or more of the securities in which the Fund invests are valued at prices that the Fund is unable to obtain upon sale due to factors such as incomplete data, market instability, human error, or, with respect to securities for which there are no readily available market quotations, the inherent difficulty in determining the fair value of certain types of investments. The Adviser may, but is not required to, use an independent pricing service or prices provided by dealers to value securities at their market value. Because the

secondary markets for certain investments may be limited, such instruments may be difficult to value.

A substantial portion of the Fund's assets consist of Portfolio Funds and Direct Investments for which there are no readily available market quotations. The information available in the marketplace for such companies, their securities and the status of their businesses and financial conditions is often extremely limited, outdated and difficult to confirm. Such securities are valued by the Adviser at fair value as determined pursuant to the Adviser's valuation policy and procedures.

The value at which the Fund's investments can be liquidated may differ, sometimes significantly, from the valuations assigned by the Fund. In addition, the timing of liquidations may also affect the values obtained on liquidation. The Fund invests a significant amount of its assets in Private Assets for which no public market exists. There can be no guarantee that the Fund's investments could ultimately be realized at the Fund's valuation of such investments.

The Fund's net asset value is a critical component in several operational matters including computation of the Advisory Fee, the Incentive Fee and the Distribution and Servicing Fee, and determination of the price at which the Shares will be offered and at which a repurchase offer will be made. Consequently, variance in the valuation of the Fund's investments will impact, positively or negatively, the fees and expenses Shareholders will pay, the price a Shareholder will receive in connection with a repurchase offer and the number of Shares an investor will receive upon investing in the Fund.

**Amount or Frequency of Distribution.** The Fund expects to pay distributions out of assets legally available for distribution from time to time, at the sole discretion of the Board, and otherwise in a manner to comply with Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). See "Distributions." Nevertheless, the Fund cannot assure Shareholders that the Fund will achieve investment results that will allow the Fund to make a specified level of cash distributions or year-to-year increases in cash distributions. All distributions will depend on the Fund's earnings, its net investment income, its financial condition, and such other factors as the Board may deem relevant from time to time.

#### **Risks of Investing in Private Assets**

**Risks of Private Equity Strategies.** The Fund's investment portfolio will include Direct Investments in private companies and investments in Portfolio Funds, which hold securities issued primarily by private companies. Operating results for private companies in a specified period will be difficult to predict. Such investments involve a high degree

of business and financial risk that can result in substantial losses.

**Risks Associated with Private Company Investments.**

Private companies are generally not subject to SEC reporting requirements, are not required to maintain their accounting records in accordance with generally accepted accounting principles, and are not required to maintain effective internal controls over financial reporting. As a result, there is risk that the Fund may invest on the basis of incomplete or inaccurate information, which may adversely affect the Fund's investment performance. Private companies in which the Fund may invest also may have limited financial resources, shorter operating histories, more asset concentration risk, narrower product lines and smaller market shares than larger businesses, which tend to render such private companies more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, investments in private companies generally are in restricted securities that are not traded in public markets and subject to substantial holding periods. There can be no assurance that the Fund will be able to realize the value of such investments in a timely manner.

**Competition for Access to Private Equity Investment Opportunities.**

There can be no assurance that the Adviser will be able to secure interests on behalf of the Fund in all of the investment opportunities that it identifies for the Fund, or that the size of the interests available to the Fund will be as large as the Adviser would desire.

In addition, certain provisions of the Investment Company Act prohibit the Fund from engaging in transactions with the Adviser and its affiliates; however, unregistered funds also managed by the Adviser are not prohibited from the same transactions. The Investment Company Act also imposes significant limits on co-investments with affiliates of the Fund. The Adviser and certain other Ares-advised funds ("Other Managed Funds") have received an exemptive order from the SEC, which the Fund may also rely on, that permits the Fund to co-invest alongside its affiliates in privately negotiated investments (the "Co-Investment Exemptive Order"). Co-investments made under the Co-Investment Exemptive Order are subject to compliance with certain conditions and other requirements, which could limit the Fund's ability to participate in a co-investment transaction. An inability to receive the desired allocation to potential investments may affect the Fund's ability to achieve the desired investment returns.

**Portfolio Fund Risks.** The Fund's investments in Portfolio Funds are subject to a number of risks. Portfolio Fund interests are expected to be illiquid, their marketability may be restricted and the realization of investments from them may take considerable time and/or be costly. Although the Adviser seeks to receive detailed information from each Portfolio Fund regarding its business strategy and any performance history, in most cases the Adviser will have little or no means of independently verifying this information. In addition, Portfolio Funds may have little or no near-term cash flow available to distribute to investors, including the Fund.

Portfolio Fund interests are ordinarily valued based upon valuations provided by the Portfolio Fund Managers, which may be received on a delayed basis. Certain securities in which the Portfolio Funds invest may not have a readily ascertainable market price and are fair valued by the Portfolio Fund Managers. The Adviser reviews and performs due diligence on the valuation procedures used by each Portfolio Fund Manager and monitor the returns provided by the Portfolio Funds. However, neither the Adviser nor the Board is able to confirm the accuracy of valuations provided by Portfolio Fund Managers.

The Fund will pay asset-based fees, and, in most cases, will be subject to performance-based fees in respect of its interests in Portfolio Funds. Such fees and performance-based compensation are in addition to the Advisory Fee. In addition, performance-based fees charged by Portfolio Fund Managers may create incentives for the Portfolio Fund Managers to make risky investments, and may be payable by the Fund to a Portfolio Fund Manager based on a Portfolio Fund's positive returns even if the Fund's overall returns are negative. Moreover, a Shareholder in the Fund will indirectly bear a proportionate share of the fees and expenses of the Portfolio Funds, in addition to its proportionate share of the expenses of the Fund.

**Portfolio Funds' Underlying Investments.** The investments made by the Portfolio Funds entail a high degree of risk and in most cases are highly illiquid and difficult to value. The Fund will not obtain or seek to obtain any control over the management of any portfolio company in which any Portfolio Fund may invest. The success of each investment made by a Portfolio Fund will largely depend on the ability and success of the management of the portfolio companies in addition to economic and market factors.

**Risks Associated with Secondary Investments.** The Fund may make Secondary Investments in Portfolio Funds by acquiring the interests in the Portfolio Funds from existing investors in such Portfolio Funds. In such instances, it is generally not expected that the Fund will have the opportunity to negotiate the terms of the interests being acquired, other than the purchase price, or other special rights or privileges. Moreover, there is no assurance that the Fund will be able to

purchase interests at attractive discounts to net asset value, or at all. The overall performance of the Fund depends in large part on the acquisition price paid by the Fund for its Secondary Investments, the structure of such acquisitions and the overall success of the Portfolio Fund.

There is significant competition for Secondary Investments. No assurance can be given that the Fund will be able to identify Secondary Investments that satisfy the Fund's investment objective or, if the Fund is successful in identifying such Secondary Investments, that the Fund will be permitted to invest, or invest in the amounts desired, in such Secondary Investments.

**Regulatory Changes Affecting Private Equity Funds.** The legal, tax and regulatory environment for private equity funds is evolving, and it is possible that any future changes may materially adversely affect the ability of Portfolio Funds to pursue their investment strategies. Additionally, the SEC has proposed and enacted significant rules that will impact the business of the Portfolio Funds and the Portfolio Fund Managers. Any regulatory changes that adversely affect a Portfolio Fund's ability to implement its investment strategies could have a material adverse impact on the Portfolio Fund's performance, and thus on the Fund's performance.

**In-Kind Distributions from Portfolio Funds.** The Fund may receive in-kind distributions of securities from Portfolio Funds. There can be no assurance that securities distributed in kind by Portfolio Funds to the Fund will be readily marketable or saleable, and the Fund may be required to hold such securities for an indefinite period and/or may incur additional expense in connection with any disposition of such securities.

**Direct Investments Risks.** The Fund's investment portfolio will include Direct Investments, which are investments in the equity and/or debt securities of private companies, including alongside private equity funds and other private equity firms. There can be no assurance that the Fund will be given Direct Investment opportunities, or that any specific Direct Investment offered to the Fund would be appropriate or attractive to the Fund in the Adviser's judgment. Due diligence is conducted on Direct Investment opportunities; however, the Adviser may not have the ability to conduct the same level of due diligence applied to other investments. In addition, the Adviser may have little to no opportunities to negotiate the terms of such Direct Investments. The Fund's ability to dispose of Direct Investments may be severely limited.

Many entities compete with the Fund in pursuing Direct Investments. Furthermore, many competitors are not subject to the regulatory restrictions that the Investment Company Act imposes on the Fund. As a result of this competition, the

Fund may not be able to pursue attractive Direct Investment opportunities from time to time.

**Direct Investing Alongside Other Parties Risks.** Direct investing alongside one or more other parties in an investment (i.e., as a co-investor) involves risks that may not be present in investments made by lead or sponsoring private equity investors. As a co-investor, the Fund may have interests or objectives that are inconsistent with those of the lead private equity investors that generally have a greater degree of control over such investments. In addition, the Fund may in certain circumstances be liable for the actions of its third-party co-venturers. Direct Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third party partners or co-venturers. There can be no assurance that appropriate minority shareholder rights will be available to the Fund or that such rights will provide sufficient protection to the Fund's interests.

The Fund is subject to additional risks associated with different investments, including its investments in Liquid Assets. For information about those risks, see "Other Investment Risks" and "Other Risks" under the "Risks" section starting on page 33 of the Prospectus.

#### **Distributor**

Ares Wealth Management Solutions, LLC, an affiliate of the Fund and the Adviser, acts as distributor for the Fund's Shares (the "Distributor") and serves in that capacity on a reasonable best efforts basis, subject to various conditions.

The Distributor may retain additional selling agents or other financial intermediaries to place Shares in the Fund. Such selling agents or other financial intermediaries may impose terms and conditions on Shareholder accounts and investments in the Fund that are in addition to the terms and conditions set forth in this Prospectus.

#### **Share Classes; Minimum Investments**

The Fund offers three separate classes of Shares designated as Class A, Class D and Class I Shares. Each class of Shares has differing characteristics, particularly in terms of the sales charges that Shareholders in that class may bear, and the Distribution and Servicing Fee (as defined herein) that each class may be charged. Selling agents typically receive the sales load with respect to Class A Shares purchased by their clients. While neither the Fund nor the Distributor impose an initial sales charge on Class I or Class D Shares, if a Shareholder buys Class D Shares through certain selling agents or financial intermediaries, such selling agent or financial intermediary may directly charge Shareholders transaction or other fees in such amount as they may determine. Shareholders should consult their financial advisors at such selling agents or financial intermediaries.

The minimum initial investment in the Fund by any investor is \$25,000 with respect to Class A Shares and Class D Shares, and \$1,000,000 with respect to Class I Shares. The minimum

additional investment in the Fund by any investor is \$5,000, except for additional purchases pursuant to the dividend reinvestment plan.

The stated minimum investment for Class I Shares may be reduced for certain investors as described under "Purchasing Shares." In addition, the Board reserves the right to accept lesser amounts below these minimums for Trustees of the Fund and employees of Ares Management Corporation and its affiliates ("Ares") and vehicles controlled by such employees. With respect to Class I Shares, the Board has approved a minimum initial investment of \$25,000 for Trustees of the Fund and employees of Ares and vehicles controlled by such employees.

The minimum initial and additional investments may be reduced by either the Fund or the Distributor in the discretion of each for certain investors based on consideration of various factors, including the investor's overall relationship with the Adviser or Distributor, the investor's holdings in other funds affiliated with the Adviser or Distributor, and such other matters as the Adviser or Distributor may consider relevant at the time, though Shares will only be sold to investors that satisfy the Fund's eligibility requirements. The minimum initial and additional investments may also be reduced by either the Fund or the Distributor in the discretion of each for clients of certain registered investment advisers, broker dealers and other financial intermediaries based on consideration of various factors, including the registered investment adviser or other financial intermediaries' overall relationship with the Adviser or Distributor, the type of distribution channels offered by the intermediary and such other factors as the Adviser or Distributor may consider relevant at the time.

In addition, the Fund may, in the discretion of the Adviser or Distributor, aggregate the accounts of clients of registered investment advisers, broker dealers and other financial intermediaries whose clients invest in the Fund for purposes of determining satisfaction of minimum investment amounts. At the discretion of the Adviser or the Distributor, the Fund may also aggregate the accounts of clients of certain registered investment advisers, broker dealers and other financial intermediaries across Share classes for purposes of determining satisfaction of minimum investment amounts for a specific Share class. The aggregation of accounts of clients of registered investment advisers, broker dealers and other financial intermediaries for purposes of determining satisfaction of minimum investment amounts for the Fund or for a specific Share class may be based on consideration of various factors, including the registered investment adviser or other financial intermediaries' overall relationship with the Adviser or Distributor, the type of distribution channels offered by the intermediary and such other factors as the Adviser or Distributor may consider relevant at the time.

## **Exchange of Shares**

Assuming the exchange meets the eligibility requirements of the class into which such Shareholder seeks to exchange and the Fund has received proper instruction from the financial intermediary to effect such exchange and consents to such exchange, (i) a financial intermediary may, in its discretion, determine to exchange a Shareholder's Shares at such Shareholder's request and (ii) in certain cases, where a holder of Class A Shares or Class D Shares is no longer eligible to hold such class of Shares based on the Shareholder's arrangements with its financial intermediary, (a) such holder's Class A Shares may be exchanged into an equivalent net asset value amount of Class D Shares or Class I Shares and (b) such holder's Class D Shares may be exchanged into an equivalent net asset value amount of Class I Shares.

An investor may be permitted to exchange Shares between classes of Shares of the Fund, provided that, among other things: (1) the investor's aggregate investment would have met the minimum initial investment requirements in the applicable class at the time of purchase and continues to meet those requirements; (2) the Shares are otherwise available for offer and sale; and (3) the investment meets all other requirements for investing in the applicable class. When an individual investor cannot meet the minimum initial investment requirements of the applicable class, exchanges of Shares from one class to the applicable class may be permitted if such investor's investment is made by an intermediary that has discretion over the account and has invested other clients' assets in the Fund, which when aggregated together with such investor's investment, meet the minimum initial investment requirements for the applicable class. Investors will not be charged any fees by the Fund for such exchanges. Ongoing fees and expenses incurred by a given class will differ from those of other Share classes, and an investor receiving new Shares in an exchange may be subject to lower total expenses following such exchange. Exchange transactions will be effected only into an identically registered account. While exchange transactions will generally not be treated as a redemption for federal income tax purposes, investors should consult their tax advisors as to the federal, foreign, state and local tax consequences of an exchange. The Fund also reserves the right to revise or terminate the exchange privilege, limit the amount or number of exchanges or reject any exchange.

## **Eligible Investors**

Although the Shares are registered under the Securities Act, the Shares are sold only to persons or entities that are both "accredited investors," as defined in Section 501(a) of Regulation D under the Securities Act, and "qualified clients," as defined in Rule 205-3 under the Advisers Act.

In addition, Shares are generally being offered only to investors that are U.S. persons for U.S. federal income tax purposes, although the Fund may offer Shares to non-U.S. persons on a limited basis, subject to appropriate diligence by the Adviser and in compliance with applicable law. The

## **Purchasing Shares**

qualifications required to invest in the Fund are in subscription documents that must be completed by each prospective investor.

Each prospective investor in the Fund should obtain the advice of his, her or its own legal, accounting, tax and other advisers in reviewing documents pertaining to an investment in the Fund, including, but not limited to, this Prospectus, the SAI and the Declaration of Trust before deciding to invest in the Fund.

Shares generally are offered for purchase as of the first business day of each calendar month, or at such other times as determined in the discretion of the Board. The purchase price of the Shares is based on the net asset value per Share as of the date such Shares are purchased. Fractions of Shares are issued to one one-hundredth of a Share.

Class A Shares are sold subject to a sales load of up to 3.50% of the purchase amount. For some investors, the sales charge may be waived or reduced. The full amount of the sales charge may be reallocated to brokers or dealers participating in the offering. Your financial intermediary may impose additional charges when you purchase Shares of the Fund. While neither the Fund nor the Distributor impose an initial sales charge on Class I Shares or Class D Shares, if a Shareholder buys Class D Shares through certain selling agents or financial intermediaries, such selling agent or financial intermediary may directly charge Shareholders transaction or other fees in such amount as they may determine.

Subscriptions are generally subject to the receipt of cleared funds on or prior to the acceptance date set by the Fund and notified to prospective investors. An investor who misses the acceptance date will have the effectiveness of his, her or its investment in the Fund delayed until the following month.

Pending any closing, funds received from prospective investors will be placed in an account with DST Asset Manager Solutions, Inc., the Fund's transfer agent (the "Transfer Agent"). On the date of any closing, the balance in the account with respect to each investor whose investment is accepted will be invested in the Fund on behalf of such investor. Prospective investors whose subscriptions to purchase Shares are accepted by the Fund will become shareholders by being admitted as Shareholders.

A prospective investor must submit a completed subscription document on or prior to the acceptance date set by the Fund and notified to prospective investors. An existing Shareholder generally may subscribe for additional Shares by completing an additional subscription agreement by the acceptance date and funding such amount by the deadline. The Fund reserves the right to accept or reject, in its sole discretion, any request to purchase Shares at any time. The Fund also reserves the right to suspend or terminate offerings

of Shares at any time. Unless otherwise required by applicable law, any amount received in advance of a purchase ultimately rejected by the Fund will be returned promptly to the prospective investor without the deduction of any sales load, fees or expenses.

Prospective investors who purchase Shares through financial intermediaries will be subject to the procedures of those intermediaries through which they purchase Shares, which may include charges, investment minimums, cutoff times and other restrictions in addition to, or different from, those listed herein. Prospective investors purchasing shares of the Fund through financial intermediaries should acquaint themselves with their financial intermediaries' procedures and should read this Prospectus in conjunction with any materials and information provided by their financial intermediaries.

## **Distributions**

The Fund intends to make distributions on an annual basis in aggregate amounts representing substantially all of the Fund's investment company taxable income (including realized short-term capital gains), if any, earned during the year. Distributions may also include net capital gains, if any.

Because the Fund intends to qualify annually as a regulated investment company (a "RIC") under the Code, the Fund intends to distribute at least 90% of its annual net taxable income to its Shareholders. Nevertheless, there can be no assurance that the Fund will pay distributions to Shareholders at any particular rate. Each year, a statement on Internal Revenue Service ("IRS") Form 1099-DIV identifying the amount and character of the Fund's distributions will be mailed to Shareholders. See "Taxes, RIC Status" below and "Material U.S. Federal Income Tax Considerations."

## **Dividend Reinvestment Plan**

The Fund operates under a dividend reinvestment plan (the "DRIP") administered by DST Systems, Inc., an affiliate of the Transfer Agent ("DST"). Pursuant to the DRIP, the Fund's income dividends or capital gains or other distributions, net of any applicable U.S. withholding tax, are reinvested in the same class of Shares of the Fund.

Shareholders automatically participate in the DRIP, unless and until an election is made to withdraw from the DRIP on behalf of such participating Shareholder. A Shareholder who does not wish to have distributions automatically reinvested may terminate participation in the DRIP at any time by written instructions to that effect to DST. Shareholders who elect not to participate in the DRIP will receive all distributions in cash paid to the Shareholder of record (or, if the Shares are held in street or other nominee name, then to such nominee). Such written instructions must be received by DST 30 days prior to the record date of the distribution or the Shareholder will receive such distribution in Shares through the DRIP. Under the DRIP, the Fund's distributions to Shareholders are reinvested in full and fractional Shares.

**No Redemption; Restrictions on Transfer**

No Shareholder has the right to require the Fund to redeem Shares. With very limited exceptions, Shares are not transferable, and liquidity for investments in Shares may be provided only through periodic offers by the Fund to repurchase Shares from Shareholders. See "Repurchase of Shares."

**Repurchase of Shares**

To provide a limited degree of liquidity to Shareholders, at the sole discretion of the Adviser and subject to the Board's approval, the Fund may from time to time offer to repurchase Shares pursuant to written tenders by Shareholders.

Subject to the Board's discretion, under normal market circumstances, the Fund intends to conduct repurchase offers of no more than 5% of the Fund's net assets on a quarterly basis.

Any repurchases of Shares will be made at such times and on such terms as may be determined by the Board from time to time in its sole discretion. In determining whether the Fund should offer to repurchase Shares from Shareholders of the Fund pursuant to repurchase requests, the Board may consider, among other things, the recommendation of the Adviser as well as a variety of other operational, business and economic factors. The Fund may repurchase less than the full amount that Shareholders request to be repurchased.

Under certain circumstances, the Board may offer to repurchase Shares at a discount to their prevailing net asset value. The Board may under certain circumstances elect to postpone, suspend or terminate an offer to repurchase Shares.

A Shareholder who tenders some but not all of its Shares for repurchase will be required to maintain a minimum account balance of \$10,000. Such minimum ownership requirement may be waived by the Board, in its sole discretion. If such requirement is not waived by the Board, the Fund may redeem all of the Shareholder's Shares. To the extent a Shareholder seeks to tender all of the Shares they own and the Fund repurchases less than the full amount of Shares that the Shareholder requests to have repurchased, the Shareholder may maintain a balance of Shares of less than \$10,000 following such Share repurchase.

A 2.00% early repurchase fee will be charged by the Fund with respect to any repurchase of Shares from a Shareholder at any time prior to the day immediately preceding the one-year anniversary of the Shareholder's purchase of the Shares. Shares tendered for repurchase will be treated as having been repurchased on a "first in-first out" basis. An early repurchase fee payable by a Shareholder may be waived by the Fund in circumstances where the Board determines that doing so is in the best interests of the Fund. To the extent the Fund determines to waive, impose scheduled variations of, or eliminate an Early Repurchase Fee, it will do so consistently with the requirements of Rule 22d-1 under the Investment Company Act, and the Fund's waiver of, scheduled variation

in, or elimination of, the Early Repurchase Fee will apply uniformly to all Shareholders regardless of Share class. See "Repurchase of Shares."

## **Fees and Expenses**

On an ongoing basis, the Fund bears its own operating expenses (including, without limitation, its ongoing offering expenses). A more detailed discussion of the Fund's expenses can be found below under "Advisory Fee," "Incentive Fee," "Administrator" and "Distribution and Servicing Fee for Class A and Class D Shares."

## **Advisory Fee**

In consideration of the advisory services provided by the Adviser, the Fund pays the Adviser a quarterly advisory fee at an annual rate of 1.40% based on the value of the Fund's Managed Assets (as defined below) calculated and accrued monthly as of the last business day of each month (the "Advisory Fee"). "Managed Assets" means the total assets of the Fund (including any assets attributable to any borrowings or other indebtedness or preferred shares that may be issued) minus the Fund's liabilities other than liabilities relating to borrowings or other indebtedness.

For purposes of determining the Advisory Fee payable to the Adviser, the value of the Fund's Managed Assets will be calculated prior to the inclusion of the Advisory Fee and Incentive Fee, if any, payable to the Adviser or to any purchases or repurchases of Shares of the Fund or any distributions by the Fund. The Advisory Fee is payable in arrears within 5 business days after the completion of the net asset value computation for the quarter. The Advisory Fee is paid to the Adviser out of the Fund's assets, and therefore decreases the net profits or increases the net losses of the Fund.

The services of all investment professionals and staff of the Adviser, when and to the extent engaged in providing investment advisory and management services, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Adviser. The Fund bears all other costs and expenses of its operations and transactions as set forth in its investment advisory and management agreement with the Adviser (as amended from time to time, the "Investment Advisory and Management Agreement").

In addition to the fees and expenses to be paid by the Fund under the Investment Advisory and Management Agreement, the Adviser and its affiliates are entitled to reimbursement by the Fund of the Adviser's and its affiliates' cost of providing the Fund with certain non-advisory services. If persons associated with the Adviser or any of its affiliates, including persons who are officers of the Fund, provide accounting, legal, clerical, compliance or administrative and similar oversight services to the Fund at the request of the Fund, the Fund will reimburse the Adviser and its affiliates for their costs in providing such accounting, legal, clerical, compliance

## **Incentive Fee**

or administrative and similar oversight services to the Fund (which costs may include an allocation of overhead including rent and the allocable portion of the salaries and benefits of the relevant persons and their respective staffs, including travel expenses), using a methodology for determining costs approved by the Board. See "Investment Advisory and Management Agreement."

At the end of each calendar quarter of the Fund, the Adviser is entitled to receive an incentive fee equal to 12.5% of the difference, if positive, between (i) the net profits of the Fund for the relevant period and (ii) the balance, if any, of the Loss Recovery Account (as defined below) at the start of the relevant period (the "Incentive Fee"). For the purposes of the Incentive Fee, the term "net profits" shall mean (i) the amount by which the net asset value of the Fund on the last day of the relevant period exceeds the net asset value of the Fund as of the commencement of the same period, including any net change in unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses (including offering and organizational expenses) plus (ii) the aggregate distributions accrued during the period.

The Fund maintains a memorandum account (the "Loss Recovery Account"), which had an initial balance of zero and is (i) increased upon the close of each calendar quarter of the Fund by the amount of the net losses of the Fund for the quarter, and (ii) decreased (but not below zero) upon the close of each calendar quarter by the amount of the net profits of the Fund for the quarter. Net losses are defined as the amount by which the net asset value of the Fund on the last day of the relevant period is less than the net asset value of the Fund as of the commencement of the same period, including any net change in unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses (including offering and organizational expenses).

For the avoidance of doubt, any change in the net asset value of the Fund directly as a result of subscriptions or repurchases during each measurement period are not included for purposes of the "net profits" or "net losses" calculations. Shareholders of the Fund will benefit from the Loss Recovery Account in proportion to their holdings of Shares, although such benefit may vary depending on when a Shareholder purchases or redeems Shares and the balance in the Loss Recovery Account at such time.

The Adviser does not return to the Fund amounts paid to it on net profits that the Fund has not yet received in cash if such amounts are not ultimately received by the Fund in cash. If the Fund does not ultimately receive amounts in cash, a loss would be recognized, which would increase the amount of the Loss Recovery Account and reduce future Incentive Fee payments.

Any Incentive Fee payable by the Fund that relates to an increase in value of the Fund's investments may be computed and paid on gain or income that is unrealized, and the Adviser is not obligated to reimburse the Fund for any part of an Incentive Fee it previously received. If a Fund investment with an unrealized gain subsequently decreases in value, it is possible that such unrealized gain previously included in the calculation of an Incentive Fee will never become realized. Thus, the Fund could have paid an Incentive Fee on income or gain the Fund never received.

Prior to September 26, 2023, the Loss Recovery Account was permitted to be reset on a trailing four-quarter measurement period, with such measurement period commencing at the conclusion of the first calendar quarter of the Fund's operations (i.e., June 30, 2022). As a result, the only reset of the Loss Recovery Account occurred on June 30, 2023. This reset had no impact on the Loss Recovery Account, as the Loss Recovery Account had no balance as of June 30, 2023. The Fund's net losses maintained on its Loss Recovery Account will not be reset after July 1, 2023.

#### **Distribution and Servicing Fee**

Class A and Class D Shares are subject to an ongoing distribution and shareholder servicing fee (the "Distribution and Servicing Fee") to compensate financial industry professionals for distribution-related expenses, if applicable, and providing ongoing services in respect of Shareholders who own Class A or Class D Shares of the Fund. Under the terms of the SEC exemptive relief that the Fund relies on to offer multiple classes of Shares, the Fund is subject to Rule 12b-1 under the Investment Company Act. Accordingly, the Fund has adopted a distribution and servicing plan for its Class A Shares and Class D Shares (the "Distribution and Servicing Plan") and pays the Distribution and Servicing Fee with respect to its Class A and Class D Shares. The Distribution and Servicing Plan operates in a manner consistent with Rule 12b-1 under the Investment Company Act.

Class A Shares and Class D Shares pay a Distribution and Servicing Fee to the Distributor at an annual rate of 0.85% and 0.25%, respectively, based on the aggregate net assets of the Fund attributable to such class. For purposes of determining the Distribution and Servicing Fee, net asset value will be calculated prior to any reduction for any fees and expenses, including, without limitation, the Distribution and Servicing Fee payable.

Class I Shares are not subject to a Distribution and Servicing Fee.

The Adviser, or its affiliates, may pay additional compensation out of its own resources (i.e., not Fund assets) to certain selling agents or financial intermediaries in connection with the sale of the Shares. The additional compensation may differ among brokers or dealers in amount

or in the amount of calculation. Payments of additional compensation may be fixed dollar amounts or, based on the aggregate value of outstanding Shares held by Shareholders introduced by the broker or dealer, or determined in some other manner. The receipt of the additional compensation by a selling broker or dealer may create potential conflicts of interest between an investor and its broker or dealer who is recommending the Fund over other potential investments.

#### **Administrator**

The Fund has retained ALPS Fund Services, Inc. (the "Administrator") to provide it with certain administration and accounting services. In consideration for these services, the Fund pays the Administrator tiered fees based on the average monthly value of the Fund's Managed Assets, subject to a minimum annual fee, as well as certain other fixed, per-account or transactional fees (the "Administration Fee"). The Administration Fee is paid to the Administrator out of the assets of the Fund and therefore decreases the net profits or increases the net losses of the Fund. The Fund also reimburses the Administrator for certain out-of-pocket expenses and pays the Administrator a fee for transfer agency services. See "Administration and Accounting Services."

#### **Transfer Restrictions**

A Shareholder may assign, transfer, sell, encumber, pledge or otherwise dispose of (each, a "transfer") Shares only (i) by operation of law pursuant to the death, divorce, insolvency, bankruptcy, or adjudicated incompetence of the Shareholder; or (ii) under other limited circumstances, with the consent of the Fund (which may be withheld in its sole discretion).

Notice of a proposed transfer of Shares must be accompanied by properly completed transfer information documents in respect of the proposed transferee and must include evidence satisfactory to the Fund that the proposed transferee, at the time of the transfer, meets any requirements imposed by the Fund with respect to investor eligibility and suitability. Each transferring Shareholder and transferee may be charged reasonable expenses, including attorneys' and accountants' fees, incurred by the Fund in connection with the transfer.

#### **Taxes; RIC Status**

The Fund intends to elect to be treated as, and intends to continue to qualify each year to be treated as, a regulated investment company or a "RIC" under Subchapter M of the Code. As such, the Fund generally will not be subject to U.S. federal corporate income tax, provided that it distributes all of its net taxable income and gains each year. It is anticipated that the Fund will principally recognize capital gains and dividends and therefore dividends paid to Shareholders in respect of such income generally will be taxable to Shareholders at the reduced rates of U.S. federal income tax that are applicable to individuals for "qualified dividends" and long-term capital gains.

In addition, because the Fund intends to qualify as a RIC, it is expected to have certain attributes that are not generally found in traditional unregistered private equity fund of funds. These

include providing simpler tax reports to Shareholders on Form 1099-DIV and the avoidance of unrelated business taxable income for benefit plan investors and other investors that are exempt from payments of U.S. federal income tax.

For a discussion of certain tax risks and considerations relating to an investment in the Fund, see "Material U.S. Federal Income Tax Considerations."

***Prospective investors are urged to consult their tax advisers with respect to the specific U.S. federal, state, local, U.S. and non-U.S. tax consequences, including applicable tax reporting requirements.***

**Tax Reports**

The Fund will distribute to its Shareholders, after the end of each calendar year, IRS Forms 1099-DIV detailing the amounts includible in such Shareholder's taxable income for such year as ordinary income, qualified dividend income and long-term capital gains. Dividends and other taxable distributions are taxable to the Fund's Shareholders even if they are reinvested in additional Shares pursuant to the DRIP.

**Reports to Shareholders**

The Fund will provide Shareholders with an audited annual report and an unaudited semi-annual report within 60 days after the close of the reporting period for which the report is being made, or as otherwise required by the Investment Company Act. Shareholders will also receive quarterly commentary regarding the Fund's operations and investments.

The Fund will furnish to Shareholders as soon as practicable after the end of each taxable year information on Form 1099 to assist Shareholders in preparing their tax returns.

**Fiscal and Tax Year**

The Fund's fiscal year is the 12-month period ending on March 31st. The Fund's taxable year is the 12-month period ending on September 30th.

**Term**

The Fund's term is perpetual unless the Fund is otherwise terminated under the terms of the Declaration of Trust.

**Custodian and Transfer Agent**

UMB Bank, N.A. serves as the Fund's custodian, and DST Asset Manager Solutions, Inc. serves as the Fund's transfer agent.

## SUMMARY OF FEES AND EXPENSES

The fee table below is intended to assist Shareholders in understanding the various costs and expenses that the Fund expects to incur, and that Shareholders can expect to bear, by investing in the Fund.

<b>Shareholder Transaction Expenses</b> <i>(fees paid directly from your investment)</i>	<b>Class A Shares</b>	<b>Class D Shares</b>	<b>Class I Shares</b>
Maximum Sales Load (as a percentage of purchase amount) <sup>(1)</sup>	3.50%	None	None
Maximum Early Repurchase Fee (as a percentage of repurchased amount) <sup>(2)</sup>	2.00%	2.00%	2.00%
<b>Estimated Annual Operating Expenses</b> <i>(as a percentage of net assets attributable to Shares)</i>	<b>Class A Shares</b>	<b>Class D Shares</b>	<b>Class I Shares</b>
Advisory Fee <sup>(3)(7)</sup>	1.40%	1.40%	1.40%
Incentive Fee <sup>(4)</sup>	0.58%	0.58%	0.58%
Other Expenses <sup>(5)</sup>	0.44%	0.44%	0.44%
Distribution and Servicing Fee	0.85%	0.25%	None
Acquired Fund Fees and Expenses <sup>(6)</sup>	0.63%	0.63%	0.63%
Interest Payments on Borrowed Funds	0.07%	0.07%	0.07%
Total Annual Expenses	3.97%	3.37%	3.12%
Fee Waiver and/or Expense Reimbursement <sup>(3)(7)</sup>	(0.14)%	(0.14)%	(0.14)%
Total Annual Expenses (After Fee Waiver and/or Expense Reimbursement)	3.83%	3.23%	2.98%

- Investors purchasing Class A Shares may be subject to a sales load of up to 3.50% of the investment amount. While neither the Fund nor the Distributor impose an initial sales charge on Class I or Class D Shares, if a shareholder buys Class D Shares through certain selling agents or financial intermediaries, such selling agent or financial intermediary may directly charge Shareholders transaction or other fees in such amount as they may determine.
- A 2.00% Early Repurchase Fee payable to the Fund will be charged with respect to the repurchase of Shares at any time prior to the day immediately preceding the one-year anniversary of a Shareholder's purchase of the Shares (on a "first in - first out" basis). An Early Repurchase Fee payable by a Shareholder may be waived in circumstances where the Board determines that doing so is in the best interests of the Fund and in a manner that will not discriminate unfairly against any Shareholder. To the extent the Fund determines to waive, impose scheduled variations of, or eliminate an Early Repurchase Fee, it will do so consistently with the requirements of Rule 22d-1 under the Investment Company Act, and the Fund's waiver of, scheduled variation in, or elimination of, the Early Repurchase Fee will apply uniformly to all Shareholders regardless of Share class. The Early Repurchase Fee will be retained by the Fund for the benefit of the remaining Shareholders.
- The Fund pays the Adviser a quarterly Advisory Fee at an annual rate of 1.40% based on value of the Fund's Managed Assets, calculated and accrued monthly as of the last business day of each month. For purposes of determining the Advisory Fee payable to the Adviser, the value of the Fund's Managed Assets will be calculated prior to the inclusion of the Advisory Fee and Incentive Fee, if any, payable to the Adviser or to any purchases or repurchases of Shares of the Fund or any distributions by the Fund.
- At the end of each calendar quarter, the Adviser is entitled to receive an Incentive Fee equal to 12.5% of the difference, if positive, between (i) the net profits of the Fund for the relevant period and (ii) the then balance, if any, of the Loss Recovery Account. For the purposes of the Incentive Fee, the term "net profits" shall mean (i) the amount by which the net asset value of the Fund on the last day of the relevant period exceeds the net asset value of the Fund as of the commencement of the same period, including any net change in unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses (including offering and organizational expenses) plus (ii) the aggregate distributions accrued during the period. For the avoidance of doubt, any change in the net asset value of the Fund directly as a result of subscriptions or repurchases during each measurement period are not included for purposes of the "net profits" or "net losses" calculations.
- Other Expenses are based on estimated amounts for the current fiscal year and include, among other things, estimated professional fees and other expenses that the Fund bears, including initial and ongoing offering costs, fees and expenses of the Administrator, transfer agent and custodian and the reimbursement of costs of personnel associated with the Adviser or its affiliates who provide certain non-advisory services to the Fund, as permitted under the Investment Advisory and Management Agreement.
- Acquired Fund Fees and Expenses are based on estimated amounts for the current fiscal year and include the estimated fees and expenses of the Portfolio Funds in which the Fund is already invested and intends to invest based on the anticipated net proceeds of the offering. Some of

the Portfolio Funds in which the Fund intends to invest generally charge asset-based management fees. The managers of the Portfolio Funds may also receive performance-based compensation if the Portfolio Funds achieve certain profit levels, generally in the form of "carried interest" allocations of profits from the Portfolio Funds, which effectively will reduce the investment returns of the Portfolio Funds. The Portfolio Funds in which the Fund invests generally charge a management fee of 1.00% to 2.50%, and up to 30% of net profits as a carried interest allocation, subject to a clawback. The Acquired Fund Fees and Expenses disclosed above are based on historic returns of the Portfolio Funds in which the Fund already invests and expects to invest, which may change substantially over time. The Acquired Fund Fees and Expenses reflects operating expenses of the Portfolio Funds (i.e., management fees, administration fees and professional and other direct, fixed fees and expenses of the Portfolio Funds) and does not reflect any performance-based fees or allocations paid by the Portfolio Funds that are calculated solely on the realization and/or distribution of gains, or on the sum of such gains and unrealized appreciation of assets distributed in-kind. As such, fees and allocations for a particular period may be unrelated to the cost of investing in the Portfolio Funds.

7. Pursuant to an expense limitation agreement (the "Expense Limitation Agreement") with the Fund, the Adviser has agreed to waive fees that it would otherwise be paid, and/or to assume expenses of the Fund, if required to ensure that annual operating expenses (excluding (i) the Advisory Fee; (ii) the Incentive Fee; (iii) any Distribution and Servicing Fee; (iv) all fees and expenses of Portfolio Funds and Direct Investments in which the Fund invests (including all acquired fund fees and expenses); (v) transactional costs associated with consummated and unconsummated transactions, including legal costs and brokerage commissions, associated with the acquisition, disposition and maintenance of investments in Portfolio Funds, Direct Investments, exchange-traded funds and other investments; (vi) interest; (vii) taxes; (viii) brokerage commissions; (ix) dividend and interest expenses relating to short sales; and (x) extraordinary expenses (expenses resulting from events and transactions that are distinguished by their unusual nature and by the infrequency of their occurrence)) do not exceed 0.30% per annum of the average monthly net assets of each class of Shares. With respect to each class of Shares, the Fund agrees to repay the Adviser any fees waived under the Expense Limitation Agreement or any expenses the Adviser reimburses in excess of the Expense Limitation Agreement for such class of Shares, provided the repayments do not cause annual operating expenses for that class of Shares to exceed the expense limitation in place at the time the fees were waived and/or the expenses were reimbursed, or the expense limitation in place at the time the Fund repays the Adviser, whichever is lower. Any such repayments must be made within three years after the year in which the Adviser incurred the expense. The Expense Limitation Agreement has a term ending on November 1, 2024, and the Adviser may extend the term for a period of one year on an annual basis, subject to the approval of the Board, including a majority of the Independent Trustees.

The purpose of the table above and the examples below is to assist prospective investors in understanding the various costs and expenses Shareholders will bear.

The following examples are intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The examples assume that all distributions are reinvested at net asset value and that the percentage amounts listed under Annual Expenses remain the same (except that the examples incorporate the fee waiver and expense reimbursement arrangements from the Expense Limitation Agreement for only the one-year example and the first year of the three-, five- and ten-year examples). The one-year example for Class A Shares includes the maximum sales load set out in the table above. The assumption in the hypothetical example of a 5% annual return is required by regulation of the SEC and applicable to all registered investment companies. The assumed 5% annual return is not a prediction of, and does not represent, the projected or actual performance of the Fund.

### **Example 1**

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
You would pay the following expenses on a \$1,000 Class A Shares investment, assuming a 5% annual return:	\$72	\$150	\$230	\$437
You would pay the following expenses on a \$1,000 Class D Shares investment, assuming a 5% annual return:	\$33	\$102	\$174	\$364
You would pay the following expenses on a \$1,000 Class I Shares investment, assuming a 5% annual return:	\$30	\$95	\$162	\$342

### **Example 2**

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
You would pay the following expenses on a \$50,000 Class A Shares investment, assuming a 5% annual return:	\$3,609	\$7,523	\$11,517	\$21,861
You would pay the following expenses on a \$50,000 Class D Shares investment, assuming a 5% annual return:	\$1,629	\$5,114	\$8,711	\$18,219

You would pay the following expenses on a \$50,000 Class I Shares investment, assuming a 5% annual return:

	\$1,505	\$4,747	\$8,110	\$17,077
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The Examples above are based on the annual fees and expenses set forth on the table above. They should not be considered a representation of future expenses. Actual expenses may be greater or less than those shown, and the Fund's actual rate of return may be greater or less than the hypothetical 5.0% return assumed in the examples. A greater rate of return than that used in the Examples would increase the dollar amount of the asset-based fees paid by the Fund, as well as the effect of the Incentive Fee.

## FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help an investor understand the financial performance of the Fund's Class I Shares and Class D Shares for the period indicated. No Class A Shares of the Fund were issued and outstanding as of March 31, 2023. The information below has been audited by Ernst & Young LLP, independent registered accounting firm, whose report is included in the Fund's Annual Report along with the Fund's financial statements. The Fund's Annual Report is incorporated by reference in the Statement of Additional Information and is available, without charge, upon request.

### Class I

	For the Period April 1, 2022 (Commencement of Operations) to March 31, 2023
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$ 25.00
<b>INCOME FROM INVESTMENT OPERATIONS</b>	
Net investment (loss) <sup>(a)</sup>	(0.32)
Net realized and unrealized gain/(loss)	2.61
Total income from investment operations	2.29
<b>DISTRIBUTIONS</b>	
From net investment income	—
From net realized gain	(0.36)
Total distributions	(0.36)
<b>NET ASSET VALUE, END OF PERIOD</b>	\$ 26.93
<b>TOTAL RETURN<sup>(b)</sup></b>	9.27%
<b>RATIOS AND SUPPLEMENTAL DATA</b>	
Net assets, end of period (000's)	\$ 313,698
<b>RATIOS TO AVERAGE NET ASSETS<sup>(c)</sup></b>	
Ratio of gross expenses to average net assets <sup>(d)</sup>	4.66%
Ratio of expense waiver/reimbursements to average net assets	(2.66)%
Ratio of net expenses to average net assets <sup>(d)</sup>	2.00%
Ratio of net investment loss to average net assets	(1.26)%
<b>Credit Facility:</b>	
Aggregate principal amount, end of period (000's)	N/A <sup>(e)</sup>
Asset coverage, end of period per \$1,000	N/A <sup>(e)</sup>

**Senior Securities:**

Liquidation value, end of period (000's)	N/A <sup>(f)</sup>
Asset Coverage, end of period per \$1,000	N/A <sup>(f)</sup>

**PORTFOLIO TURNOVER RATE** 0%

<sup>(a)</sup> Per share numbers have been calculated using the average shares method.

<sup>(b)</sup> Total return is not annualized.

<sup>(c)</sup> The ratios do not include investment income or expenses of the Portfolio Funds in which the Fund invests. Organizational, offering expenses and Incentive Fees are not annualized.

<sup>(d)</sup> If Incentive Fees had been excluded, the expense ratios would have decreased by 1.40%.

<sup>(e)</sup> For the period ended March 31, 2023, the Fund did not utilize its credit facility.

<sup>(f)</sup> For the period ended March 31, 2023, the Fund did not issue any senior securities.

**Class D**

	For the Period September 1, 2022 (Commencement of Operations) to March 31, 2023
<b>NET ASSET VALUE, BEGINNING OF PERIOD</b>	\$ 25.14
<b>INCOME FROM INVESTMENT OPERATIONS</b>	
Net investment (loss) <sup>(a)</sup>	(0.56)
Net realized and unrealized gain/(loss)	2.65
Total income from investment operations	2.09
<b>DISTRIBUTIONS</b>	
From net investment income	—
From net realized gain	(0.36)
Total distributions	(0.36)
<b>NET ASSET VALUE, END OF PERIOD</b>	\$ 26.87
<b>TOTAL RETURN<sup>(b)</sup></b>	8.45%
<b>RATIOS AND SUPPLEMENTAL DATA</b>	
Net assets, end of period (000's)	\$ 1,631
<b>RATIOS TO AVERAGE NET ASSETS<sup>(c)</sup></b>	
Ratio of gross expenses to average net assets <sup>(d)</sup>	4.12%
Ratio of expense waiver/reimbursement to average net assets	(1.49)%
Ratio of net expenses to average net assets <sup>(d)</sup>	2.63%
Ratio of net investment loss to average net assets	(2.16)%
<b>Credit Facility:</b>	
Aggregate principal amount, end of period (000's)	N/A <sup>(e)</sup>
Asset coverage, end of period per \$1,000	N/A <sup>(e)</sup>
<b>Senior Securities:</b>	
Liquidation value, end of period (000's)	N/A <sup>(f)</sup>
Asset Coverage, end of period per \$1,000	N/A <sup>(f)</sup>
<b>PORTFOLIO TURNOVER RATE</b>	0%

- (a) Per share numbers have been calculated using the average shares method.*
- (b) Total return is not annualized.*
- (c) The ratios do not include investment income or expenses of the Portfolio Funds in which the Fund invests. Organizational, offering costs and Incentive Fees are not annualized.*
- (d) If Incentive Fees had been excluded, the expense ratios would have decreased by 2.04%.*
- (e) For the period ended March 31, 2023, the Fund did not utilize its credit facility.*
- (f) For the period ended March 31, 2023, the Fund did not issue any senior securities.*

## **THE FUND**

The Fund is a recently-organized Delaware statutory trust formed on July 28, 2021 and is registered under the Investment Company Act as a closed-end, non-diversified, management investment company. The Fund held its initial closing on April 1, 2022.

Investment advisory services are provided to the Fund by the Adviser pursuant to the Advisory Agreement. Responsibility for monitoring and overseeing the Fund's investment program and its management and operation is vested in the Board of Trustees.

## **USE OF PROCEEDS**

The proceeds from the sale of Shares of the Fund, not including the amount of any sales loads and the Fund's fees and expenses (including, without limitation, offering expenses), will be invested by the Fund in accordance with the Fund's investment objective and strategies within three months after receipt of such proceeds, however, the Fund may be delayed up to an additional three months depending on market conditions, the timing and availability of suitable investments and capital inflows into the Fund. The Fund anticipates that it will take a longer period of time to allocate proceeds of its continuous offering to certain investments, principally certain Primary Investments, Secondary Investments and Direct Investments, due to the nature of those investments. Such proceeds will be invested together with any interest earned in the Fund's account with the Fund's custodian prior to the closing of the applicable offering. See "Purchasing Shares." Delays in investing the Fund's assets may occur (i) because of the time typically required to complete private equity markets transactions (which may be considerable), (ii) because certain Portfolio Funds selected by the Adviser may provide infrequent opportunities to purchase their securities, and/or (iii) because of the time required for the managers of the Portfolio Funds ("Portfolio Fund Managers") to invest the amounts committed by the Fund. Accordingly, during this period, the Fund may not achieve its investment objective or be able to fully pursue its investment strategies and policies.

Pending the investment of the proceeds pursuant to the Fund's investment objective and policies, the Fund may invest a portion of the proceeds of the offering, which may be a substantial portion, in short-term, high quality debt securities, money market securities, cash or cash equivalents. In addition, the Fund may maintain a portion of the proceeds of the continuous offering in cash to meet operational needs. The Fund may not achieve its investment objective, or otherwise fully satisfy its investment policies, during such periods in which the Fund's assets are not able to be substantially invested in accordance with its investment strategies.

## **INVESTMENT OBJECTIVE AND STRATEGY**

The Fund's investment objective is to seek attractive long-term capital appreciation. In pursuing its investment objective, the Fund invests in an actively managed portfolio of Private Assets. The Fund and the Adviser do not guarantee any level of return or risk on investments and there can be no assurance that the Fund's investment objective will be achieved or that the Fund's investment program will be successful. The Fund's investment objective is a non-fundamental policy of the Fund and may be changed with the approval of the Board upon 60 days' prior written notice to the Fund's Shareholders.

Under normal circumstances, the Fund intends to invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in Private Assets. For purposes of this policy, Private Assets include Direct Investments and Primary Investments and Secondary Investments in Portfolio Funds. This policy may be changed by the Board, upon 60 days' prior written notice to Shareholders. This test is applied at the time of investment; later

percentage changes caused by a change in the value of the Fund's assets, including as a result in the change in the value of the Fund's investments or due to the issuance or redemption of Shares, will not require the Fund to dispose of an investment.

The Fund, either directly through Direct Investments or indirectly through Portfolio Funds, may invest in companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions, including emerging market countries. The Fund defines emerging market countries generally to include every nation in the world except developed countries, that is, the United States, Canada, Japan, Australia, New Zealand and most countries located in Western Europe. The Fund may seek to hedge all or a portion of the Fund's foreign currency risk. Depending on market conditions and the views of the Adviser, the Fund may or may not hedge all or a portion of its currency exposures.

The Adviser manages the Fund's asset allocation and investment decisions with a view towards managing liquidity and maintaining a high level of investment in Private Assets. The Fund's asset allocation and amount of Private Assets may be based, in part, on anticipated future capital calls and distributions from such investments. This may result in the Fund making commitments to Private Assets in an aggregate amount that exceeds the total amounts invested by Shareholders in the Fund at the time of such commitment (i.e., to "over-commit"). The Adviser may also take other anticipated cash flows into account, such as those relating to new subscriptions into the Fund, the repurchase of Shares through periodic tenders by Shareholders and any distributions made to Shareholders. To forecast portfolio cash flows, the Adviser utilizes quantitative and qualitative factors, including historical private equity data, actual portfolio observations and qualitative forecasts prepared by the Adviser. The Fund maintains cash, cash equivalents, borrowings or other liquid assets in sufficient amounts, in the Adviser's judgment, to satisfy capital calls from Portfolio Funds.

The Fund has established a credit line to borrow money for a range of purposes, including to provide liquidity for capital calls by Portfolio Funds, to satisfy tender requests, to manage timing issues in connection with the inflows of additional capital and the acquisition of Fund investments and to otherwise satisfy Fund obligations. There is no assurance, however, that the Fund will be able to timely repay any borrowings under such credit line, which may result in the Fund incurring leverage on its portfolio investments from time to time. There can be no assurance that the Fund will be able to renew its credit line on attractive terms. Under the Investment Company Act, the Fund is not permitted to borrow for any purposes if, immediately after such borrowing, the Fund would have asset coverage (as defined in the Investment Company Act) of less than 300% with respect to indebtedness. This means that at the time the borrowing is made, the value of the Fund's borrowings may not exceed one-third the value of the Fund's total assets (including such borrowings), or 50% of the Fund's net assets. None of the foregoing Investment Company Act requirements apply to Portfolio Funds in which the Fund invests unless such Portfolio Funds are registered under the Investment Company Act. To enhance the Fund's liquidity, particularly in times of possible net outflows through the repurchase of Shares by periodic tender offers to Shareholders, the Adviser may sell certain of the Fund's assets.

The Board may modify the borrowing policies of the Fund, including the purposes for which borrowings may be made, and the length of time that the Fund may hold portfolio securities purchased with borrowed money. The rights of any lenders to the Fund to receive payments of interest or repayments of principal will be senior to those of the Shareholders and the terms of any borrowings may contain provisions that limit certain activities of the Fund. The Fund also may borrow money from banks or other lenders for temporary purposes in an amount not to exceed 5% of the Fund's assets. Such temporary borrowings are not subject to the asset coverage requirements discussed above.

During normal market conditions, it is generally not expected that the Fund will hold more than 20% of its net assets in Liquid Assets for extended periods of time. For temporary defensive purposes, liquidity management or in connection with implementing changes in its asset allocation, the Fund may hold a substantially higher amount of Liquid Assets.

The Fund may make investments directly or indirectly through one or more wholly-owned Subsidiaries. The Fund may form a Subsidiary in order to pursue its investment objective and strategies in a potentially tax-efficient manner or for the purpose of facilitating its use of permitted borrowings. Except as otherwise provided, references to the Fund's investments also will refer to any Subsidiary's investments. In determining which investments should be bought and sold for a Subsidiary, the Adviser will treat the assets of the Subsidiary as if the assets were held directly by the Fund. The financial statements of each Subsidiary will be consolidated with those of the Fund.

If the Fund's Subsidiaries, currently Ares Landmark Private Markets Fund-D, LLC, Ares Landmark Private Markets Fund-D Blocker, LLC, Ares Private Markets Fund Blocker, LLC and Ares Private Markets Fund-ND LLC, make investments, they will bear their respective organizational and operating fees, costs, expenses and liabilities and, as a result, the Fund will indirectly bear these fees, costs, expenses and liabilities. As the Subsidiaries are wholly owned, they have the same investment strategies as the Fund. In addition, the Subsidiaries are consolidated subsidiaries of the Fund and the Fund complies with the provisions of the Investment Company Act governing capital structure and leverage on an aggregate basis with the Subsidiaries. The Adviser complies with the provisions of the Investment Company Act relating to investment advisory contracts as an investment adviser to the Subsidiaries under Section 2(a)(20) of the Investment Company Act. The Subsidiaries comply with the provisions relating to affiliated transactions and custody of the Investment Company Act. UMB Bank, N.A serves as the custodian to the Subsidiaries. The Fund does not intend to create or acquire primary control of any entity which engages in investment activities in securities or other assets other than entities wholly owned by the Fund.

## **Investment Strategies**

The Fund is intended to provide Shareholders with asset allocation and access to Private Asset investments that are typically only available to large institutional investors. In pursuing the Fund's investment objective, the Adviser seeks to invest in Primary Investments, Secondary Investments and Direct Investments that represent a broad spectrum of types of private equity and other private asset opportunities (e.g., buyout, venture and growth capital, special situations, credit, infrastructure, real estate and private credit) and vintage years (i.e., the year in which a Portfolio Fund begins investing).

**Buyouts:** Investments in the equity of established companies where an investor, typically a private equity firm, takes a controlling interest in the company often involving a combination of equity and debt financing to complete the acquisition.

**Venture and Growth Capital:** Venture capital is characterized by equity investments in early through late stage start-up companies with high potential growth. Growth capital is characterized by investments in companies that typically have a proven business model, but need capital to help facilitate growth.

**Special Situations:** Encompasses a broad range of investments including operational turnarounds, distressed debt, distressed financial assets, "rescue" financings and high yielding credit-oriented strategies.

**Infrastructure:** Private infrastructure investments typically include investments in equity securities of companies that focus on utilities and/or transportation infrastructure.

**Real Estate:** Real estate investments may include indirect investments through Portfolio Funds, in real estate opportunities or in operating companies with significant real estate portfolios.

**Private Credit:** Private credit investments may include direct debt and other yield-oriented investments, including Direct Investments in the debt issued by private companies, which may include loans and securities of private equity-backed companies.

With respect to the Fund's investments in Portfolio Funds, the Adviser will employ targeted portfolio construction to build a portfolio diversified by global geography, manager, vintage year exposure, and industry sector. The Adviser will typically utilize top-down and bottom-up due diligence processes to evaluate each Portfolio Fund and its sponsor, including, but not limited to, conversations with the sponsor, detailed historical track record evaluation, peer and investor references, and other quantitative and qualitative analyses, as available.

## **Types of Portfolio Investments**

The Fund's investment exposure to the strategies described above is expected to be implemented through a variety of Primary Investments and Secondary Investments in Portfolio Funds, as well as Direct Investments and investments in Liquid Assets as described below. The Fund expects to invest principally in Secondary Investments and, to a lesser degree, in Primary Investments and Direct Investments, although the allocation among those types of investments may vary from time to time. Typical Secondary Investments generally will include purchases by the Fund of interests in Portfolio Funds, typically after the end of the Portfolio Fund's fundraising period, with existing underlying portfolio companies, whereas typical Primary Investments are investments in newly established Portfolio Funds where the underlying portfolio companies are not known as of the time of the Fund's commitment.

### *Secondary Investments*

Traditional Secondary Investments generally will include purchases by the Fund of interests in Portfolio Funds, typically after the end of the Portfolio Fund's fundraising period (generally three to seven years into the Portfolio Fund's operating history), with existing underlying portfolio companies. These Portfolio Funds will tend to be largely funded depending on age and investment cycle stage. Sales of these Portfolio Fund interests are often driven by an investor's need for liquidity or active approach in managing their private equity portfolio. Traditional Secondary Investments typically will be acquired by the Fund in private negotiated transactions as there is no established market for such investments.

The Fund also may gain exposure to Portfolio Funds involving Secondary Investments structured as a preferred equity investment ("Structured Solutions"). Structured Solutions, which may be self-originated or intermediated transactions, are between the Fund and a Portfolio Fund's general partner. The Fund will invest cash into an existing Portfolio Fund or newly created vehicle in exchange for newly-issued interests in the Portfolio Fund or the newly created vehicle (*i.e.*, the "preferred equity"). Structured Solutions are intended to provide for strong risk-adjusted return with meaningful downside protection.

The Fund also invests in Secondary Investment transactions that are being led by a Portfolio Fund's general partner, including end-of life transactions, which seek to partner potential buyers, such as the Fund, with Portfolio Fund Managers to provide structured and holistic liquidity solutions to all the limited partners in a Portfolio Fund. These Secondary Investments often involve existing investors in a Portfolio Fund being given the option to sell all or a portion of their Portfolio Fund interests to the Fund during a binding election period. Investors in a Portfolio Fund generally are given the option to sell their interests or roll into a newly-formed Portfolio Fund on new terms. That newly-formed Portfolio Fund may own a diversified pool of assets or it may own a concentrated or even single asset transaction(s).

### *Primary Investments*

Primary Investments are investments in newly established Portfolio Funds where the underlying portfolio companies are not known as of the time of the Fund's commitment. Primary Investments are characterized by a gradual deployment of capital. In identifying and selecting Primary Investments, the Fund seeks to invest in Portfolio Funds run by high-quality Portfolio Fund Managers with a track record of consistent value creation and top-tier risk-adjusted rates of return.

### *Direct Investments*

Direct Investments are investments by the Fund in the equity and/or debt securities of U.S. and non-U.S. private companies, including alongside Portfolio Funds and private equity firms. Direct Investments by the Fund alongside other investors ("Co-Investment Opportunities") are sometimes structured so that the lead investor and co-investors collectively hold a controlling interest in the operating company. In some circumstances, the Fund may lead investments in Co-Investment Opportunities. In Direct Investments, unlike investments in Portfolio Funds, the Fund likely will not bear an additional layer of fees and expenses generally associated with investing directly in a Portfolio Fund, although the Fund may still bear transactional expenses.

### *Liquid Assets*

The Fund invests a portion of its assets in a portfolio of Liquid Assets, including cash and cash equivalents, liquid fixed-income securities and other credit instruments, and other investment companies, including ETFs.

The Fund may invest in investment grade and below investment grade fixed-income securities, including investment grade short term debt obligations, convertible securities, money market instruments, repurchase agreements and restricted securities. The Fund's liquid fixed-income and other credit investments will primarily focus on floating rate senior secured loans issued by U.S. and foreign corporations, partnerships and other business entities, including private equity backed companies (i.e., borrowers). Floating rate loans are often at the time of investment below investment grade securities (commonly known as "junk" or "junk bonds"). The Fund considers debt securities to be below investment grade if, at the time of investment, they are rated below the four highest categories by at least one independent credit rating agency or, if unrated, are determined by the Adviser to be of comparable quality.

While the Fund intends to obtain its principal investment exposure to Private Assets by investing in Primary Investments, Secondary Investments and Direct Investments, it may also gain such exposure by investing in other investment companies, including ETFs.

While this Prospectus contains generalized discussions about the Adviser's current expectations with respect to the make-up of the portfolio of the Fund, many factors may contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulations as they affect various industries and sectors and changes in the political or social situations in particular jurisdictions. The Adviser may modify the implementation of the Fund's investment strategies, portfolio allocations, investment processes and investment techniques based on market conditions, changes in personnel or as the Adviser otherwise deems appropriate.

### **Significant Secondaries Acquisition Transaction**

On September 20, 2023, the Fund entered into two agreements (the "Purchase and Sale Agreements"), pursuant to which the Fund, subject to the satisfaction of certain closing conditions, would acquire a secondaries portfolio of invested and unfunded private equity limited partner interests (the "Portfolio") from a private fund managed by an unaffiliated private equity sponsor (the "Seller") for cash consideration (the "Acquisition Transaction"). The Board, including a majority of the Independent Trustees, has unanimously approved the Acquisition Transaction.

As of the pricing date for the Acquisition Transaction, the Portfolio had a net asset value of approximately \$316.1 million and unfunded commitments of approximately \$146.8 million. The Fund expects to acquire the Portfolio through a series of closings anticipated to be completed prior to June 30, 2024. The Fund, however, cannot assure Shareholders or potential investors that the Acquisition Transaction will be consummated as scheduled, or at all, and any investment decision with respect to the Fund should be made independent of the consummation of the Acquisition Transaction.

The Purchase and Sale Agreements contain customary representations and warranties of the Fund and the Seller, including, among others, corporate organization, corporate authority and absence of conflicts, third party consents and approvals, reports and regulatory matters, financial statements, compliance with law and legal proceedings, taxes, insurance and investment assets. While there can be no assurances as to the exact timing, or that the Acquisition Transaction will be completed at all, the Fund is working to complete the Acquisition Transaction by the end of the second quarter of 2024. The consummation of the Acquisition Transaction is subject to certain conditions, including, among others, consent of the general and limited partners of the Seller, as well as the consents of the general partners of the limited partnerships comprising the Portfolio. See "Risks—Risks Relating to the Consummation of the Acquisition Transaction" for a description of the risks relating to the Acquisition Transaction.

The Adviser expects to use a combination of available cash and borrowings under the Fund's credit line to purchase the Portfolio over time. The Fund is permitted to borrow money in an amount up to 33-1/3% of its total assets in accordance with the Investment Company Act. The Fund is permitted to borrow money for a range of purposes, including the acquisition of investments, such as the Portfolio. The Adviser will monitor the use of the Fund's line of credit in connection with the Acquisition Transaction to maintain compliance with the asset coverage requirements of the Investment Company Act and seek to increase the size of the Fund's line of credit, as needed. There can be no assurance that the Fund will be able to increase or renew its credit line on attractive terms.

In addition, as the Fund is agreeing to assume certain unfunded commitments as part of the Acquisition Transaction, consistent with the requirements of Rule 18f-4 under the Investment Company Act, the Fund will not purchase any such unfunded commitments unless it reasonably believes, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as they come due.

## **ARES PLATFORM**

In June 2021, Ares completed the acquisition of Landmark Partners, LLC (collectively with its subsidiaries, "Landmark Partners"), which now operates as the Ares Secondaries Group. The Ares Secondaries Group is chaired by Francisco Borges.

### **Ares Secondaries Group History and Experience**

Founded in 1989, Landmark Partners (now, Ares Secondaries Group) was one of the earliest and most active investors in the secondary private equity market. Ares Secondaries Group believes that it has the reputation, skill and record of accomplishment in the alternative investment markets of private equity, real estate and infrastructure and real assets that make it an attractive manager for investors seeking to participate in these asset classes.

Ares Secondaries Group has over 160 experienced professionals and support staff in the areas of investment origination and analysis, accounting, and administrative operations management, of which over 65 professionals focus on or support the firm's secondary private equity investing activities. Ares Secondaries Group's team of experienced investment professionals provides expertise in market knowledge, investment origination, underwriting and structuring, accounting, reporting and administrative operations management. This team has developed proprietary analytical models, report-generating software and private databases, which the Adviser believes provides a competitive investment advantage.

From 1990 through December 31, 2022, Ares Secondaries Group participated in the formation of secondary investment funds in private equity, real estate and infrastructure and added capabilities in credit secondaries in early 2023. Ares Secondaries Group has aggregate commitments of \$24.0 billion and has contributed \$23.0 billion to acquire over 2,550 partnership interests. Specifically, Ares Secondaries Group has formed 18 secondary private equity funds with aggregate commitments of \$16.0 billion, and contributed over \$12.6 billion to make over 495 transactions involving over 1,750 partnership investments managed by over 635 different managers:

- *Immediate Portfolio Diversification.* Ares Secondaries Group offers investors the ability to invest in private equity funds in a highly diversified and efficient manner, thereby potentially mitigating risk. The firm has consistently assembled portfolios of limited partner interests in partnerships across a variety of vintages, strategies, industries and geographies. Over the past 30 years, Ares' secondary private equity funds have acquired over 1,750 limited partner interests across more than 495 transactions, with underlying investments in over 17,150 companies.
- *Potential Rapid Deployment of Capital.* Capital commitments in primary private equity funds may be tied up for considerable periods of time before being drawn down for investment. In contrast, on average, Ares Secondaries Group's secondary private equity funds have been fully invested or committed within three years of the relevant fund's final closing.
- *Potential for Higher Rates of Return Due to Early Return of Capital.* Ares' secondary private equity funds historically have returned capital to investors relatively quickly, as the portfolios of secondary interests contain funds and investments in all stages of development, some of which are already in liquidation. As a result, Ares' secondary private equity funds have the potential to begin generating distributions almost immediately upon the closing of certain transactions, producing current cash flow to the investor. Investors in Ares' prior secondary private equity funds have, on average, accumulated distributions within three months of the initial investment, which decreased the impact of the "J-curve." The J-curve refers to the tendency for private equity funds to deliver negative returns and cash flows in their early years (due to the fund's investment-related expenses and fees) and to deliver positive returns and cash flows in later years (as the

fund's portfolio company investments mature and are sold). On an ongoing basis, these funds have collectively made distributions every quarter since 1991, thereby producing stable cash flow to investors.

### **Ares Secondaries Group's Investment Program and Processes**

The core investment disciplines of Ares' private equity secondary program are to seek to purchase high-quality, mature exposure to a diversified portfolio of private equity assets at a discount to intrinsic value in funds managed by alpha-generating managers.

The Quantitative Research Group ("QRG") within Ares Global Client Solutions (formerly within Landmark Partners) is utilized to leverage public and proprietary data, analytics and experience in an effort to give Ares Secondaries Group an information edge in the marketplace. QRG's objective is to act as a force multiplier for Ares Secondaries Group's core sourcing, risk management and underwriting activities. QRG's tools include, but are not limited to, white papers and market commentary, cash flow forecasting and secondary valuation services, manager and investor alpha diagnostic services, and limited partner portfolio and investment strategy assessment. These activities span asset pricing, risk management, performance measurement, investor relations and business development. Importantly, they help Ares Secondaries Group source, price and execute on various transactions.

*Proactive Deal Sourcing.* Ares Secondaries Group has developed strong deal sourcing competencies by utilizing QRG tools to assist limited partners and general partners in identifying opportunities to improve investment performance. These value-add services help Ares Secondaries Group establish close, differentiated relationships with investors who may be looking to address portfolio management goals. This thought-partner sourcing strategy helps establish Ares Secondaries Group as a problem solver. Ares Secondaries Group believes that the use of portfolio management tools to build relationships with sellers and create highly customized and value-added solutions has become a strength and provides a competitive advantage.

*Pricing and Valuation.* Ares Secondaries Group has developed a highly analytical and thorough due diligence process for evaluating potential investments. This process starts with a comprehensive analysis of the subject portfolio and the track record of the fund manager. The Ares Secondaries Group's track record analysis is buttressed by QRG tools such as the GP Alpha Analysis, which assesses a sponsor's outperformance through various economic cycles. For portfolio diligence, Ares Secondaries Group performs a thorough return analysis of the portfolio assets utilizing a "bottom up" underwriting approach while sensitizing for multiple return scenarios. This is generally true of each portfolio, regardless of size or complexity. The QRG is also helpful in allowing Ares Secondaries Group to utilize data and research to bolster market and asset level insights, which in turn allows it to identify asset mispricing and appropriate valuation during the underwriting process.

### **Investment Process**

*Deal Sourcing.* Ares Secondaries Group seeks to generate proprietary deal flow through its use of tools generated from the QRG to establish relationships and collaborative discussions with limited and general partners. Ares Secondaries Group's extensive network in the private equity community and its ability to complete specialized solutions-based transactions creates attractive deployment opportunities.

*Due Diligence and Evaluation Procedures.* As part of its initial due diligence, Ares Secondaries Group generally performs a detailed review of the following items: (i) the sponsor's historical investment track record; (ii) going forward franchise risk for the sponsor (if any); (iii) the sponsor's investment return expectations compared to those specified when the fund was initially marketed; (iv) liquidity expectations at a high level by investment; (v) underperforming investments and strategies for recovery; and (vi) confirmation that there are no significant impediments to an orderly transfer of partnership interests.

As this analysis is performed, Ares Secondaries Group generally reviews clients' secondary portfolios at weekly meetings. If Ares Secondaries Group believes that the opportunity is sufficiently attractive to merit performing additional due diligence, the following evaluation procedures are generally conducted. First, if available, Ares Secondaries Group reviews the sponsor's projections of exit timing and value, by investment, within the detailed context of (i) current value; (ii) comparable public values; (iii) projected growth in cash flow; (iv) industry reports;

and (v) the partnership's prior performance. Concurrently, the sponsor's projections for returns on unfunded commitments are evaluated, principally within the context of prior performance.

Ares Secondaries Group then prepares a cash flow model which projects the internal rate of return to investors over the life of the investment being acquired. The principal components of the model are: (i) the cash required to purchase the portfolio; (ii) projected cash distributions, year by year from existing and future investments; (iii) the leverage, if any, expected to be incurred in funding future capital calls and a time table for such funding; (iv) interest on borrowed funds; and (v) partnership working capital and organizational and operational expenses. Finally, Ares Secondaries Group pays close attention to return sensitivities and each investment's implications on portfolio construction to gauge whether the presented opportunity has the potential to be accretive to the relevant client's return profile. Upon completion of the due diligence process, the Investment Committee, which is generally closely involved in the review process since the deal is brought to the attention of the investment team, votes to approve or reject the deal.

*Negotiations and Closing.* Upon reaching agreement on price and terms, Ares Secondaries Group and the seller execute a letter of intent and negotiate the definitive purchase and sale agreement. Meetings to obtain consent to the transfer, to address transfer mechanics and to complete due diligence are then scheduled with the general partners of the interests being acquired.

*Post-Acquisition Activities.* Portfolio management requires significant effort and expertise in data collection and analysis. Ares Secondaries Group performs numerous activities including monitoring fund sponsors and investments to prepare comprehensive reports that summarize the performance of underlying funds. Other activities include a review of amendments to partnership agreements to protect the interests of the relevant client as well as management of the distribution of cash and securities received by such client. Additionally, Ares Secondaries Group's investment professionals attend annual meetings of the sponsors in which the relevant client is invested, participate actively on selected advisory boards and maintain ongoing direct relationships with all fund sponsors.

## **RISKS**

**AN INVESTMENT IN THE FUND INVOLVES A HIGH DEGREE OF RISK AND THEREFORE SHOULD ONLY BE UNDERTAKEN BY QUALIFIED INVESTORS WHOSE FINANCIAL RESOURCES ARE SUFFICIENT TO ENABLE THEM TO ASSUME THESE RISKS AND TO BEAR THE LOSS OF ALL OR PART OF THEIR INVESTMENT. THE FOLLOWING RISK FACTORS SHOULD BE CONSIDERED CAREFULLY, BUT ARE NOT MEANT TO BE AN EXHAUSTIVE LISTING OF ALL OF THE POTENTIAL RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND. INVESTORS SHOULD CONSULT WITH THEIR OWN FINANCIAL, LEGAL, INVESTMENT AND TAX ADVISORS PRIOR TO INVESTING IN THE FUND.**

Investment in the Fund is suitable only for those persons who, either alone or together with their duly designated representative, have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of their proposed investment, who can afford to bear the economic risk of their investment, who are able to withstand a total loss of their investment and who have no need for liquidity in their investment and no need to dispose of their Shares to satisfy current financial needs and contingencies or existing or contemplated undertakings or indebtedness. Potential investors with questions as to the suitability of an investment in the Fund should consult their professional advisors to assist them in making their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Fund in light of their own circumstances and financial condition.

The Fund's investment program is speculative and entails substantial risks. In considering participation in the Fund, prospective investors should be aware of certain risk factors, which include the following:

### **General Risks of Investing in the Fund**

#### *General Investment Risks*

There is no assurance that the investments held by the Fund will be profitable, that there will be proceeds from such investments available for distribution to Shareholders, or that the Fund will achieve its investment objective. An

investment in the Fund is speculative and involves a high degree of risk. Fund performance may be volatile and a Shareholder could incur a total or substantial loss of its investment. There can be no assurance that projected or targeted returns for the Fund will be achieved.

#### *Limited Operating History*

The Fund is a non-diversified, closed-end management investment company with limited operating history. The Fund has limited historical financial statements and other meaningful operating or financial data on which potential investors may evaluate the Fund and its performance.

#### *Management Risk*

The Fund is subject to management risk because it is an actively managed investment portfolio. The Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. The Fund may be subject to a relatively high level of management risk because the Fund invests in Private Assets, which are highly specialized instruments that require investment techniques and risk analyses different from those associated with investing in public equities and bonds. The Fund's allocation of its investments across Portfolio Funds, Direct Investments and other portfolio investments representing various strategies, geographic regions, asset classes and sectors may vary significantly over time based on the Adviser's analysis and judgment. As a result, the particular risks most relevant to an investment in the Fund, as well as the overall risk profile of the Fund's portfolio, may vary over time. It is possible that the Fund will focus on an investment that performs poorly or underperforms other investments under various market conditions.

#### *Dependence on the Adviser and Key Personnel*

The Fund depends on the Adviser's ability to select, allocate and reallocate effectively the Fund's assets. The success of the Fund is thus substantially dependent on the Adviser and its continued employment of certain key personnel. Similarly, the success of each Portfolio Fund investment in which the Fund invests is also likely to be substantially dependent on certain key personnel of a Portfolio Fund Manager. Should one or more of the key personnel of the Adviser or of a Portfolio Fund Manager become incapacitated or in some other way cease to participate in management activities, the Fund's performance could be adversely affected. There can be no assurance that these key personnel will continue to be associated with or available to the Adviser or the general partners of the Portfolio Funds throughout the life of the Fund.

#### *Closed-End Fund Structure; Liquidity Limited to Periodic Repurchases of Shares*

The Fund is designed primarily for long-term investors. An investment in the Fund, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. The Shares are appropriate only for investors who are comfortable with investment in less liquid or illiquid portfolio investments within an illiquid fund. An investment in the Shares is not suitable for investors who need access to the money they invest. Unlike open-end funds (commonly known as mutual funds), which generally permit redemptions on a daily basis, the Shares are not redeemable at a Shareholder's option. Unlike stocks of listed closed-end funds, the Shares are not listed, and are not expected to be listed, for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Shares in the foreseeable future. The Fund's investments in Private Assets are illiquid and typically cannot be transferred or redeemed for a substantial period of time. The Shares are designed for long-term investors, and the Fund should not be treated as a trading vehicle.

#### *Repurchase of Shares Risk*

Although the Board may, in its sole discretion, cause the Fund to offer to repurchase outstanding Shares at their net asset value and the Adviser intends to recommend that, in normal market circumstances, the Board conduct quarterly repurchase offers of no more than 5% of the Fund's net assets. Shares are considerably less liquid than shares of funds that trade on a stock exchange, or shares of open-end registered investment companies. It is possible that the Fund may be unable to repurchase all of the Shares that a Shareholder tenders due to the illiquidity of the Fund investments or if the Shareholders request the Fund to repurchase more Shares than the Fund is then offering to repurchase. In addition, substantial requests for the Fund to repurchase Shares could require the Fund to liquidate certain of its

investments more rapidly than otherwise desirable in order to raise cash to fund the repurchases and achieve a market position appropriately reflecting a smaller asset base. This could have a material adverse effect on the value of the Shares.

There can be no assurance that the Fund will conduct repurchase offers in any particular period and Shareholders may be unable to tender Shares for repurchase for an indefinite period of time.

There will be a substantial period of time between the date as of which Shareholders must submit a request to have their Shares repurchased and the date they can expect to receive payment for their Shares from the Fund. Shareholders whose Shares are accepted for repurchase bear the risk that the Fund's net asset value may fluctuate significantly between the time that they submit their repurchase requests and the date as of which such Shares are valued for purposes of such repurchase. Shareholders will have to decide whether to request that the Fund repurchase their Shares without the benefit of having current information regarding the value of Shares on a date proximate to the date on which Shares are valued by the Fund for purposes of effecting such repurchases. See "Repurchase of Shares."

Offers for repurchases of Shares, if any, may be suspended, postponed or terminated by the Board under certain circumstances. An investment in the Fund is suitable only for investors who can bear the risks associated with the limited liquidity of Shares and the underlying investments of the Fund. Additionally, because Shares are not listed on any securities exchange, the Fund is not required, and does not intend, to hold annual meetings of its Shareholders unless called for under the provisions of the Investment Company Act.

#### *Payment In-Kind For Repurchased Shares*

The Fund generally expects to distribute to the holder of Shares that are repurchased cash in satisfaction of such repurchase. See "Repurchases of Shares—Periodic Repurchases." However, there can be no assurance that the Fund will have sufficient cash to pay for Shares that are being repurchased or that it will be able to liquidate investments at favorable prices to pay for repurchased Shares. The Fund has the right to distribute securities as payment for repurchased Shares in unusual circumstances, including if making a cash payment would result in a material adverse effect on the Fund. For example, it is possible that the Fund may receive securities from a Portfolio Fund that are illiquid or difficult to value. In such circumstances, the Adviser would seek to dispose of these securities in a manner that is in the best interests of the Fund, which may include a distribution in-kind to Shareholders. In the event that the Fund makes such a distribution of securities, Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities.

#### *Restrictions on Transfers*

Transfers of Shares may be made only with the consent of the Fund, which may be withheld in the Fund's sole discretion. Notice to the Fund of any proposed transfer must include evidence satisfactory to the Fund that the proposed transferee, at the time of transfer, meets any requirements imposed by the Fund with respect to investor eligibility and suitability.

#### *Non-Diversified Status*

The Fund is a "non-diversified" investment company for purposes of the Investment Company Act, which means it is not subject to percentage limitations under the Investment Company Act on assets that may be invested in the securities of any one issuer. Having a larger percentage of assets in a smaller number of issuers makes a non-diversified fund, like the Fund, more susceptible to the risk that one single event or occurrence can have a significant adverse impact upon the Fund.

#### *Valuation Risk*

The Fund is subject to valuation risk, which is the risk that one or more of the securities in which the Fund invests are valued at prices that the Fund is unable to obtain upon sale due to factors such as incomplete data, market instability, human error, or, with respect to securities for which there are no readily available market quotations, the inherent difficulty in determining the fair value of certain types of investments. The Adviser may, but is not required to, use

an independent pricing service or prices provided by dealers to value securities at their market value. Because the secondary markets for certain investments may be limited, such instruments may be difficult to value.

A substantial portion of the Fund's assets consist of Portfolio Funds and Direct Investments for which there are no readily available market quotations. Accordingly, because there is not a readily available market value for most of the investments in the Fund's portfolio, substantially all of the Fund's portfolio investments are valued at fair value as determined in good faith by the Adviser, as the valuation designee, in accordance with the Adviser's valuation policies and procedures and subject to the oversight of the Board. The information available in the marketplace for such companies, their securities and the status of their businesses and financial conditions is often extremely limited, outdated and difficult to confirm. In determining fair value, the Adviser is required to consider all appropriate factors relevant to value and all indicators of value available to the Fund. The determination of fair value necessarily involves judgment in evaluating this information in order to determine the price that the Fund might reasonably expect to receive for the security upon its current sale. The most relevant information may often be provided by the issuer of the securities. Given the nature, timeliness, amount and reliability of information provided by the issuer, fair valuations may become more difficult and uncertain as such information is unavailable or becomes outdated.

The value at which the Fund's investments can be liquidated may differ, sometimes significantly, from the valuations assigned by the Fund. In addition, the timing of liquidations may also affect the values obtained on liquidation. The Fund invests a significant amount of its assets in Private Assets for which no public market exists. There can be no guarantee that the Fund's investments could ultimately be realized at the Fund's valuation of such investments. In addition, the Fund's compliance with the asset diversification tests under the Code depends on the fair market values of the Fund's assets, and, accordingly, a challenge to the valuations ascribed by the Fund could affect its ability to comply with those tests or require it to pay penalty taxes in order to cure a violation thereof.

The Fund's net asset value is a critical component in several operational matters including computation of the Advisory Fee, the Incentive Fee and the Distribution and Servicing Fee, and determination of the price at which the Shares will be offered and at which a repurchase offer will be made. Consequently, variance in the valuation of the Fund's investments will impact, positively or negatively, the fees and expenses Shareholders will pay, the price a Shareholder will receive in connection with a repurchase offer and the number of Shares an investor will receive upon investing in the Fund. The Fund accepts purchases of Shares as of the first business day of each month. The number of Shares a Shareholder will receive will be based on the Fund's most recent net asset value, which will be calculated for the last business day of the preceding month (*i.e.*, one business day prior to date on which the Fund will accept purchases). For more information regarding the Fund's subscription process, see "Purchasing Shares."

The Adviser generally expects to receive information for the Fund's investments in Private Assets, including Portfolio Funds and Direct Investments, on which it will base the Fund's net asset value only as of each calendar quarter end and on a significant delay. The Adviser generally does not expect to receive updated information intra quarter for such investments. As a result, the Fund's net asset value for periods other than calendar quarter end will likely be based on information from the prior quarter. The Fund may need to liquidate certain investments, including its investments in Private Assets, in order to repurchase Shares in connection with a repurchase offer. A subsequent decrease in the valuation of the Fund's investments after a repurchase offer could potentially disadvantage remaining Shareholders to the benefit of Shareholders whose Shares were accepted for repurchase. Alternatively, a subsequent increase in the valuation of the Fund's investments could potentially disadvantage Shareholders whose Shares were accepted for repurchase to the benefit of remaining Shareholders. Similarly, a subsequent decrease in the valuation of the Fund's investments after a subscription could potentially disadvantage subscribing investors to the benefit of pre-existing Shareholders, and a subsequent increase in the valuation of the Fund's investments after a subscription could potentially disadvantage pre-existing Shareholders to the benefit of subscribing investors. For more information regarding the Fund's calculation of its net asset value, see "Net Asset Valuation."

#### *Amount or Frequency of Distribution*

The amount of distributions that the Fund may pay is uncertain. The Fund expects to pay distributions out of assets legally available for distribution from time to time, at the sole discretion of the Board, and otherwise in a manner to comply with Subchapter M of the Code. See "Distributions." Nevertheless, the Fund cannot assure Shareholders that the Fund will achieve investment results that will allow the Fund to make a specified level of cash distributions or year-to-year increases in cash distributions. The Fund's ability to pay distributions may be adversely affected by the

impact of the risks described in this Prospectus. All distributions will depend on the Fund's earnings, its net investment income, its financial condition, and such other factors as the Board may deem relevant from time to time.

## **Risks of Investing in Private Assets**

### *Risks of Private Equity Strategies*

The Fund's investment portfolio will include Direct Investments in private companies and investments in Portfolio Funds, which hold securities issued primarily by private companies. Operating results for private companies in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

- **Buyout Investment Risks.** Buyout transactions may result in new enterprises that are subject to extreme volatility, require time for maturity and may require additional capital. In addition, they frequently rely on borrowing significant amounts of capital, which can increase profit potential but at the same time increase the risk of loss. Leveraged companies may be subject to restrictive financial and operating covenants. The leverage may impair the ability of these companies to finance their future operations and capital needs. Also, their flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money was not used. Although these investments may offer the opportunity for significant gains, such buyout investments involve a high degree of risk that can result in substantial losses, which risks generally are greater than the risks of investing in public companies that may not be as leveraged.
- **Venture Capital Risks.** Venture capital investments are in private companies that have limited operating history, are attempting to develop or commercialize unproven technologies or to implement novel business plans or are not otherwise developed sufficiently to be self-sustaining financially or to become public. Although these investments may offer the opportunity for significant gains, such investments involve a high degree of risk that can result in substantial losses, which risks generally are greater than the risks of investing in public or private companies that may be at a later stage of development.
- **Special Situations Risks.** The special situations strategies invest in companies that may be in transition, out of favor, financially leveraged, stressed or distressed, or potentially troubled and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization, or liquidation. These companies may be experiencing, or are expected to experience, financial difficulties that may never be able to overcome. The securities of such companies are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. Such investments could, in certain circumstances, subject a Portfolio Fund or the Fund to certain additional potential liabilities. Numerous other risks also arise in the workout and bankruptcy contexts. In addition, there is no minimum credit standard that is a prerequisite to an investment in any instrument and a significant portion of the obligations and preferred stock acquired in special situations investments may be rated below investment grade or unrated.
- **Infrastructure Risks.** Some Portfolio Funds may concentrate, and a Direct Investment may be made, in the infrastructure sector. Infrastructure companies may be susceptible to reduced investment in public and private infrastructure projects, and a slowdown in new infrastructure projects in developing or developed markets may constrain the abilities of infrastructure companies to grow in global markets. Other developments, such as significant changes in population levels or changes in the urbanization and industrialization of developing countries, may reduce demand for products or services provided by infrastructure companies.
- **Real Estate Risks.** Portfolio Funds that invest in real estate are subject to risks associated with the ownership of real estate, including: (i) changes in interest rates and other general economic conditions; (ii) local real

estate conditions, such as changes in demand for space; (iii) the quality and investment approach of management; (iv) market competition and the availability of financing; (v) specific features of properties; (vi) financial condition of tenants, buyers, and sellers of properties; (vii) quality of maintenance, insurance and management services; (viii) changes in operating costs; (ix) government regulations, including those governing usage, improvements, zoning and taxes; and (x) potential liability under environmental and other applicable laws. Some real estate-focused Portfolio Funds may invest in a limited number of properties, in a narrow geographic area, or in a single property type, which increases the risk that such Portfolio Fund could be unfavorably affected by the poor performance of a single investment or investment type. In addition, borrowers could default on or sell investments that a real estate-focused Portfolio Fund holds, which could reduce the cash flow needed to make distributions to investors, such as the Fund. In addition, real estate-focused Portfolio Funds also may be affected by tax and regulatory requirements impacting the real estate fund's ability to qualify for preferential tax treatments or exemptions.

#### *Risks Associated with Private Company Investments*

Private companies are generally not subject to SEC reporting requirements, are not required to maintain their accounting records in accordance with generally accepted accounting principles, and are not required to maintain effective internal controls over financial reporting. As a result, the Adviser may not have timely or accurate information about the business, financial condition and results of operations of the private companies in which the Fund invests. There is risk that the Fund may invest on the basis of incomplete or inaccurate information, which may adversely affect the Fund's investment performance. Private companies in which the Fund may invest may have limited financial resources, shorter operating histories, more asset concentration risk, narrower product lines and smaller market shares than larger businesses, which tend to render such private companies more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. These companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

Typically, investments in private companies are in restricted securities that are not traded in public markets and subject to substantial holding periods, so that the Fund may not be able to resell some of its holdings for extended periods, which may be several years. There can be no assurance that the Fund will be able to realize the value of private company investments in a timely manner.

#### *Competition for Access to Private Equity Investment Opportunities*

There can be no assurance that the Adviser will be able to secure interests on behalf of the Fund in all of the investment opportunities that it identifies for the Fund, or that the size of the interests available to the Fund will be as large as the Adviser would desire. Moreover, as a registered investment company, the Fund will be required to make certain public disclosures and regulatory filings regarding its operations, financial status, portfolio holdings, etc. While these filings are designed to enhance investor protections, Portfolio Fund Managers and certain private companies may view such filings as contrary to their business interests and deny access to the Fund; but may permit other, non-registered funds or accounts, managed by the Adviser or its affiliates, to invest. As a result, the Fund may not be invested in certain Direct Investments or Portfolio Funds that are held by other unregistered funds or accounts managed by the Adviser or its affiliates, even though those investments would be consistent with the Fund's investment objective.

In addition, certain provisions of the Investment Company Act prohibit the Fund from engaging in transactions with the Adviser and its affiliates; however, unregistered funds also managed by the Adviser are not prohibited from the same transactions. The Investment Company Act also imposes significant limits on co-investments with affiliates of the Fund. The Adviser and certain Other Managed Funds have received the Co-Investment Exemptive Order, which the Fund may also rely on, that permits the Fund to co-invest alongside its affiliates in privately negotiated investments. Co-Investments made under the Co-Investment Exemptive Order are subject to compliance with certain conditions and other requirements, which could limit the Fund's ability to participate in a co-investment transaction. An inability to receive the desired allocation to potential investments may affect the Fund's ability to achieve the desired investment returns.

### *Portfolio Fund Risks*

The Fund's investments in Portfolio Funds are subject to a number of risks. Portfolio Fund interests are expected to be illiquid, their marketability may be restricted and the realization of investments from them may take considerable time and/or be costly. Some of the Portfolio Funds in which the Fund invests may have only limited operating histories. Although the Adviser seeks to receive detailed information from each Portfolio Fund regarding its business strategy and any performance history, in most cases the Adviser will have little or no means of independently verifying this information. In addition, Portfolio Funds may have little or no near-term cash flow available to distribute to investors, including the Fund. Due to the pattern of cash flows in Portfolio Funds and the illiquid nature of their investments, investors typically will see negative returns in the early stages of Portfolio Funds. Then as investments are able to realize liquidity events, such as a sale or initial public offering, positive returns will be realized if the Portfolio Fund's investments are successful.

Portfolio Fund interests are ordinarily valued based upon valuations provided by the Portfolio Fund Managers, which may be received on a delayed basis. Certain securities in which the Portfolio Funds invest may not have a readily ascertainable market price and are fair valued by the Portfolio Fund Managers. A Portfolio Fund Manager may face a conflict of interest in valuing such securities because their values may have an impact on the Portfolio Fund Manager's compensation. The Adviser reviews and performs due diligence on the valuation procedures used by each Portfolio Fund Manager and monitor the returns provided by the Portfolio Funds. However, neither the Adviser nor the Board is able to confirm the accuracy of valuations provided by Portfolio Fund Managers. Inaccurate valuations provided by Portfolio Funds could materially adversely affect the value of Shares.

The Fund will pay asset-based fees, and, in most cases, will be subject to performance-based fees in respect of its interests in Portfolio Funds. Such fees and performance-based compensation are in addition to the Advisory Fee. In addition, performance-based fees charged by Portfolio Fund Managers may create incentives for the Portfolio Fund Managers to make risky investments, and may be payable by the Fund to a Portfolio Fund Manager based on a Portfolio Fund's positive returns even if the Fund's overall returns are negative.

Moreover, a Shareholder in the Fund will indirectly bear a proportionate share of the fees and expenses of the Portfolio Funds, in addition to its proportionate share of the expenses of the Fund. Thus, a Shareholder in the Fund may be subject to higher operating expenses than if the Shareholder invested in the Portfolio Funds directly. In addition, because of the deduction of the fees payable by the Fund to the Adviser and other expenses payable directly by the Fund from amounts distributed to the Fund by the Portfolio Funds, the returns to a Shareholder in the Fund will be lower than the returns to a direct investor in the Portfolio Funds. Fees and expenses of the Fund and the Portfolio Funds generally are paid regardless of whether the Fund or Portfolio Funds produce positive investment returns. Shareholders could avoid the additional level of fees and expenses of the Fund by investing directly with the Portfolio Funds, although access to many Portfolio Funds may be limited or unavailable, and may not be permitted for investors who do not meet the substantial minimum net worth and other criteria for direct investment in Portfolio Funds.

There is a risk that the Fund may be precluded from acquiring an interest in certain Portfolio Funds due to regulatory implications under the Investment Company Act or other laws, rules and regulations or may be limited in the amount it can invest in voting securities of Portfolio Funds. The Adviser also may refrain from including a Portfolio Fund in the Fund's portfolio in order to address adverse regulatory implications that would arise under the Investment Company Act for the Fund if such an investment was made. Rule 18f-4 under the Investment Company Act, among other things, may impact the ability of the Fund to enter into unfunded commitment agreements, such as a capital commitment to a Portfolio Fund or as part of a Direct Investment. Under Rule 18f-4, the Fund may enter into an unfunded commitment agreement that is not a derivatives transaction, such as a capital commitment to a Portfolio Fund, if the Fund reasonably believes, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as they come due. The Fund currently operates as a "limited derivatives user", which may limit its ability to use and/or enter into certain other financial contracts. In addition, the Fund's ability to invest may be affected by considerations under other laws, rules or regulations. Such regulatory restrictions, including those arising under the Investment Company Act, may cause the Fund to invest in different Portfolio Funds or Direct Investments than other clients of the Adviser.

If the Fund fails to satisfy capital calls to a Portfolio Fund in a timely manner then, generally, it will be subject to significant penalties, including the complete forfeiture of the Fund's investment in the Portfolio Fund. Any failure by the Fund to make timely capital contributions may impair the ability of the Fund to pursue its investment program, cause the Fund to be subject to certain penalties from the Portfolio Funds or otherwise impair the value of the Fund's investments.

The governing documents of a Portfolio Fund generally are expected to include provisions that would enable the general partner, the manager, or a majority in interest (or higher percentage) of its limited partners or members, under certain circumstances, to terminate the Portfolio Fund prior to the end of its stated term. Early termination of a Portfolio Fund in which the Fund is invested may result in the Fund having distributed to it a portfolio of immature and illiquid securities, or the Fund's inability to invest all of its capital as anticipated, either of which could have a material adverse effect on the performance of the Fund.

Although the Fund will be an investor in a Portfolio Fund, Shareholders will not themselves be equity holders of that Portfolio Fund and will not be entitled to enforce any rights directly against the Portfolio Fund or the Portfolio Fund Manager or assert claims directly against any Portfolio Funds, the Portfolio Fund Managers or their respective affiliates. Shareholders will have no right to receive the information issued by the Portfolio Funds that may be available to the Fund as an investor in the Portfolio Funds. In addition, Portfolio Funds generally are not registered as investment companies under the Investment Company Act; therefore, the Fund, as an investor in Portfolio Funds, does not have the benefit of the protections afforded by the Investment Company Act. Portfolio Fund Managers may not be registered as investment advisers under the Advisers Act, in which case the Fund, as an investor in Portfolio Funds managed by such Portfolio Fund Managers, does not have the benefit of certain of the protections afforded by the Advisers Act.

Commitments to Portfolio Funds generally are not immediately invested. Instead, committed amounts are drawn down by Portfolio Funds and invested over time, as underlying investments are identified—a process that may take a period of several years, with limited ability to predict with precision the timing and amount of each Portfolio Fund's drawdowns. During this period, investments made early in a Portfolio Fund's life are often realized (generating distributions) even before the committed capital has been fully drawn. In addition, many Portfolio Funds do not draw down 100% of committed capital, and historic trends and practices can inform the Adviser as to when it can expect to no longer need to fund capital calls for a particular Portfolio Fund. Accordingly, the Adviser may make investments and commitments based, in part, on anticipated future capital calls and distributions from Portfolio Funds. This may result in the Fund making commitments to Portfolio Funds in an aggregate amount that exceeds the total amounts invested by Shareholders in the Fund at the time of such commitment (i.e., to "over-commit"). To the extent that the Fund engages in an "over-commitment" strategy, the risk associated with the Fund defaulting on a commitment to a Portfolio Fund will increase. The Fund maintains cash, cash equivalents, borrowings or other liquid assets in sufficient amounts, in the Adviser's judgment, to satisfy capital calls from Portfolio Funds.

#### *Portfolio Funds' Underlying Investments*

The investments made by the Portfolio Funds entail a high degree of risk and in most cases are highly illiquid and difficult to value. Unless and until those investments are sold or mature into marketable securities they will remain illiquid. As a general matter, companies in which the Portfolio Fund invests may face intense competition, including competition from companies with far greater financial resources; more extensive research, development, technological, marketing and other capabilities; and a larger number of qualified managerial and technical personnel.

A Portfolio Fund Manager may focus on a particular industry or sector, which may subject the Portfolio Fund, and thus the Fund, to greater risk and volatility than if investments had been made in issuers in a broader range of industries. Likewise, a Portfolio Fund Manager may focus on a particular country or geographic region, which may subject the Portfolio Fund, and thus the Fund, to greater risk and volatility than if investments had been made in issuers in a broader range of geographic regions. In addition, Portfolio Funds may establish positions in different geographic regions or industries that, depending on market conditions, could experience offsetting returns.

The Fund will not obtain or seek to obtain any control over the management of any portfolio company in which any Portfolio Fund may invest. The success of each investment made by a Portfolio Fund will largely depend on the ability and success of the management of the portfolio companies in addition to economic and market factors.

### *Risks Associated with Secondary Investments*

The Fund may make Secondary Investments in Portfolio Funds by acquiring the interests in the Portfolio Funds from existing investors in such Portfolio Funds (and not from the Portfolio Fund itself). In such instances, as the Fund will not be acquiring such interests directly from the Portfolio Fund, it is generally not expected that the Fund will have the opportunity to negotiate the terms of the interests being acquired, other than the purchase price, or other special rights or privileges. There can be no assurance as to the number of Secondary Investment opportunities that will be presented to the Fund.

In addition, valuation of Secondary Investments in Portfolio Funds may be difficult, as there generally will be no established market for such investments or for the privately-held portfolio companies in which such Portfolio Funds may own securities. Moreover, the purchase price of Secondary Investments in such Portfolio Funds generally will be subject to negotiation with the sellers of the interests and there is no assurance that the Fund will be able to purchase interests at attractive discounts to net asset value, or at all. The overall performance of the Fund will depend in large part on the acquisition price paid by the Fund for its Secondary Investments, the structure of such acquisitions and the overall success of the Portfolio Fund.

There is significant competition for Secondary Investments. Many institutional investors, including fund-of-funds entities, as well as existing investors of Portfolio Funds may seek to purchase Secondary Investments of the same Portfolio Fund which the Fund may also seek to purchase. In addition, some Portfolio Fund Managers have become more selective by adopting policies or practices that exclude certain types of investors, such as fund-of-funds. These Portfolio Fund Managers also may be partial to Secondary Investments being purchased by existing investors of their Portfolio Funds. In addition, some secondary opportunities may be conducted pursuant to a specified methodology (such as a right of first refusal granted to existing investors or a so-called "Dutch auction," where the price of the investment is lowered until a bidder bids and that first bidder purchases the investment, thereby limiting a bidder's ability to compete for price) which can restrict the availability of those opportunities for the Fund. No assurance can be given that the Fund will be able to identify Secondary Investments that satisfy the Fund's investment objective or, if the Fund is successful in identifying such Secondary Investments, that the Fund will be permitted to invest, or invest in the amounts desired, in such Secondary Investments.

At times, the Fund may have the opportunity to acquire a portfolio of Portfolio Fund interests from a seller, on an "all or nothing" basis. In some such cases, certain of the Portfolio Fund interests may be less attractive than others, and certain of the Portfolio Fund Managers may be more familiar to the Adviser than others or may be more experienced or highly regarded than others. In such cases, it may not be possible for the Fund to carve out from such purchases those Secondary Investments which the Adviser considers (for commercial, tax legal or other reasons) less attractive.

In the cases where the Fund acquires an interest in a Portfolio Fund through a Secondary Investment, the Fund may acquire contingent liabilities of the seller of such interest. More specifically, where the seller has received distributions from the Portfolio Fund and, subsequently, that Portfolio Fund recalls one or more of these distributions, the Fund (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return the monies equivalent to such distribution to the Portfolio Fund. While the Fund may, in turn, make a claim against the seller for any such monies so paid, there can be no assurances that the Fund would prevail on such claim.

### *Regulatory Changes Affecting Private Equity Funds*

The legal, tax and regulatory environment for private equity funds is evolving, and it is possible that any future changes may materially adversely affect the ability of Portfolio Funds to pursue their investment strategies. In recent years, there has been increased scrutiny of the private equity industry by regulators, self-regulatory bodies and legislatures, and it is possible that in the future such groups both in the U.S. and in non-U.S. jurisdictions may consider changes to the regulations applicable to private equity funds. It is impossible to predict what, if any, changes might be made in the future to the regulations affecting: private equity funds generally; the Portfolio Funds; the Portfolio Fund Managers; the markets in which they operate and invest; and/or the counterparties with which they do business. It is also impossible to predict what the effect of any such legislative or regulatory changes might be.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of the Portfolio Funds and the Portfolio Fund Managers. In particular, the SEC has adopted a number of new rules that impose significant

changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact the Portfolio Fund Managers, their affiliates and the Portfolio Funds. In addition, the Portfolio Funds are expected to bear increased and significant costs as a result of such enacted and proposed rules, including costs related to limited partner reporting and disclosures to investors. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Portfolio Funds. In addition, following the applicable compliance date, such regulations will require the general partner of each Portfolio Fund to disclose to prospective investors and/or limited partners certain preferential investment terms that the respective general partner provides to any limited partner in connection with its investment in the applicable Portfolio Fund, which could cause the general partner of each Portfolio Fund to deny certain preferential terms to limited partners.

Any regulatory changes that adversely affect a Portfolio Fund's ability to implement its investment strategies could have a material adverse impact on the Portfolio Fund's performance, and thus on the Fund's performance.

#### *In-Kind Distributions from Portfolio Funds*

The Fund may receive in-kind distributions of securities from Portfolio Funds. There can be no assurance that securities distributed in kind by Portfolio Funds to the Fund will be readily marketable or saleable, and the Fund may be required to hold such securities for an indefinite period and/or may incur additional expense in connection with any disposition of such securities.

#### *Direct Investments Risks*

The Fund's investment portfolio will include Direct Investments, which are investments in the equity and/or debt securities of private companies, including alongside private equity funds and other private equity firms. The Fund's ability to realize a profit on such Direct Investments will be particularly reliant on the expertise of the lead investor in the transaction. There can be no assurance that the Fund will be given Direct Investment opportunities, or that any specific Direct Investment offered to the Fund would be appropriate or attractive to the Fund in the Adviser's judgment. The market for Direct Investment opportunities is competitive and may be limited, and the Direct Investment opportunities to which the Fund wishes to allocate assets may not be available at any given time. Due diligence is conducted on Direct Investment opportunities; however, the Adviser may not have the ability to conduct the same level of due diligence applied to other investments. In addition, the Adviser may have little to no opportunities to negotiate the terms of such Direct Investments. The Fund generally relies on the Portfolio Fund Manager or sponsor offering such Direct Investment opportunity to perform most of the due diligence on the relevant portfolio company and to negotiate terms of the Direct Investment.

Many entities compete with the Fund in pursuing Direct Investments. These competitors may have considerably greater financial, technical and marketing resources than the Fund. Some competitors may have a lower cost of funds and access to funding sources that are not available to the Fund. In addition, some competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of, or different structures for, private investments than the Fund. Furthermore, many competitors are not subject to the regulatory restrictions that the Investment Company Act imposes on the Fund. As a result of this competition, the Fund may not be able to pursue attractive Direct Investment opportunities from time to time.

The Fund's ability to dispose of Direct Investments may be severely limited, both by the fact that the securities are expected to be unregistered and illiquid and by contractual restrictions that may limit, preclude or require certain approvals for the Fund to sell such investment. Direct Investments may be heavily negotiated and, therefore, the Fund may incur additional legal and transaction costs in connection therewith.

#### *Direct Investing Alongside Other Parties Risks*

Direct investing alongside one or more other parties in an investment (i.e., as a co-investor) involves risks that may not be present in investments made by lead or sponsoring private equity investors. As a co-investor, the Fund may

have interests or objectives that are inconsistent with those of the lead private equity investors that generally have a greater degree of control over such investments.

In addition, in order to take advantage of Direct Investment opportunities as a co-investor, the Fund generally will be required to hold a non-controlling interest, for example, by becoming a limited partner in a partnership that is controlled by the general partner or manager of the private equity fund offering the Direct Investment, on a co-investor basis, to the Fund. In this event, the Fund would have less control over the investment and may be adversely affected by actions taken by such general partner or manager with respect to the portfolio company and the Fund's investment in it. The Fund may not have the opportunity to participate in structuring investments or to determine the terms under which such investments will be made.

In addition, the Fund may in certain circumstances be liable for the actions of its third-party co-venturers. Direct Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third party partners or co-venturers. There can be no assurance that appropriate minority shareholder rights will be available to the Fund or that such rights will provide sufficient protection to the Fund's interests.

#### *Fixed-Income Securities Risks*

Fixed-income securities in which the Fund may invest are generally subject to the following risks:

Interest Rate Risk. The market value of bonds and other fixed-income securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The United States is currently experiencing a rising interest rate environment, which may increase the Fund's exposure to risks associated with rising interest rates. There is a risk that interest rates will rise further, which will likely drive down prices of bonds and other fixed-income securities. The magnitude of these fluctuations in the market price of bonds and other fixed-income securities is generally greater for those securities with longer maturities. Fluctuations in the market price of the Fund's investments will not affect interest income derived from instruments already owned by the Fund, but will be reflected in the Fund's net asset value. The Fund may lose money if short-term or long-term interest rates rise sharply in a manner not anticipated by the Adviser. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates (and particularly sudden and significant changes) can be expected to cause some fluctuations in the net asset value of the Fund to the extent that it invests in floating rate debt securities.

The Fund may invest in variable and floating rate debt instruments, which generally are less sensitive to interest rate changes than longer duration fixed rate instruments, but may decline in value in response to rising interest rates if, for example, the rates at which they pay interest do not rise as much, or as quickly, as market interest rates in general. Conversely, variable and floating rate instruments generally will not increase in value if interest rates decline. To the extent the Fund holds variable or floating rate instruments, a decrease in market interest rates will adversely affect the income received from such securities, which may adversely affect the net asset value of the Fund's Shares.

Issuer and Spread Risk. The value of fixed-income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer's goods and services, historical and prospective earnings of the issuer and the value of the assets of the issuer. In addition, wider credit spreads and decreasing market values typically represent a deterioration of a debt security's credit soundness and a perceived greater likelihood of risk or default by the issuer.

Credit Risk. Credit risk is the risk that one or more fixed-income securities in the Fund's portfolio will decline in price or fail to pay interest or principal when due because the issuer of the security experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates. To the extent the Fund invests in below investment grade securities, it will be exposed to a greater amount of credit risk than a fund that only invests in investment grade securities. In addition, to the extent the Fund uses credit derivatives, such use will expose it to additional risk in the event that the bonds underlying the derivatives default. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities.

Prepayment or "Call" Risk. During periods of declining interest rates, borrowers may exercise their option to prepay principal earlier than scheduled. For fixed rate securities, such payments often occur during periods of declining interest rates, forcing the Fund to reinvest in lower yielding securities, resulting in a possible decline in the Fund's income and distributions to shareholders. This is known as prepayment or "call" risk. Below investment grade securities frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met (i.e., "call protection"). For premium bonds (bonds acquired at prices that exceed their par or principal value) purchased by the Fund, prepayment risk may be increased.

Reinvestment Risk. Reinvestment risk is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below the Fund portfolio's current earnings rate.

Duration and Maturity Risk. The Fund has no set policy regarding the duration or maturity of the fixed-income securities it may hold. In general, the longer the duration of any fixed-income securities in the Fund's portfolio, the more exposure the Fund will have to the interest rate risks described above. The Adviser may seek to adjust the portfolio's duration or maturity based on its assessment of current and projected market conditions and any other factors that the Adviser deems relevant. There can be no assurance that the Adviser's assessment of current and projected market conditions will be correct or that any strategy to adjust the portfolio's duration or maturity will be successful at any given time.

## **Risks Relating to the Consummation of the Acquisition Transaction**

### *Failure to Consummate the Acquisition Transaction*

While there can be no assurances as to the exact timing, or that the Acquisition Transaction will be completed at all, the Fund is working to complete the Acquisition Transaction by the end of the second quarter of 2024. The consummation of the Acquisition Transaction is subject to certain conditions, including, among others, consent of the general and limited partners of the Seller. The Fund intends to consummate the Acquisition Transaction as soon as possible; however, the Fund cannot assure that the conditions required to consummate the Acquisition Transaction will be satisfied or waived on the anticipated schedule, or at all. If the Acquisition Transaction is not completed, the Fund will have incurred substantial expenses for which no ultimate benefit will have been received. See "Acquisition Transaction Expense Risk."

### *Failure to Realize Anticipated Benefits of the Acquisition Transaction*

The Fund may be unable to realize the benefits anticipated by the Acquisition Transaction or it may take longer than anticipated to achieve such benefits.

The realization of certain benefits anticipated as a result of the Acquisition Transaction will depend in part on the integration of the Portfolio with the Fund's investment portfolio. There can be no assurance that the Portfolio can be integrated successfully into the Fund's investment portfolio in a timely fashion, or at all. The dedication of management resources to such integration may detract attention from the Fund's day-to-day business and there can be no assurance that there will not be substantial costs associated with the transition process or there will not be other material adverse effects as a result of these integration efforts. Such effects, including, but not limited to, incurring unexpected costs or delays in connection with such integration and failure of the Portfolio to perform as expected, could have a material adverse effect on the Fund's financial results.

The Fund also anticipates that Shareholders may benefit from a lower Fund expense ratio when the Portfolio has fully integrated into the Fund's portfolio, as Fund expenses will be spread across a larger pool of assets. It is possible that estimates of the potential savings and synergies could turn out to be incorrect, the anticipated cost savings and synergies may not be fully realized, or realized at all, or may take longer to realize than expected. In addition, the Adviser expects that the Fund may borrow under its credit line to purchase some of the Portfolio. As the Advisory Fee payable by the Fund is based on Managed Assets, Shareholders indirectly may bear higher fees during the period where the Fund has outstanding borrowings.

### *Inability to Obtain Approvals*

The inability to obtain certain approvals and consents could delay or prevent the completion of the Acquisition Transaction. Under the Purchase and Sale Agreements, the obligation to complete the Acquisition Transaction is

subject to the receipt of consents required to be obtained from certain parties, including the general and limited partners of the Seller.

If all approvals and consents, and conditions to such approvals and consents, are not satisfied, the closing of the Acquisition Transaction could be significantly delayed, or the Acquisition Transaction may not occur at all.

#### *Acquisition Transaction Expense Risk*

If the Acquisition Transaction is not completed, the Fund will have incurred substantial expenses in its pursuit for which no ultimate benefit will have been received. The Fund has incurred out-of-pocket expenses in connection with the Acquisition Transaction for legal and accounting expenses and other related charges, much of which will be incurred even if the Acquisition Transaction is not completed.

### **Other Investment Risks**

#### *Non-U.S. Investments Risk*

The Fund, either directly through Direct Investments or indirectly through Portfolio Funds, may invest in companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund or client portfolio), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on investors with respect to the income, and possible non-U.S. tax return filing requirements. The foregoing factors may increase transaction costs and adversely affect the value of the Fund's portfolio investments.

Additional risks of non-U.S. investments include but are not limited to: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. portfolio investments and companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. portfolio investments and companies. In addition, laws and regulations of foreign countries may impose restrictions that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. No assurance can be given that a change in political or economic climate, or particular legal or regulatory risks, including changes in regulations regarding foreign ownership of assets or repatriation of funds or changes in taxation might not adversely affect an investment by the Fund.

#### *Emerging Markets Investments Risk*

The Fund may invest in non-U.S. securities of issuers in so-called "emerging markets" (or lesser developed countries, including countries that may be considered "frontier" markets). Such investments are particularly speculative and entail all of the risks of investing in Non-U.S. Securities but to a heightened degree. "Emerging market" countries generally include every nation in the world except developed countries, that is, the United States, Canada, Japan, Australia, New Zealand and most countries located in Western Europe. Investments in the securities of issuers domiciled in countries with emerging capital markets involve certain additional risks that do not generally apply to investments in securities of issuers in more developed capital markets, such as (i) low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets; (ii) uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments; (iii) possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other foreign or U.S. Governmental laws or restrictions applicable to such investments; (iv) national policies that may limit the Fund's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests; and (v) the lack or relatively early development of legal structures governing private and foreign investments and private property.

Foreign investment in certain emerging market countries may be restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in certain emerging market issuers and increase the costs and expenses of the Fund. Certain emerging market countries require governmental approval prior to investments by foreign persons in a particular issuer, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors.

Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging markets have far lower trading volumes and less liquidity than developed markets. Since these markets are often small, they may be more likely to suffer sharp and frequent price changes or long-term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. In addition, traditional measures of investment value used in the United States, such as price to earnings ratios, may not apply to certain small markets. Also, there may be less publicly available information about issuers in emerging markets than would be available about issuers in more developed capital markets, and such issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which U.S. companies are subject. In certain countries with emerging capital markets, reporting standards vary widely.

Many emerging markets have histories of political instability and abrupt changes in policies and these countries may lack the social, political and economic stability characteristic of more developed countries. As a result, their governments are more likely to take actions that are hostile or detrimental to private enterprise or foreign investment than those of more developed countries, including expropriation of assets, confiscatory taxation, high rates of inflation or unfavorable diplomatic developments. In the past, governments of such nations have expropriated substantial amounts of private property, and most claims of the property owners have never been fully settled. There is no assurance that such expropriations will not reoccur. In such an event, it is possible that the Fund could lose the entire value of its investments in the affected market. Some countries have pervasiveness of corruption and crime that may hinder investments. Certain emerging markets may also face other significant internal or external risks, including the risk of war, and ethnic, religious and racial conflicts. In addition, governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth. National policies that may limit the Fund's investment opportunities include restrictions on investment in issuers or industries deemed sensitive to national interests. In such a dynamic environment, there can be no assurances that any or all of these capital markets will continue to present viable investment opportunities for the Fund.

Emerging markets may also have differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other foreign or U.S. Governmental laws or restrictions applicable to such investments. Sometimes, they may lack or be in the relatively early development of legal structures governing private and foreign investments and private property. In addition to withholding taxes on investment income, some countries with emerging markets may impose differential capital gains taxes on foreign investors.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Fund will need to use brokers and counterparties that are less well capitalized, and custody and registration of assets in some countries may be unreliable. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognize ownership exists in some emerging markets, and, along with other factors, could result in ownership registration being completely lost.

The Fund would absorb any loss resulting from such registration problems and may have no successful claim for compensation. In addition, communications between the United States and emerging market countries may be unreliable, increasing the risk of delayed settlements or losses of security certificates.

#### *Foreign Currency Risk*

Because the Fund may have exposure to securities denominated or quoted in currencies other than the U.S. dollar, changes in foreign currency exchange rates may affect the value of securities held by the Fund and the unrealized appreciation or depreciation of investments. Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies, which means that the Fund's net asset value could decline as a

result of changes in the exchange rates between foreign currencies and the U.S. dollar. The Adviser may, but is not required to, elect for the Fund to seek to protect itself from changes in currency exchange rates through hedging transactions depending on market conditions. In addition, certain countries, particularly emerging market countries, may impose foreign currency exchange controls or other restrictions on the transferability, repatriation or convertibility of currency.

#### *Yield and Ratings Risk*

The yields on debt obligations are dependent on a variety of factors, including general market conditions, conditions in the particular market for the obligation, the financial condition of the issuer, the size of the offering, the maturity of the obligation and the ratings of the issue. The ratings of Moody's, S&P and Fitch, which are described in Appendix A to the SAI, represent their respective opinions as to the quality of the obligations they undertake to rate. Ratings, however, are general and are not absolute standards of quality. Consequently, obligations with the same rating, maturity and interest rate may have different market prices. Subsequent to its purchase by the Fund, a rated security may cease to be rated. The Adviser will consider such an event in determining whether the Fund should continue to hold the security.

#### *U.S. Debt Securities Risk*

U.S. debt securities generally involve lower levels of credit risk than other types of fixed income securities of similar maturities, although, as a result, the yields available from U.S. debt securities are generally lower than the yields available from such other securities. Like other fixed income securities, the values of U.S. debt securities change as interest rates fluctuate. On August 5, 2011, S&P lowered its long-term sovereign credit rating on U.S. debt securities to AA+ from AAA. The downgrade by S&P and any future downgrades by other rating agencies could increase volatility in both stock and bond markets, result in higher interest rates and higher Treasury yields and increase borrowing costs generally. These events could have significant adverse effects on the economy generally and could result in significant adverse impacts on securities issuers and the Fund. The Adviser cannot predict the effects of these or similar events in the future on the U.S. economy and securities markets or on the Fund's portfolio.

#### *Corporate Bonds Risk*

The market value of a corporate bond generally may be expected to rise and fall inversely with interest rates. The market value of intermediate and longer term corporate bonds is generally more sensitive to changes in interest rates than is the market value of shorter term corporate bonds. The market value of a corporate bond also may be affected by factors directly related to the issuer, such as investors' perceptions of the creditworthiness of the issuer, the issuer's financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer's capital structure and use of financial leverage and demand for the issuer's goods and services. Certain risks associated with investments in corporate bonds are described elsewhere in this Prospectus in further detail, including under "—Fixed-Income Securities Risks—Credit Risk," "—Fixed-Income Securities Risks—Interest Rate Risk," and "—Fixed-Income Securities Risks—Prepayment Risk." There is a risk that the issuers of corporate bonds may not be able to meet their obligations on interest or principal payments at the time called for by an instrument. Corporate bonds of below investment grade quality are often high risk and have speculative characteristics and may be particularly susceptible to adverse issuer-specific developments. Corporate bonds of below investment grade quality are subject to the risks described herein under "—Below Investment Grade Securities Risk."

#### *Below Investment Grade Securities Risk*

The Fund may invest in securities that are rated, at the time of investment, below investment grade quality (rated Ba/BB or below, or judged to be of comparable quality by the Adviser), which are commonly referred to as "high yield" or "junk" bonds and are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due. The value of high yield, lower quality bonds is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high yield bonds are not perceived to be as strong financially as those with higher credit ratings. These issuers are more vulnerable to financial setbacks and recession than more creditworthy issuers, which may impair their ability to make interest and principal payments. Lower grade securities may be particularly susceptible to economic downturns. It is likely that an economic recession could severely disrupt the market for such securities and may have an adverse impact on the

value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Lower grade securities, though often high yielding, are characterized by high risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated securities. The secondary market for lower grade securities may be less liquid than that for higher rated securities. Adverse conditions could make it difficult at times for the Fund to sell certain securities or could result in lower prices than those used in calculating the Fund's net asset value. Because of the substantial risks associated with investments in lower grade securities, you could lose money on your investment in the Fund, both in the short-term and the long-term.

The prices of fixed-income securities generally are inversely related to interest rate changes; however, below investment grade securities historically have been somewhat less sensitive to interest rate changes than higher quality securities of comparable maturity because credit quality is also a significant factor in the valuation of lower grade securities. On the other hand, an increased rate environment results in increased borrowing costs generally, which may impair the credit quality of low-grade issuers and thus have a more significant effect on the value of some lower grade securities. In addition, the current low rate environment has expanded the historic universe of buyers of lower grade securities as traditional investment grade oriented investors have been forced to accept more risk in order to maintain income. As rates rise, these recent entrants to the low-grade securities market may exit the market and reduce demand for lower grade securities, potentially resulting in greater price volatility.

The ratings of Moody's, S&P, Fitch and other rating agencies represent their opinions as to the quality of the obligations which they undertake to rate. Ratings are relative and subjective and, although ratings may be useful in evaluating the safety of interest and principal payments, they do not evaluate the market value risk of such obligations. Although these ratings may be an initial criterion for selection of portfolio investments, the Adviser also will independently evaluate these securities and the ability of the issuers of such securities to pay interest and principal. To the extent that the Fund invests in lower grade securities that have not been rated by a rating agency, the Fund's ability to achieve its investment objective will be more dependent on the Adviser's credit analysis than would be the case when the Fund invests in rated securities.

The Fund may invest in securities rated in the lower rating categories (rated as low as D, or unrated but judged to be of comparable quality by the Adviser). For these securities, the risks associated with below investment grade instruments are more pronounced.

#### *Senior Loan Risk*

The Fund may invest in senior floating rate and fixed rate loans or debt ("Senior Loans"). Senior Loans typically hold the most senior position in the capital structure of the issuing entity, are typically secured with specific collateral and typically have a claim on the assets and/or stock of the borrower that is senior to that held by subordinated debt holders and stockholders of the borrower. The Fund's investments in Senior Loans are typically below investment grade and are considered speculative because of the credit risk of their issuer. The risks associated with Senior Loans are similar to the risks of below investment grade fixed income securities, although Senior Loans are typically senior and secured in contrast to other below investment grade fixed income securities, which are often subordinated and unsecured. Senior Loans' higher standing has historically resulted in generally higher recoveries in the event of a corporate reorganization. In addition, because their interest payments are typically adjusted for changes in short-term interest rates, investments in Senior Loans generally have less interest rate risk than other below investment grade fixed income securities, which may have fixed interest rates.

There is less readily available, reliable information about most Senior Loans than is the case for many other types of securities. In addition, there is no minimum rating or other independent evaluation of a borrower or its securities limiting the Fund's investments, and the Adviser relies primarily on its own evaluation of a borrower's credit quality rather than on any available independent sources. As a result, the Fund is particularly dependent on the analytical ability of the Adviser.

The Fund may invest in Senior Loans rated below investment grade, which are considered speculative because of the credit risk of their issuers. Such companies are more likely to default on their payments of interest and principal owed to the Fund, and such defaults could reduce the Fund's net asset value and income distributions. An economic downturn generally leads to a higher non-payment rate and a Senior Loan may lose significant value before a default occurs. Moreover, any specific collateral used to secure a Senior Loan may decline in value or become illiquid, which would adversely affect the Senior Loan's value.

No active trading market may exist for certain Senior Loans, which may impair the ability of the Fund to realize full value in the event of the need to sell a Senior Loan and may make it difficult to value Senior Loans. Adverse market conditions may impair the liquidity of some actively traded Senior Loans, meaning that the Fund may not be able to sell them quickly at a fair price. To the extent that a secondary market does exist for certain Senior Loans, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Illiquid investments are also difficult to value.

Although the Senior Loans in which the Fund may invest generally will be secured by specific collateral, there can be no assurances that liquidation of such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In the event of the bankruptcy of a borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Loan. If the terms of a Senior Loan do not require the borrower to pledge additional collateral in the event of a decline in the value of the already pledged collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the borrower's obligations under the Senior Loans. To the extent that a Senior Loan is collateralized by stock in the borrower or its subsidiaries, such stock may lose all of its value in the event of the bankruptcy of the borrower. Uncollateralized Senior Loans involve a greater risk of loss. Some Senior Loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate the Senior Loans to presently existing or future indebtedness of the borrower or take other action detrimental to lenders, including the Fund. Such court action could under certain circumstances include invalidation of Senior Loans.

Senior Loans are subject to legislative risk. If legislation or state or federal regulations impose additional requirements or restrictions on the ability of financial institutions to make loans, the availability of Senior Loans for investment by the Fund may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain borrowers. This would increase the risk of default. If legislation or federal or state regulations require financial institutions to increase their capital requirements this may cause financial institutions to dispose of Senior Loans that are considered highly levered transactions. Such sales could result in prices that, in the opinion of the Adviser, do not represent fair value. If the Fund attempts to sell a Senior Loan at a time when a financial institution is engaging in such a sale, the price the Fund could receive for the Senior Loan may be adversely affected.

The Fund may acquire Senior Loan assignments or participations. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and, in any event, the Fund may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral. A participation typically results in a contractual relationship only with the institution participating out the interest, not with the borrower. In purchasing participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement against the borrower and the Fund may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Fund will be exposed to the credit risk of both the borrower and the institution selling the participation.

The Fund's investments in Senior Loans may be subject to lender liability risk. Lender liability refers to a variety of legal theories generally founded on the premise that a lender has violated a duty of good faith, commercial reasonableness and fair dealing or a similar duty owed to the borrower, or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of its investments, the Fund may be subject to allegations of lender liability. In addition, under common law principles that in some cases form the basis for lender liability claims, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors.

### *LIBOR and Other Reference Rates Risk*

The ICE Benchmark Administration ("IBA") ceased publishing USD London Interbank Offered Rate ("LIBOR") settings on June 30, 2023. As of January 1, 2022, all non-USD LIBOR reference rates in all settings ceased to be published. There can be no assurance that non-USD synthetic LIBOR or USD LIBOR will become available in the future.

The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee (the "ARRC"), a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative rate for LIBOR. On December 6, 2021, the ARRC released a statement selecting and recommending forms of SOFR, along with associated spread adjustments and conforming changes, to replace references to 1-week and 2-month USD LIBOR. At this time, it is not possible to predict the effect of the transition to SOFR. Although there have been an increasing number of issuances utilizing SOFR or the Sterling Over Night Index Average ("SONIA") (the GBP-LIBOR nominated replacement alternative reference rate that is based on transactions), it is unknown whether SOFR or any other alternative reference rates will attain market acceptance as replacements for LIBOR.

Given the inherent differences between LIBOR and SOFR, or any other alternative reference rates that may be established, the transition from LIBOR may disrupt the overall financial markets and adversely affect the market for LIBOR-based securities, including the cost of the Fund's borrowings. In addition, changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR-based securities, including the cost of the Fund's borrowings. The transition process could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based instruments. While some instruments tied to LIBOR in which the Fund may invest include a replacement rate in the event LIBOR is discontinued, not all instruments have such fallback provisions and the effectiveness of such replacement rates remains uncertain. The potential cessation of LIBOR could affect the value and liquidity of investments tied to LIBOR, especially those that do not include fallback provisions, and may result in costs incurred in connection with closing out positions and entering new trades. Due to the uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate, the potential effect of a transition away from LIBOR on the Fund or the financial instruments in which the Fund invests may adversely affect the Fund's performance or NAV and reduce the liquidity of its investments tied to LIBOR, especially those that do not include fallback provisions.

### *Other Registered Investment Companies Risk*

The Fund may invest in the securities of other registered investment companies to the extent that such investments are consistent with the Fund's investment objective and permissible under the Investment Company Act. Under Section 12(d)(1) of the Investment Company Act, unless an exemption is available, the Fund may not acquire the securities of other registered investment companies if, as a result: (i) more than 10% of the Fund's total assets would be invested in securities of other registered investment companies; (ii) such purchase would result in more than 3% of the total outstanding voting securities of any one registered investment company being held by the Fund; or (iii) more than 5% of the Fund's total assets would be invested in any one registered investment company. Rule 12d1-4 under the Investment Company Act provides an exemption, subject to certain conditions, to permit acquiring funds to invest in the securities of other registered investment companies in excess of the limits of Section 12(d)(1). Rule 12d1-4 also modifies certain existing exemptive rules and will rescind exemptive orders previously granted by the SEC. As a result, certain registered funds and private funds may be more limited in their ability to invest in the Fund under Rule 12d1-4 than they otherwise would be. The Fund, as a holder of the securities of other investment companies, will bear its pro rata portion of the other investment companies' expenses, including advisory fees. These expenses will be in addition to the direct expenses incurred by the Fund.

### *ETF Risk*

The risks of investment in an ETF typically reflect the risks of the types of instruments in which the ETF invests. If the Fund invests in ETFs, Shareholders will bear indirectly their proportionate share of the ETF's fees and expenses, as well as their share of the Fund's fees and expenses. As a result, an investment by the Fund in an ETF could cause the Fund's total operating expenses (taking into account indirect expenses such as the fees and expenses of the ETF)

to be higher and, in turn, performance to be lower than if it were to invest directly in the instruments underlying the ETF. The trading in an ETF may be halted if the trading in one or more of the ETF's underlying securities is halted. In addition, ETFs are susceptible to market trading risks (i.e., the ETF faces market trading risks, including losses from trading in secondary markets and disruption in the creation/redemption process of the ETF).

## **Other Risks**

### *Recent Bank Failures*

The financial markets recently have encountered volatility associated with concerns about the balance sheets of banks, especially small and regional banks who may have significant losses associated with investments that make it difficult to fund demands to withdraw deposits and other liquidity needs. Although the federal government has announced measures to assist these banks and protect depositors, some banks have already been impacted and others may be materially and adversely impacted. The Fund's business is dependent on bank relationships and the Adviser is proactively monitoring the financial health of such bank relationships. Continued strain on the banking system may adversely impact the Fund's business, financial condition and results of operations.

### *Recent Markets Fluctuations and Changes*

General fluctuations in the market prices of securities may affect the value of the Fund's investments. Instability in the securities markets also may increase the risks inherent in the Fund's investments. Stresses associated with the 2008 financial crisis in the United States and global economies peaked approximately a decade ago, but periods of unusually high volatility in the financial markets and restrictive credit conditions, sometimes limited to a particular sector or a geography, continue to recur. Some countries, including the United States, have adopted and/or are considering the adoption of more protectionist trade policies, a move away from the tighter financial industry regulations that followed the financial crisis, and/or substantially reducing corporate taxes. The exact shape of these policies is still being considered, but the equity and debt markets may react strongly to expectations of change, which could increase volatility, especially if the market's expectations are not borne out. A rise in protectionist trade policies, and the possibility of changes to some international trade agreements, could affect the economies of many nations in ways that cannot necessarily be foreseen at the present time. In addition, geopolitical and other risks, including environmental and public health, may add to instability in world economies and markets generally. Economies and financial markets throughout the world are becoming increasingly interconnected. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to countries experiencing economic, political and/or financial difficulties, the value and liquidity of the Fund's investments may be negatively affected by such events.

### *Outbreaks of Infectious or Contagious Diseases and Public Health Emergencies*

Certain of the Fund's investments' businesses could be adversely affected by the effects of health pandemics or epidemics, including the ongoing COVID-19 global pandemic, the evolution of which continues to be uncertain. Recurring COVID-19 outbreaks around the world have heightened concerns relating to new and potentially more dangerous virus variants, which, if transmitted around the globe could lead to the re-introduction of restrictions that were in place in 2020, 2021, and to a lesser extent in 2022, or even the adoption of other more strict measures to combat outbreaks. Another severe outbreak of COVID-19 or another pandemic can disrupt the Fund's and the Fund's investments' businesses and materially and adversely impact the Fund's and/or their financial results.

The COVID-19 pandemic contributed to certain conditions associated with the current macroeconomic environment and caused significant disruptions and instabilities in the global and U.S. financial markets or deteriorations in credit and financing conditions. A resurgence of COVID-19 or another pandemic with effects similar to those of COVID-19 may adversely affect the Fund's and the Fund's investments' liquidity positions.

### *Market Disruption and Geopolitical Risk*

Downgrades by rating agencies to the U.S. government's credit rating or concerns about its credit and deficit levels in general could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with the Fund's debt portfolio and the Fund's ability to access the debt markets on favorable

terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on the Fund's financial performance and the value of the Fund's Shares. U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns or a recession in the United States.

Deterioration in the economic conditions in the Eurozone and other regions or countries globally and the resulting instability in global financial markets may pose a risk to the Fund's business. Financial markets have been affected at times by a number of global macroeconomic events, including the following: large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non-performing loans on the balance sheets of European banks, the effect of the United Kingdom (the "U.K.") leaving the European Union (the "EU"), instability in the Chinese capital markets and the COVID-19 pandemic. Global market and economic disruptions have affected, and may in the future affect, the U.S. capital markets, which could adversely affect the Fund's business, financial condition or results of operations. It cannot be assured that market disruptions in Europe and other regions or countries, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and it cannot be assured that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe or elsewhere negatively impacts consumer confidence and consumer credit factors, the Fund's business, financial condition and results of operations could be significantly and adversely affected. Moreover, there is a risk of both sector-specific and broad-based corrections and/or downturns in the equity and credit markets. Any of the foregoing could have a significant impact on the markets in which we operate and could have a material adverse impact on the Fund's business prospects and financial condition.

Various social and political circumstances in the U.S. and around the world (including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics or outbreaks of infectious diseases), may also contribute to increased market volatility and economic uncertainties or deterioration in the U.S. and worldwide. Such events, including rising trade tensions between the United States and China, other uncertainties regarding actual and potential shifts in U.S. and foreign, trade, economic and other policies with other countries, the wars in Ukraine and Russia and the Middle East, and health epidemics and pandemics, could adversely affect the Fund's business, financial condition or results of operations. These market and economic disruptions could negatively impact the operating results of the Fund's investments.

#### *Advancements in Artificial Intelligence and Machine Learning.*

The ongoing evolution in artificial intelligence and machine learning technologies (hereinafter, "Machine Learning Technologies"), encompassing initiatives like OpenAI's deployment of its ChatGPT application, may instigate risks that impact the Fund and the Portfolio Funds. Regardless of existing policies, there exists potential for the Adviser, the Fund's portfolio companies and Portfolio Funds, and all associated affiliates, partners, members, shareholders, officers, directors, and employees to deploy Machine Learning Technologies in violation of such policies, knowingly or otherwise. The risk exposure for the Fund and the Portfolio Funds may be exacerbated if third-party service providers or any known or unknown counterparts also incorporate Machine Learning Technologies in their business operations. The Fund cannot ensure absolute control over the development or maintenance of third-party products or the manner in which third-party services are rendered.

The utilization of Machine Learning Technologies may inadvertently involve the integration of confidential data, including sensitive non-public information, by either third parties in breach of non-disclosure agreements, or by employees of the Adviser or the related affiliates and partners in breach of the Fund's policies. This may result in the confidential information becoming accessible within a dataset by other third-party Machine Learning Technology applications and users. For comprehensive details on risks related to information security, refer to the section titled "—Cyber Security Risk" herein.

Machine Learning Technologies inherently depend on the aggregation and examination of vast quantities of data. However, due to practical limitations, it is infeasible to incorporate all pertinent data into the model that Machine Learning Technologies leverage for operation. Consequently, these models will inevitably harbor some degree of inaccuracy and error, potentially significant, or could be otherwise deficient or flawed, thereby compromising the effectiveness of Machine Learning Technologies. To the extent that we, the Adviser, the Fund and the Portfolio Funds

are susceptible to the risks associated with Machine Learning Technologies, any inaccuracies or errors may precipitate adverse impacts.

Machine Learning Technologies and their applications, particularly within the private investment and financial sectors, continue to undergo rapid evolution. Therefore, it remains impossible to accurately foresee future risks that may emerge from such technological advancements.

### *Cyber Security Risk*

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the information resources of the Fund or the Fund's investments or Portfolio Funds. The efficient operation of the Fund's business is dependent on computer hardware and software systems, as well as data processing systems and the secure processing, storage and transmission of information, all of which are potentially vulnerable to security breaches and cyber incidents or other data security breaches. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to the Fund's information systems or those of the Fund's investments and Portfolio Funds for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusions, including by computer hackers, nation-state affiliated actors, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. The Fund and the Adviser's employees have been and expect to continue to be the target of fraudulent calls, emails and other forms of potentially malicious or otherwise negatively impacting activities and attempts to gain unauthorized access to confidential, personal or other sensitive information. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, fines or penalties, investigations, increased cybersecurity protection and insurance costs, litigation and damage to business relationships and reputations causing the Fund's business and results of operations to suffer.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. As the Fund and the Fund's investments and Portfolio Funds' reliance on technology has increased, so have the risks posed to the Fund's information systems, both internal and those provided by Ares Management and third-party service providers, and the information systems of the Fund's investments and Portfolio Funds. Ares Management has implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as the Fund's increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that a cyber incident will not occur and/or that the Fund's financial results, operations or confidential information will not be negatively impacted by such an incident. Even the most well-protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, the Fund and its service providers may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for the Fund and its service providers to entirely mitigate this risk. Cybersecurity risks require continuous and increasing attention and other resources from the Fund to, among other actions, identify and quantify these risks, upgrade and expand the Fund's technologies, systems and processes to adequately address such risks. Such attention diverts time and other resources from other activities and there is no assurance that the Fund's efforts will be effective.

In addition, cybersecurity has become a top priority for global lawmakers and regulators, and some jurisdictions have proposed or enacted laws requiring companies to notify regulators and individuals of data security breaches involving certain types of personal data. In particular, state and federal laws and regulations related to cybersecurity compliance continue to evolve and change, which may require substantial investments by the Fund and/or the Adviser and its affiliates in new technology, software and personnel, which could affect the Fund's profitability. These changes may also result in enhanced and unforeseen consequences for cyber-related breaches and incidents, which may further adversely affect the Fund's profitability. If the Fund fails to comply with the relevant and increasing complex laws, regulations and disclosure obligations, the Fund could suffer financial losses, a disruption of the Fund's business, liability to investors, regulatory intervention or reputational damage.

### *Tax Considerations for the Fund*

The Fund has elected to be treated as, and intends to continue to qualify to be treated as, a RIC under Subchapter M of the Code. As such, the Fund must satisfy, among other requirements, certain ongoing asset diversification, source-of-income and annual distribution requirements. If the Fund fails to qualify as a RIC it will become subject to corporate-level income tax, and the resulting corporate taxes could substantially reduce the Fund's net assets, the amount of income available for distributions to Shareholders, the amount of distributions and the amount of funds available for new investments. Such a failure would have a material adverse effect on the Fund and the Shareholders. See "Material U.S. Federal Income Tax Considerations."

Each of the aforementioned ongoing requirements for qualification of the Fund as a RIC requires that the Adviser obtain information from or about the underlying investments in which the Fund is invested. Portfolio Funds and Portfolio Fund Managers may not provide information sufficient to ensure that the Fund qualifies as a RIC under the Code. If the Fund does not receive sufficient information from Portfolio Funds or Portfolio Fund Managers, the Fund risks failing to satisfy the Subchapter M qualification tests and/or incurring an excise tax on undistributed income.

In order to meet the 90% Gross Income Test (as defined below in "Material U.S. Federal Income Tax Considerations—Qualification as a Regulated Investment Company"), the Fund may structure its investments in a way that could increase the taxes imposed thereon or in respect thereof. For example, the Fund may be required to hold such investments through a subsidiary that is treated as a corporation for U.S. federal income tax purposes. In such a case, any income from such investments is generally not expected to adversely affect the Fund's ability to meet the 90% Gross Income Test, although such income generally would be subject to U.S. corporate federal income tax (and possibly state and local taxes), which the Fund would indirectly bear through its ownership of such subsidiary. See "Material U.S. Federal Income Tax Considerations—Qualification as a Regulated Investment Company."

If, before the end of any quarter of its taxable year, the Fund believes that it may fail the Diversification Tests (as defined below in "Material U.S. Federal Income Tax Considerations—Qualification as a Regulated Investment Company"), the Fund may seek to take certain actions to avert such a failure. However, the action frequently taken by RICs to avert such a failure, the disposition of non-diversified assets, may be difficult to pursue because of the limited liquidity of the Fund's investments. While relevant tax provisions afford a RIC a 30-day period after the end of the relevant quarter in which to cure a diversification failure by disposing of non-diversified assets, the constraints on the Fund's ability to effect a sale of an investment may limit the Fund's use of this cure period. In certain cases, the Fund may be afforded a longer cure period under applicable savings provisions, but the Fund may be subject to a penalty tax in connection with its use of those savings provisions. If the Fund fails to satisfy the Diversification Tests or other RIC requirements, the Fund may fail to qualify as a RIC under the Code. If the Fund fails to qualify as a RIC, it would become subject to a corporate-level U.S. federal income tax (and any applicable U.S. state and local taxes) and distributions to the Shareholders generally would be treated as corporate dividends. See "Material U.S. Federal Income Tax Considerations — Failure to Qualify as a Regulated Investment Company." In addition, the Fund is required each December to make certain "excise tax" calculations based on income and gain information that must be obtained from the Portfolio Funds or Portfolio Fund Managers. If the Fund does not receive sufficient information from the Portfolio Funds or Portfolio Fund Managers, it risks failing to satisfy the Subchapter M qualification tests and/or incurring an excise tax on undistributed income (in addition to the corporate income tax). The Fund may, however, attempt to avoid such outcomes by paying a distribution that is or is considered to be in excess of its current and accumulated earnings and profits for the relevant period (i.e., a return of capital).

In addition, the Fund may directly or indirectly invest in Portfolio Funds located outside the United States. Such Portfolio Funds may be subject to withholding taxes and other taxes in such jurisdictions with respect to their investments. In general, a U.S. person will not be able to claim a foreign tax credit or deduction for foreign taxes paid by the Fund. Further, adverse United States tax consequences can be associated with certain foreign investments, including potential United States withholding taxes on foreign investment entities with respect to their United States investments and potential adverse tax consequences associated with investments in any foreign corporations that are characterized for U.S. federal income tax purposes as "controlled foreign corporations" or "passive foreign investment companies."

The Fund may retain some income and capital gains in the future, including for purposes of providing the Fund with additional liquidity, which amounts would be subject to the 4% U.S. federal excise tax to the extent they exceed the

Excise Tax Distribution Requirement (as defined below), in addition to the corporate income tax. In that event, the Fund will be liable for the tax on the amount by which the Fund does not meet the foregoing distribution requirement. See "Material U.S. Federal Income Tax Considerations — Qualification as a Regulated Investment Company."

#### *Tax Laws Subject to Change*

It is possible that the current U.S. federal, state, local, or foreign income tax treatment accorded an investment in the Fund will be modified by legislative, administrative, or judicial action in the future. The nature of additional changes in U.S. federal or non-U.S. income tax law, if any, cannot be determined prior to enactment of any new tax legislation. However, such legislation could significantly alter the tax consequences and decrease the after tax rate of return of an investment in the Fund, including with retroactive effect. Potential investors therefore should seek, and must rely on, the advice of their tax advisers with respect to the possible impact on their investments of recent legislation, as well as any future proposed tax legislation or administrative or judicial action.

#### *Incentive Fee*

The Incentive Fee payable by the Fund to the Adviser may create an incentive for the Adviser to make investments on the Fund's behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement.

Any Incentive Fee payable by the Fund that relates to an increase in value of the Fund's investments may be computed and paid on gain or income that is unrealized, and the Adviser is not obligated to reimburse the Fund for any part of an Incentive Fee it previously received. If a Fund investment with an unrealized gain subsequently decreases in value, it is possible that such unrealized gain previously included in the calculation of an Incentive Fee will never become realized. Thus, the Fund could have paid an Incentive Fee on income or gain the Fund never received. See "Investment Advisory and Management Agreement—Incentive Fee" and "—Incentive Fee Examples."

The Incentive Fee is computed and paid on net profits that may include interest that has been accrued but not yet received in cash, such as market discount, debt instruments with payment in kind ("PIK") interest, preferred stock with PIK dividends and zero coupon securities, in addition to amounts related to unrealized capital appreciation. If there is a default on an investment by the obligor or such capital appreciation is not ultimately realized, it is possible that amounts previously used in the calculation of the Incentive Fee will become uncollectible, and the Adviser will have no obligation to refund any fees it received in respect of such accrued income. In addition, since in certain cases the Fund may recognize net profits before or without receiving cash representing such net profits and have a corresponding obligation to make an Incentive Fee payment, the Fund may have to sell some of its investments at times it would not consider advantageous, raise additional debt or equity capital or reduce new investments to meet its payment obligations.

#### *Indemnification Obligations and Limited Liability of Trustees and Adviser*

None of the Trustees, the Adviser or any of their respective affiliates, principals, members, shareholders, partners, officers, directors, employees, agents and representatives (each an "Indemnified Person") shall have any liability, responsibility or accountability in damages or otherwise to any Shareholder or the Fund for, and the Fund agrees, to the fullest extent permitted by law, to indemnify, pay, protect and hold harmless each Indemnified Person from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, proceedings, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, all reasonable costs and expenses of attorneys, defense, appeal and settlement of any and all suits, actions or proceedings instituted or threatened against the Indemnified Persons or the Fund) and all costs of investigation in connection therewith which may be imposed on, incurred by, or asserted against the Indemnified Persons or the Fund in any way relating to or arising out of, or alleged to relate to or arise out of, any action or inaction on the part of the Fund, on the part of the Indemnified Persons when acting on behalf of the Fund or otherwise in connection with the business or affairs of the Fund, or on the part of any agents when acting on behalf of the Fund (collectively, the "Indemnified Liabilities"); provided that the Fund shall not be liable to any Indemnified Person for any portion of any Indemnified Liabilities which results from such Indemnified Person's willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of his, her or its duties or by reason of his, her or its reckless disregard of his, her or its obligations and duties. Notwithstanding the foregoing, no waiver or release of personal liability of any Indemnified Person will

be effective to waive any liabilities of such Indemnified Persons under the U.S. federal securities laws to the extent any such waiver or release is void under Section 14 of the Securities Act.

### *Regulatory Scrutiny and Reporting*

The Fund and the Adviser may be subject to increased scrutiny by government regulators, investigators, auditors and law enforcement officials regarding the identities and sources of funds of investors. In that connection, in the future the Fund may become subject to additional obligations that may affect its investment program, the manner in which it operates and, reporting requirements regarding its investments and investors. Each Shareholder will be required to provide to the Fund such information as may be required to enable the Fund to comply with all applicable legal or regulatory requirements, and each Shareholder will be required to acknowledge and agree that the Fund may disclose such information to governmental and/or regulatory or self-regulatory authorities to the extent required by applicable law or regulation and may file such reports with such authorities as may be required by applicable law or regulation.

### *Best-Efforts Offering Risk*

This offering is being made on a reasonable best efforts basis, whereby the Distributor is only required to use its reasonable best efforts to sell the Shares and neither it nor any selling agent has a firm commitment or obligation to purchase any of the Shares. To the extent that less than the maximum number of Shares is subscribed for, the opportunity for the allocation of the Fund's investments among various issuers and industries may be decreased, and the returns achieved on those investments may be reduced as a result of allocating all of the Fund's expenses over a smaller capital base. As a result, the Fund may be unable to achieve its investment objective and a Shareholder could lose some or all of the value of his, her or its investment in the Shares. The Distributor is an affiliate of the Fund and the Adviser. As a result, the Distributor's due diligence review and investigation of the Fund and this Prospectus cannot be considered to be an independent review.

## **POTENTIAL CONFLICTS OF INTEREST**

The Adviser is accountable to the Fund as a fiduciary, and, consequently, must operate the Fund prudently, in good faith and in the interest of and for the benefit of the Shareholders. As discussed below, prospective investors should be aware of potential conflicts of interest before investing. By purchasing Shares, each Shareholder will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived any claim with respect to the existence of such actual and potential conflicts of interest.

*Management of Similar Accounts.* Certain of the Fund's executive officers and Trustees, and the employees of the Adviser or its affiliates, serve or may serve as officers, trustees or principals of entities that operate in the same or a related line of business as the Fund or of Other Managed Funds. As a result, they have obligations to investors in those entities, the fulfilment of which might not be in the best interests of the Fund or its Shareholders. Moreover, notwithstanding the difference in principal investment objectives between the Fund and the Other Managed Funds, such other funds, including potential new pooled investment vehicles or managed accounts not yet established (whether managed or sponsored by affiliates or the Adviser), have, and may from time to time have, overlapping investment objectives with the Fund and, accordingly, invest in, whether principally or secondarily, asset classes similar to those targeted by the Fund. To the extent the Other Managed Funds have overlapping investment objectives, the scope of opportunities otherwise available to the Fund may be adversely affected and/or reduced. Additionally, certain employees of the Adviser and their management face conflicts in their time management and commitments as well as in the allocation of investment opportunities to other Ares funds.

*Transactions with Other Managed Funds, the Adviser and its Affiliates.* The Investment Company Act imposes significant limits on co-investments with affiliates of the Fund. The Co-Investment Exemptive Order permits the Fund to co-invest alongside Other Managed Funds in privately negotiated transactions. Co-investments made under the Co-Investment Exemptive Order are subject to compliance with certain conditions and other requirements, which could limit the Fund's ability to participate in a co-investment transaction. These co-investment transactions may give rise to conflicts of interest or perceived conflicts of interest among the Fund and the participating Other Managed Funds. An inability to receive the desired allocation to potential investments may affect the Fund's ability to achieve the desired investment returns.

In the event investment opportunities are allocated among the Fund and Other Managed Funds, the Fund may not be able to structure its investment portfolio in the manner desired. Although the Adviser endeavours to allocate investment opportunities in a fair and equitable manner, the Fund is not generally permitted to co-invest in any issuer in which a fund managed by Ares, including Other Managed Funds, or any of its downstream affiliates (other than the Fund and its downstream affiliates) currently has an investment. However, the Fund may co-invest with funds managed by Ares or any of its downstream affiliates, subject to compliance with existing regulatory guidance, applicable regulations and its allocation procedures.

The Fund may invest in Portfolio Funds in which the Adviser and/or its affiliates (including, to the extent permitted by applicable law, Other Managed Funds) has an investment, and the Adviser and/or its affiliates may invest in Portfolio Funds in which the Fund has made an investment. From time to time, the Fund and Other Managed Funds may make investments at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities. Such investments inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. The Adviser has adopted procedures governing the co-investment in securities acquired in private placements with certain clients of the Adviser.

*Adviser Affiliates May Engage in Adverse Activities.* The Fund may invest in Portfolio Funds or Direct Investments that have relationships with affiliates of the Adviser or other funds or clients of the Adviser. Such affiliates may take actions that are detrimental to the interests of the Fund in such Portfolio Funds or portfolio companies.

The Adviser, its affiliates and their clients may pursue or enforce rights with respect to an issuer in which the Fund has invested, and those activities may have an adverse effect on the Fund. As a result, prices, availability, liquidity and terms of the Fund's investments may be negatively impacted by the activities of the Adviser and its affiliates or their clients, and transactions for the Fund may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case.

The Adviser may enter into transactions and invest in securities, instruments and currencies on behalf of the Fund in which customers of its affiliates, to the extent permitted by applicable law, serve as the counterparty, principal or issuer. In such cases, such party's interests in the transaction would generally be adverse to the interests of the Fund, and such party would have no incentive to assure that the Fund obtains the best possible prices or terms in connection with the transaction. In addition, the purchase, holding and sale of such investments by the Fund may enhance the profitability of the Adviser or its affiliates. The Fund may, subject to applicable law, purchase investments that are the subject of an underwriting or other distribution by one or more Adviser affiliates and may also enter into transactions with other clients of an affiliate where such other clients have interests adverse to those of the Fund.

By reason of the various activities of the Adviser and its affiliates, the Adviser and such affiliates may acquire confidential or material non-public information or otherwise be restricted from purchasing certain potential Fund investments that otherwise might have been purchased or be restricted from selling certain Fund investments that might otherwise have been sold at the time.

*Advisory Fee and Incentive Fee Arrangements.* The Adviser is paid a fee based on a percentage of the Fund's net assets. The participation of the Adviser's investment professionals in the valuation process therefore results in a conflict of interest. The Adviser also has a conflict of interest in deciding whether to cause the Fund to invest in more speculative investments or financial instruments, which increase the assets or profits of the Fund and, accordingly, the Advisory Fee or Incentive Fee payable by the Fund to the Adviser. Certain Other Managed Funds pay the Adviser or its affiliates performance-based compensation, which could create an incentive for the Adviser or its affiliate to favor such investment fund or account over the Fund.

*Conflicts Associated with Fee Arrangements with Portfolio Funds.* In certain cases, the Adviser or its affiliates may enter into arrangements with a Portfolio Fund Manager under which the Portfolio Fund Manager agrees to rebate a portion of its management fee or make other fee payments in connection with an investment in the Portfolio Fund by an investment vehicle managed or sponsored by the Adviser or its affiliates. To the extent any such rebates or payments relate to the Fund's investment in a Portfolio Fund, the Fund will receive the economic benefit of such rebate or payment. However, to the extent the Adviser, in its sole discretion, determines that such an arrangement is not permissible or appropriate for the Fund, other vehicles managed by the Adviser or its affiliates may nonetheless participate in the rebate or repayment. Affiliates of the Adviser may receive and retain these payments with respect

to other investment vehicles in consideration of, or to defray the cost of, services provided by such affiliates. The receipt of such payments by affiliates of the Adviser could incentivize the Adviser to participate in Portfolio Funds whose managers agree to make such payments or could enhance the likelihood that Portfolio Fund Managers will agree to make such payments.

*Portfolio Fund Valuation May be Affected by Compensation Arrangements.* If a Portfolio Fund calculates its compensation on the value of the Portfolio Fund's assets, the Portfolio Fund's manager may exercise discretion in assigning values to the Portfolio Fund's investments. These factors can create a conflict of interest because the value assigned to an investment may affect the advisory fee at the Portfolio Fund level. If there is a difference in the advisory fee required to be paid, the Portfolio Fund's documents generally do not require the Portfolio Fund's manager to return past advisory fees, although claw-back provisions in a Portfolio Fund's documents may permit the recovery of excess carried interest distributions.

*Potential Conflicts of Interest at the Portfolio Fund Level.* Each Portfolio Fund may become involved in activities in which there is a potential conflict between the interests of Portfolio Fund investors, like the Fund, and the Portfolio Fund's management. Typically, Portfolio Funds will have an investor's committee with some degree of supervision over potential conflicts, although there can be no assurance that such committee, or other conflict of interest provisions of a Portfolio Fund's governing documents, will be effective.

*Proxy Voting.* The Adviser has adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions made on behalf of advisory clients, including the Fund, and to help ensure that such decisions are made in accordance with its fiduciary obligations to clients. Nevertheless, notwithstanding such proxy voting policies and procedures, actual proxy voting decisions may have the effect of favoring the interests of other clients, provided that the Adviser believes such voting decisions to be in accordance with its fiduciary obligations.

## **MANAGEMENT OF THE FUND**

### **Board of Trustees**

#### *The Role of the Board*

The Board is responsible for the overall management of the Fund, including supervision of the duties performed by the Adviser. As is the case with virtually all investment companies (as distinguished from operating companies), service providers to the Fund, primarily the Adviser, have responsibility for the day-to-day management and operation of the Fund. The Board does not have responsibility for the day-to-day management of the Fund, and its oversight role does not make the Board a guarantor of the Fund's investments or activities. The Board has appointed various individuals of the Adviser as officers of the Fund with responsibility to monitor and report to the Board on the Fund's operations. In conducting its oversight, the Board receives regular reports from these officers and from other senior officers of the Adviser regarding the Fund's operations.

#### *Board Structure and Committees*

As required by the Investment Company Act, a majority of the Fund's Trustees are Independent Trustees and are not affiliated with the Adviser. The Board has established two standing committees: an Audit Committee and a Nominating Committee. During the period ended March 31, 2023, the Audit Committee met three times and the Nominating Committee met one time.

The Board has formed an Audit Committee composed of all of the Independent Trustees, the functions of which are: (i) to oversee the Fund's accounting and financial reporting policies and practices, its internal controls and, as the Audit Committee may deem necessary or appropriate, the internal controls of certain of the Fund's service providers; (ii) to oversee the quality and objectivity of the Fund's financial statements and the independent audit of those statements; (iii) to assist the Board in selecting the Fund's independent registered public accounting firm, to directly supervise the compensation and performance of such independent registered public accountants and generally to act as a liaison between the independent registered public accountants and the Board; and (iv) to review and, as

appropriate, approve in advance non-audit services provided by such independent registered public accountants to the Fund, the Adviser, and, in certain cases, other affiliates of the Fund.

The Board has formed a Nominating Committee composed of all of the Independent Trustees, whose function, subject to the oversight of the Board, is to select and nominate persons for elections or appointment by the Board as Trustees of the Fund. The Nominating Committee will act in accordance with the Fund's nominating committee charter. The Nominating Committee may consider nominees recommended by Shareholders.

#### *Board Oversight of Risk Management*

As part of its oversight function, the Board receives and reviews various reports relating to risk management. Because risk management is a broad concept comprised of many different elements (including, among other things, investment risk, valuation risk, credit risk, compliance and regulatory risk, business continuity risk and operational risk), Board oversight of different types of risks is handled in different ways. For example, the full Board could receive and review reports from senior personnel of the Adviser (including senior compliance, financial reporting and investment personnel) or their affiliates regarding various types of risks, such as operational, compliance and investment risk, and how they are being managed. The Audit Committee may participate in the oversight of risk management in certain areas, including meeting with the Fund's financial officers and with the Fund's independent public auditors to discuss, among other things, annual audits of the Fund's financial statements and the auditor's report thereon and the auditor's annual report on internal control.

#### **Board of Trustees and Officers**

Any vacancy on the Board of Trustees may be filled by the remaining Trustees, except to the extent the Investment Company Act requires the election of Trustees by Shareholders. The Fund's officers are appointed by the Trustees and oversee the management of the day-to-day operations of the Fund under the supervision of the Board. All of the officers of the Fund are directors, officers or employees of the Adviser or its affiliates. Certain of the Trustees and officers of the Fund are also directors and officers of other investment companies managed or advised by the Adviser or its affiliates. To the fullest extent allowed by applicable law, including the Investment Company Act, the Declaration of Trust indemnifies the Trustees and officers for all costs, liabilities and expenses that they may experience as a result of their service as such.

The name and business address of the Trustees and officers of the Fund and their principal occupations and other affiliations during the past five years are set forth under "Management of the Fund" in the SAI.

#### **Portfolio Management**

##### *Adviser*

Ares Capital Management II LLC, 245 Park Avenue, 44th Floor, New York, New York 10167, serves as the investment adviser to the Fund. The Adviser is registered as investment advisers under the Advisers Act, and is an indirect, wholly-owned subsidiary of Ares.

#### **Primary Portfolio Managers and Investment Committee**

The personnel of the Adviser who have primary responsibility for management of the Fund are Francisco Borges and Barry Miller. The Fund's primary portfolio managers, along with other members of Ares Secondaries Group's private equity team, serve on the Investment Committee of the Adviser responsible for overseeing the Fund, which formulates investment guidelines for the Fund and approves all acquisitions, dispositions and financing decisions. The current members of that Investment Committee have an average of 26 years of investing and operating experience, across numerous investment cycles and have worked together for an average of 15 years.

Francisco Borges is a Partner and Chairman of the Ares Secondaries Group. Prior to the acquisition of Landmark Partners by Ares in 2021, Mr. Borges served as Chairman and Managing Partner of Landmark Partners, where he also was a member of the private equity, infrastructure and real estate investment committees. Prior to joining Landmark in 1999, Mr. Borges was a managing director of GE Capital's Financial Guaranty Insurance Company and capital

markets subsidiaries, before which he was treasurer of the State of Connecticut, deputy mayor of the City of Hartford, and legal counsel for the Travelers Insurance Companies. Mr. Borges serves on a number of boards including The Knight Foundation, Hartford Healthcare Corporation, Millbrook School, Jefferies Financial Corp., Davis Selected Funds, and Assured Guaranty. Mr. Borges is a member of the Connecticut and New Jersey bars. He received a J.D. from the University of Connecticut - School of Law, and a B.A. from Trinity College in Hartford, Connecticut.

Barry Miller is a Partner in the Ares Secondaries Group. Prior to the acquisition of Landmark Partners by Ares in 2021, Mr. Miller was a Partner in Landmark Partners' private equity group, where he also served as a member of the private equity and infrastructure investment committees. Prior to joining Landmark in 2013, Mr. Miller was head of private equity at the New York City Retirement Systems (NYCRS), where he served on the limited partner advisory boards of more than 40 private equity funds. Earlier in his career, he was a partner at Pomona Capital where he focused on sourcing and executing secondary transactions and was a member of the Pomona Capital Investment Committee. Prior to joining Pomona, he was a senior investment manager at AXA Private Equity, where he was also head of the New York office and served on the Global Investment Committee. Mr. Miller currently serves on the Board of Directors for the Robert Toigo Foundation, an organization devoted to diversity in the investment management business, and is a member of the Tulane School of Liberal Arts Deans' Advisory Council. Mr. Miller previously served as a member of the Sponsors for Educational Opportunity Limited Partner Advisory Council. Mr. Miller received a B.A. from Tulane University.

The SAI provides additional information about the Fund's primary portfolio managers' compensation, other accounts managed by them and their ownership of any Shares of the Fund.

## **INVESTMENT ADVISORY AND MANAGEMENT AGREEMENT**

The Adviser, subject to supervision by the Board, provides certain investment advisory, management and administrative services to the Fund pursuant to an Investment Advisory and Management Agreement between the Fund and the Adviser.

### **Advisory Fee**

In consideration of the advisory services provided by the Adviser, the Fund pays the Adviser a quarterly Advisory Fee at an annual rate of 1.40% based on the value of the Fund's Managed Assets calculated and accrued monthly as of the last business day of each month. For purposes of determining the Advisory Fee payable to the Adviser, the value of the Fund's Managed Assets will be calculated prior to the inclusion of the Advisory Fee and Incentive Fee payable to the Adviser or to any purchases or repurchases of Shares of the Fund, except as noted below, or any distributions by the Fund. "Managed Assets" means the total assets of the Fund (including any assets attributable to any borrowings or other indebtedness or preferred shares that may be issued) minus the Fund's liabilities other than liabilities relating to borrowings or other indebtedness.

The Advisory Fee is payable in arrears within 5 business days after the completion of the net asset value computation for the quarter. Purchased shares are incorporated into the beginning of month net asset value and included in the computation of the Advisory Fee payable. Share repurchases are included in the computation of the Advisory Fee and Incentive Fee payable through the Valuation Date as described in "Repurchase of Shares." The Advisory Fee and Incentive Fee, if any, is paid to the Adviser out of the Fund's assets, and therefore decreases the net profits or increases the net losses of the Fund. This Advisory Fee is separate from the Incentive Fee that the Adviser receives in the event that specified investment returns are achieved by the Fund. For the period ended March 31, 2023, the Fund incurred Advisory Fees of \$3,794,864, of which \$3,117,209 were waived.

### **Incentive Fee**

At the end of each calendar quarter of the Fund, the Adviser is entitled to receive an Incentive Fee equal to 12.5% of the difference, if positive, between (i) the net profits of the Fund for the relevant period and (ii) the balance, if any, of the Loss Recovery Account at the start of the relevant period. For the purposes of the Incentive Fee, the term "net profits" shall mean (i) the amount by which the net asset value of the Fund on the last day of the relevant period exceeds the net asset value of the Fund as of the commencement of the same period, including any net change in

unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses (including offering and organizational expenses) plus (ii) the aggregate distributions accrued during the period. For the period ended March 31, 2023, the Fund incurred Incentive Fees of \$3,803,397, none of which were waived.

The Fund maintains a Loss Recovery Account, which had an initial balance of zero and is (i) increased upon the close of each calendar quarter of the Fund by the amount of the net losses of the Fund for the quarter, and (ii) decreased (but not below zero) upon the close of each calendar quarter by the amount of the net profits of the Fund for the quarter. Net losses are defined as the amount by which the net asset value of the Fund on the last day of the relevant period is less than the net asset value of the Fund as of the commencement of the same period, including any net change in unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses (including offering and organizational expenses).

For the avoidance of doubt, any change in the net asset value of the Fund directly as a result of subscriptions or repurchases during each measurement period are not included for purposes of the "net profits" or "net losses" calculations. Shareholders of the Fund will benefit from the Loss Recovery Account in proportion to their holdings of Shares, although such benefit may vary depending on when a Shareholder purchases or redeems Shares and the balance in the Loss Recovery Account at such time.

The Adviser does not return to the Fund amounts paid to it on net profits that the Fund has not yet received in cash if such amounts are not ultimately received by the Fund in cash. If the Fund does not ultimately receive amounts in cash, a loss would be recognized, which would increase the amount of the Loss Recovery Account and reduce future Incentive Fee payments.

Any Incentive Fee payable by the Fund that relates to an increase in value of the Fund's investments may be computed and paid on gain or income that is unrealized, and the Adviser is not obligated to reimburse the Fund for any part of an Incentive Fee it previously received. If a Fund investment with an unrealized gain subsequently decreases in value, it is possible that such unrealized gain previously included in the calculation of an Incentive Fee will never become realized. Thus, the Fund could have paid an Incentive Fee on income or gain the Fund never received.

Prior to September 26, 2023, the Loss Recovery Account was permitted to be reset on a trailing four-quarter measurement period, with such measurement period commencing at the conclusion of the first calendar quarter of the Fund's operations (i.e., June 30, 2022). This reset had no impact on the Loss Recovery Account, as the Loss Recovery Account had no balance as of June 30, 2023. As a result, the only reset of the Loss Recovery Account occurred on June 30, 2023. The Fund's net losses maintained on its Loss Recovery Account will not be reset after July 1, 2023.

### **Incentive Fee Examples**

A high-water mark is a common mechanism used to determine whether a fund's investment adviser is eligible for performance-based fee compensation. For the Fund, this metric is tracked using the Loss Recovery Account. As the Incentive Fee is charged to the Fund, the calculation of the Loss Recovery Account may result in different Shareholder-level fee experiences for the same gross return depending on the date on which a Shareholder purchases and redeems their Shares and the Loss Recovery Account balances at those times.

The following is an example for a hypothetical fund of the calculation of an incentive fee with a Loss Recovery Account, with hypothetical investors purchasing shares and redeeming their shares at different times. For simplicity, it is assumed that these investors can redeem their positions in full without restrictions and that both subscriptions and redemptions occur at quarterly intervals. These examples are not a prediction of, and do not represent, the projected or actual performance of the Fund nor the Incentive Fees that the Fund (and, indirectly, Shareholders) may be subject to over time.

In this example, the hypothetical fund follows a high-water mark measured at the fund-level with a Loss Recovery Account. Investor A invests \$100 at the inception of the fund and holds for one year before selling its entire position at the end of Quarter 4 for \$80. During this time, the fund has declined in value by 20%. In this example, no incentive fees were collected due to the negative fund performance, and at the end of Year 1, the fund has a positive Loss Recovery Account balance.

Investor A: Performance Summary							
Quarter No.	New Subscriptions	New Redemptions	Ending NAV	Net Gain/Loss (Periodic)	Gross Return (Periodic)	Net Return (Periodic)	Net Multiple
1	\$100.0	\$0.0	\$94.6	-\$5.8	-5.0%	-5.8%	0.94x
2	\$0.0	\$0.0	\$89.4	-\$5.5	-5.0%	-5.8%	0.89x
3	\$0.0	\$0.0	\$84.6	-\$5.2	-5.0%	-5.8%	0.84x
4	\$0.0	\$80.0	\$0.0	-\$4.9	-5.0%	-5.8%	0.79x
5							
6							
7							
8							
9							
10							
11							
12							

Fund-Level Fee Summary (Year 1)				
Quarter No.	Gross Return	Advisory Fee	Incentive Fee	Loss Recovery Account Balance
1	-5.0%	\$0.4	\$0.0	\$5.8
2	-5.0%	\$0.3	\$0.0	\$11.2
3	-5.0%	\$0.3	\$0.0	\$16.4
4	-5.0%	\$0.3	\$0.0	\$21.3

At the end of Year 1 (beginning of Quarter 5), Investor B subscribes to the fund with an \$80 investment (i.e., the fund's net asset value at the time Investor A redeemed). In effect, Investor B has purchased the position of Investor A and has inherited a positive Loss Recovery Account. Investor B also holds for a one-year period and redeems its position in full at the end of Year 2. During this time, the fund grows at an annual rate of 20%. Despite this positive performance, Investor B does not pay an incentive fee due to the positive Loss Recovery Account balance that was accumulated at the fund-level during the first year of operation.

Investor B: Performance Summary							
Quarter No.	New Subscriptions	New Redemptions	Ending NAV	Net Gain/Loss (Periodic)	Gross Return (Periodic)	Net Return (Periodic)	Net Multiple
1							
2							
3							
4							
5	\$80.0	\$0.0	\$83.7	\$3.5	5.0%	4.3%	1.04x
6	\$0.0	\$0.0	\$87.6	\$3.6	5.0%	4.3%	1.09x
7	\$0.0	\$0.0	\$91.7	\$3.8	5.0%	4.3%	1.14x
8	\$0.0	\$96.0	\$0.0	\$4.0	5.0%	4.3%	1.18x
9							
10							
11							
12							

Fund-Level Fee Summary (Years 1-2)				
Quarter No.	Gross Return	Advisory Fee	Incentive Fee	Loss Recovery Account Balance
1	-5.0%	\$0.4	\$0.0	\$5.8
2	-5.0%	\$0.3	\$0.0	\$11.2
3	-5.0%	\$0.3	\$0.0	\$16.4
4	-5.0%	\$0.3	\$0.0	\$21.3
5	5.0%	\$0.3	\$0.0	\$17.8
6	5.0%	\$0.3	\$0.0	\$14.2
7	5.0%	\$0.3	\$0.0	\$10.4
8	5.0%	\$0.3	\$0.0	\$6.5

At the end of Year 2 (beginning of Quarter 9), Investor C subscribes to the fund with a \$96 investment (i.e., the fund's net asset value at the time Investor B redeemed). Similar to the trade between Investor A and B, Investor C has effectively purchased Investor B's position and inherited the Loss Recovery Account balance at that time. Investor C also holds this position for one year, ultimately redeeming its stake in full at the end of Year 3. During this time, the fund grows at an identical rate of 20% as it did in Year 2. However, starting in Quarter 10, the fund has grown enough to clear its initial high-water mark and is eligible to pay an incentive fee. This means that Investor B and C, despite having identical gross returns and hold periods, indirectly bear different fee amounts due to differing Loss Recovery Account balances inherited at the time of their respective investments.

Investor C: Performance Summary							
Quarter No.	New Subscriptions	New Redemptions	Ending NAV	Net Gain/Loss (Periodic)	Gross Return (Periodic)	Net Return (Periodic)	Net Multiple
0							
1							
2							
3							
4							
5							
6							
7							
8							
9	\$96.0	\$0.0	\$100.5	\$4.1	5.0%	4.3%	1.04x
10	\$0.0	\$0.0	\$105.2	\$4.1	5.0%	4.1%	1.09x
11	\$0.0	\$0.0	\$110.1	\$4.0	5.0%	3.8%	1.13x
12	\$0.0	\$115.2	\$0.0	\$4.2	5.0%	3.8%	1.17x

Fund-Level Fee Summary (Years 1-3)				
Quarter No.	Gross Return	Advisory Fee	Incentive Fee	Loss Recovery Account Balance
1	-5.0%	\$0.4	\$0.0	\$5.8
2	-5.0%	\$0.3	\$0.0	\$11.2
3	-5.0%	\$0.3	\$0.0	\$16.4
4	-5.0%	\$0.3	\$0.0	\$21.3
5	5.0%	\$0.3	\$0.0	\$17.8
6	5.0%	\$0.3	\$0.0	\$14.2
7	5.0%	\$0.3	\$0.0	\$10.4
8	5.0%	\$0.3	\$0.0	\$6.5
9	5.0%	\$0.3	\$0.0	\$2.3
10	5.0%	\$0.4	\$0.2	\$0.0
11	5.0%	\$0.4	\$0.6	\$0.0
12	5.0%	\$0.4	\$0.6	\$0.0

## Reimbursement Arrangements

The services of all investment professionals and staff of the Adviser, when and to the extent engaged in providing investment advisory and management services, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Adviser. The Fund bears all other costs and expenses of its operations and transactions as set forth in the Investment Advisory and Management Agreement.

In addition to the fees and expenses to be paid by the Fund under the Investment Advisory and Management Agreement, the Adviser and its affiliates are entitled to reimbursement by the Fund of the Adviser's and its affiliates' cost of providing the Fund with certain non-advisory services. If persons associated with the Adviser or any of its affiliates, including persons who are officers of the Fund, provide accounting, legal, clerical, compliance or administrative and similar oversight services to the Fund at the request of the Fund, the Fund reimburses the Adviser and its affiliates for their costs in providing such accounting, legal, clerical, compliance or administrative and similar oversight services to the Fund (which costs may include an allocation of overhead including rent and the allocable portion of the salaries and benefits of the relevant persons and their respective staffs, including travel expenses), using a methodology for determining costs approved by the Board. If the Adviser or its affiliates seek reimbursements of such costs, such action may cause the Fund's expenses to be higher than the expenses shown herein, perhaps by a material amount. The Adviser may, in its sole discretion, waive or not seek reimbursement for accounting, legal, clerical or administrative services to the Fund.

The Investment Advisory and Management Agreement was initially approved by the Board (including a majority of the Independent Trustees) at a meeting held on February 24, 2022. An amended Investment Advisory and Management Agreement was approved by the Board (including a majority of the Independent Trustees) at a meeting held on September 26, 2023. The Investment Advisory and Management Agreement is terminable without penalty, on 60 days' prior written notice: by a majority vote of the entire Board; by vote of a majority (as defined by the Investment Company Act) of the outstanding voting securities of the Fund; or by the Adviser. After the initial term of two years, the Investment Advisory and Management Agreement may continue in effect from year to year if such continuance is approved annually by either the Board or the vote of a majority (as defined by the Investment Company Act) of the outstanding voting securities of the Fund; provided that in either event the continuance is also approved by a majority of the Independent Trustees by vote cast in person (or as otherwise permitted by the SEC) at a meeting called for the purpose of voting on such approval. The Investment Advisory and Management Agreement also provides that it will terminate automatically in the event of its "assignment," as defined by the Investment Company Act and the rules thereunder.

The Investment Advisory and Management Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of its duties to the Fund, the Adviser, its directors, officers or employees and its affiliates, successors or other legal representatives will not be liable to the Fund for any error of judgment, for any mistake of law or for any act or omission by such person or any sub-adviser in connection with the performance of services to the Fund. The Investment Advisory and Management Agreement also provides that the Fund will indemnify, to the fullest extent permitted by law, the Adviser and its directors, officers or employees and their respective affiliates, executors, heirs, assigns, successors or other legal representatives, against any liability or expense to which such person may be liable which arise in connection with the performance of services to the Fund, provided that the liability or expense is not incurred by reason of the person's willful misfeasance, bad faith, gross negligence or reckless disregard of its duties to the Fund.

Pursuant to the Expense Limitation Agreement, the Adviser has agreed to waive fees that it would otherwise be paid, and/or to assume expenses of the Fund, if required to ensure annual operating expenses do not exceed 0.30% per annum of the average monthly net assets of each class of Shares, excluding (i) the Advisory Fee; (ii) the Incentive Fee; (iii) any Distribution and Servicing Fee; (iv) all fees and expenses of Portfolio Funds and Direct Investments in which the Fund invests (including all acquired fund fees and expenses); (v) transactional costs associated with consummated and unconsummated transactions, including legal costs and brokerage commissions, associated with the acquisition, disposition and maintenance of investments in Portfolio Funds, Direct Investments, exchange-traded funds and other investments; (vi) interest; (vii) taxes; (viii) brokerage commissions; (ix) dividend and interest expenses relating to short sales; and (x) extraordinary expenses (expenses resulting from events and transactions that are distinguished by their unusual nature and by the infrequency of their occurrence). With respect to each class of Shares, the Fund agrees to repay the Adviser any fees waived under the Expense Limitation Agreement or any expenses the

Adviser reimburses in excess of the Expense Limitation Agreement for such class of Shares, provided the repayments do not cause the Fund's annual operating for that class of Shares to exceed the expense limitation in place at the time the fees were waived and/or the expenses were reimbursed, or the expense limitation in place at the time the Fund repays the Adviser, whichever is lower. Any such repayments must be made within three years after the year in which the Adviser incurred the expense. The Expense Limitation Agreement has a term ending on November 1, 2024, and the Adviser may extend the term for a period of one year on an annual basis, subject to the approval of the Board, including a majority of the Independent Trustees.

A discussion regarding the basis for the approval by the Board of the initial Investment Advisory and Management Agreement is available in the Fund's shareholder report for the period ending September 30, 2022. A discussion regarding the basis for the approval by the Board of the amended Investment Advisory and Management Agreement will be available in the Fund's shareholder report for the period ended September 30, 2023.

## **NET ASSET VALUATION**

The Fund calculates the net asset value of each class of Shares as of the close of business on the last business day of each calendar month and in connection with the Fund's offer to purchase Shares, on each date that Shares are to be repurchased, as of the date of any distribution and at such other times as the Board shall determine (each, a "Determination Date"). Pursuant to Rule 2a-5 under the Investment Company Act, the Board has designated the Adviser as its "valuation designee" to perform fair value determinations in good faith for investments held by the Fund without readily available market quotations, subject to the oversight of the Board and in accordance with the Adviser's valuation policy and procedures. In determining its net asset value, the Fund will value its investments as of the relevant Determination Date. The net asset value of the Fund will equal, unless otherwise noted, the value of the total assets of the Fund (including the net asset value of each class of Shares, including interest accrued but not yet received), less all of its liabilities (including accrued fees and expenses, dividends payable and any borrowings of the Fund), each determined as of the relevant Determination Date. The net asset values of Class A Shares, Class D Shares and Class I Shares will be calculated separately based on the fees and expenses applicable to each class. It is expected that the net asset value of Class A Shares, Class D Shares and Class I Shares will vary over time as a result of the differing fees and expenses applicable to each class.

The value of the Fund's assets will be based on information reasonably available at the time the valuation is made and that the Adviser believes to be reliable. The Adviser generally will value the Fund's investments in accordance with Certification Topic ASC 820 of the Financial Accounting Standards Board ("ASC 820").

### **Private Equity Investments**

The Adviser generally values the Fund's investment in Portfolio Funds and certain Direct Investments using the "practical expedient" in accordance with ASC 820. Portfolio Funds are generally valued based on the latest net asset value reported by a Portfolio Fund Manager or general partner. Similarly, many Direct Investments are generally valued based on the valuation information provided by the lead or sponsoring private investors. In general, it is anticipated that such valuation information from these Portfolio Fund Managers or from lead or sponsoring private investors will generally not be available until 60 days or more after each quarter-end, especially pending receipt of audited financial information. Therefore, the most recently provided valuation information about these Direct Investments and Portfolio Funds for purposes of calculating the Fund's monthly net asset value are typically adjusted by the Adviser pursuant to the Adviser's valuation procedures to estimate the fair value, on a monthly basis, of the interests in such Portfolio Funds, as described below. To the extent the Adviser is either unable to utilize the practical expedient under ASC 820, or where the Adviser determines that use of the practical expedient is not appropriate as it will not result in a price that represents the current value of an investment, the Adviser will make a fair value determination of the value of the investment.

In making a fair valuation determination, the Adviser considers the most recent reported value by the Portfolio Fund or lead or sponsoring private investors as well as any other factors of which it has knowledge and that it believes may be relevant, which may include one or more of the following: (i) the type of investment, including the types of investments held by a Portfolio Fund, and whether there may be known factors not reflected in the valuations supplied by a Portfolio Fund or lead or sponsoring private investors, such as material changes in the business or operations of the issuer, including the discontinuance of operations or an important component of operations or the commencement

of insolvency or reorganization proceedings of a portfolio company owned by the Fund, or any market for its securities; (ii) any relevant operational or non-investment issues that may affect the investment or the Portfolio Fund; (iii) the value of publicly traded securities, if any, held by a Portfolio Fund; (iv) the valuation of the same investments held by different Portfolio Funds, different private investors or third parties independent of the Adviser; and (v) any other information, factor or set of factors that may affect the valuation of the Fund's investment in the Direct Investment or Portfolio Fund. Other adjustments may occur from time to time. In addition, the Adviser conducts a due diligence review of the valuation methodology used by each Portfolio Fund or lead or sponsoring private equity investors, as applicable. To keep abreast of each Portfolio Fund's activities, the Adviser reviews their periodic reports as well as the reports of the underlying portfolio companies in which the Portfolio Funds invest, to the extent which such underlying company reports are made available. The Adviser monitors the continuing appropriateness of the valuation methodology being used for the Fund's investments.

Prospective investors should be aware that there can be no assurance that the valuation of interests in Portfolio Funds or Direct Investments as determined under the procedures described above will in all cases be accurate to the extent that the Fund and the Adviser do not generally have access to all necessary financial and other information relating to the Portfolio Funds or Direct Investments to determine independently the net asset value of the Fund's interests in those Portfolio Funds or Direct Investments. The results of the Adviser's fair valuation of securities whose market value is not readily ascertainable are based upon the Adviser's assessment of the fair value of such securities.

Investments valued at fair value by the Adviser are subject to a new valuation determination upon the next monthly valuation of the Fund. The Adviser periodically reviews its valuation determinations with the Fund's auditor and respond to any inquiries by such auditor regarding the Adviser's valuation methodologies.

### **Liquid Assets**

Fund investments in Liquid Assets generally are valued according to the following procedures:

Senior Loans are valued by using readily available market quotations or another commercially reasonable method selected by an independent, third party pricing service that has been approved by the Board, or, if such independent, third-party valuations are not available, by using broker quotations. Corporate bonds and certain other domestic debt securities, are valued at the last reported bid prices supplied by an independent, third party pricing service that has been approved by the Board, in accordance with the Adviser's valuation policy and procedures. If the last reported bid price is not readily available or is otherwise deemed to be unreliable by the Adviser's valuation committee, then such securities are valued at fair value pursuant to the Adviser's valuation policy and procedures. The Adviser monitors the reasonableness of valuations provided by third-party pricing services. Debt securities with remaining maturities of 60 days or less will be valued on the basis of amortized cost, unless other factors indicate that amortized cost is not an accurate estimate of the security's value.

If they are traded on a Determination Date, equity securities that are listed or traded on a national exchange will be valued at the last quoted sale price. Likewise, equity securities that are traded on NASDAQ will be valued at the NASDAQ official closing price if the securities are traded on the Determination Date. If securities are listed on more than one exchange, and if the securities are traded on the Determination Date, they will be valued at the last quoted sale price on the exchange on which the security is principally traded. If there is no sale of the security on the Determination Date, the Fund will value the securities at the last reported sale price, unless the Adviser's valuation committee believes such price no longer represents the fair market value and elects to value the security at fair value pursuant to the Adviser's valuation policy and procedures. If the validity of such quoted prices appears to be questionable or if such quoted prices are not readily available, then the securities will be valued at fair value pursuant to the Adviser's valuation policy and procedures. Market quotations may be deemed not to represent fair value in certain circumstances where the Adviser reasonably believes that facts and circumstances applicable to an issuer, seller or purchaser or to the market for a particular security cause current market quotations not to reflect the fair value of the security. Examples of these events could include situations in which material events are announced after the close of the market on which a security is primarily traded, a security trades infrequently causing a quoted purchase or sale price to become stale, or a security's trading has been halted or suspended.

Generally, trading in U.S. Government securities and money market instruments is substantially completed each day at various times prior to the close of business on the NYSE. The values of such securities used in computing the Fund's net asset value are determined as of such times.

### **Private Assets and Other Fair Value Considerations**

On a monthly basis, for Private Assets for which no market quotations are available (other than interests in Portfolio Funds and certain Direct Investments, as described above) and for which independent appraisals of current value can readily be obtained, valuations will be based on such appraisals. Otherwise, valuation of Private Assets (other than interests in Portfolio Funds and certain Direct Investments, as described above) will remain at cost except that original cost valuation will be adjusted based on a determination of such investment's fair value.

In instances where there is reason to believe that the valuation of a security or other investment valued pursuant to the procedures described above does not represent the current value of such security or investment, or when a security or investment cannot be valued pursuant to the procedures described above, the fair value of the investment will be determined by the Adviser taking into account various factors, as relevant, as provided for in the Adviser's valuation procedures, which may include: (i) the nature and price (if any) of the investment and the nature and expected duration of the event, if any, giving rise to the valuation issue; (ii) whether market quotations for the investment are available, pricing history of the security and trading volumes on markets, exchanges or among dealers; (iii) information as to any transactions or offers with respect to the security; (iv) volatility of the security or a related index; (v) possible valuation methodologies that could be used to determine the fair value of the investment, including valuation by reference to other financial instruments, including trading in similar securities, depository receipts, derivative instruments, including options pricing models, closed-end or exchange-traded fund trading or exchange-traded baskets of securities; (vi) cost of the investment and, for restricted securities, any discount from the market value of unrestricted securities of the same class at the time of purchase and the existence of a shelf registration for restricted securities; (vii) changes in interest rates; (viii) government actions or pronouncements or other news events; (ix) analyst reports; (x) fundamental analytical data and internal models; (xi) whether other portfolios managed by the Adviser or its affiliates hold the same or similar investments and the method used to value the investments in those portfolios; (xii) whether the issuer of the investment has other securities outstanding and, if so, how those securities are valued; (xiii) recent and pending corporate developments; and (xiv) the liquidity or illiquidity of the market for the investment.

Prospective investors should be aware that fair value represents a good faith approximation of the value of an asset or liability. The fair value of one or more assets or liabilities may not, in retrospect, be the price at which those assets or liabilities could have been sold during the period in which the particular fair values were used in determining the Fund's net asset value. As a result, the Fund's issuance (including through dividend or distribution reinvestment) or repurchase of Shares through repurchase offers at net asset value at a time when it owns investments that are valued at fair value may have the effect of diluting or increasing the economic interest of existing Shareholders.

### **ELIGIBLE INVESTORS**

Although the Shares are registered under the Securities Act, the Shares are sold only to persons or entities that are both "accredited investors," as defined in Section 501(a) of Regulation D under the Securities Act, and "qualified clients," as defined in Rule 205-3 under the Advisers Act.

In addition, Shares are generally being offered pursuant to this Prospectus only to investors that are U.S. persons for U.S. federal income tax purposes. The qualifications required to invest in the Fund are in subscription documents that must be completed by each prospective investor.

Each prospective investor in the Fund should obtain the advice of his, her or its own legal, accounting, tax and other advisers in reviewing documents pertaining to an investment in the Fund, including, but not limited to, this Prospectus and the Declaration of Trust before deciding to invest in the Fund.

## **PLAN OF DISTRIBUTION**

### **Distributor**

Ares Wealth Management Solutions, LLC, with its principal place of business at 1200 17th Street, Suite 2900, Denver, Colorado 80202, acts as the distributor of the Fund's Shares, pursuant to the Distribution Agreement, on a reasonable best efforts basis, subject to various conditions. Neither the Distributor nor any other party is obligated to purchase any Shares from the Fund. There is no minimum aggregate number of Shares required to be purchased. Pursuant to the Distribution Agreement, the Distributor shall pay its own costs and expenses connected with the offering of Shares. The Distribution Agreement also provides that the Fund will indemnify the Distributor and its affiliates and certain other persons against certain liabilities.

After the initial term of two years, the Distribution Agreement will continue in effect with respect to the Fund for successive one-year periods, provided that each such continuance is specifically approved by a majority of the entire Board cast in person at a meeting called for that purpose or by a majority of the outstanding voting securities of the Fund and, in either case, also by a majority of the Independent Trustees.

The Distributor may retain additional selling agents or other financial intermediaries to place Shares. Such selling agents or other financial intermediaries may impose terms and conditions on investor accounts and investments in the Fund that are in addition to the terms and conditions set forth in this Prospectus. See "Purchasing Shares." Selling agents typically receive the sales load with respect to Class A Shares purchased by their clients. While neither the Fund nor the Distributor impose an initial sales charge on Class I or Class D Shares, if a Shareholder buys Class D Shares through certain selling agents or financial intermediaries, such selling agent or financial intermediary may directly charge Shareholders transaction or other fees in such amount as they may determine. Investors should consult their financial advisors at such selling agents or financial intermediaries.

The Adviser, or its affiliates, including the Distributor, may pay additional compensation out of its own resources (i.e., not Fund assets) to certain selling agents or financial intermediaries in connection with the sale of Shares. The additional compensation may differ among selling agents or financial intermediaries in amount or in the amount of calculation. Payments of additional compensation may be fixed dollar amounts or, based on the aggregate value of outstanding Shares held by Shareholders introduced by the broker or dealer, or determined in some other manner. Payments may be one-time payments or may be ongoing payments. As a result of the various payments that financial intermediaries may receive from the Adviser or its affiliates, the amount of compensation that a financial intermediary may receive in connection with the sale of Shares may be greater than the compensation it may receive for the distribution of other investment products. The receipt of the additional compensation by a selling broker or dealer may create potential conflicts of interest between an investor and its broker or dealer who is recommending the Fund over other potential investments.

### **Distribution and Servicing Plan**

The Fund has adopted a Distribution and Servicing Plan for its Class A Shares and Class D Shares to pay to the Distributor a Distribution and Servicing Fee to compensate financial industry professionals for distribution-related expenses, if applicable, and providing ongoing services in respect of Shareholders who own such Shares. These activities include marketing and other activities primarily intended to result in the sale of Class A Shares and Class D Shares and activities related to administration and servicing of Class A or Class D accounts. The Distribution and Servicing Plan operates in a manner consistent with Rule 12b-1 under the Investment Company Act, which regulates the manner in which an open-end investment company may directly or indirectly bear the expenses of distributing its shares. Although the Fund is not an open-end investment company, it has undertaken to comply with the terms of Rule 12b-1, as required by its exemptive relief, permitting the Fund to, among other things, issue multiple classes of Shares.

Under the Distribution Plan, Class A and Class D Shares pay a Distribution and Servicing Fee to the Distributor at an annual rate of 0.85% and 0.25%, respectively, based on the aggregate net assets of the Fund attributable to such class. The Distribution and Servicing Fee is paid out of the relevant class's assets and decreases the net profits or increases the net losses of the Fund solely with respect to such class. Because the Distribution and Servicing Fee is paid out of the Fund's assets on an on-going basis, over time these fees will increase the cost of a Shareholder's investment and may cost the Shareholder more than paying other types of sales charges, if applicable.

Class I Shares are not subject to any Distribution and Servicing Fee and do not bear any expenses associated therewith. For the period ended March 31, 2023, Class D Shares incurred Distribution and Servicing Fees of \$996. No Class A Shares were issued and outstanding for the period ended March 31, 2023.

## **PURCHASING SHARES**

The following section provides basic information about how to purchase Shares of the Fund. The Distributor acts as the distributor of the Shares of the Fund on a reasonable best efforts basis, subject to various conditions, pursuant to the terms of the Distribution Agreement. The Distributor is not obligated to sell any specific amount of Shares of the Fund. The Shares will be continuously offered through the Distributor. Prospective investors who purchase Shares through financial intermediaries will be subject to the procedures of those intermediaries through which they purchase Shares, which may include charges, investment minimums, cutoff times and other restrictions in addition to, or different from, those listed herein. Information concerning any charges or services will be provided to customers by the financial intermediary through which they purchase Shares. Prospective investors purchasing Shares of the Fund through financial intermediaries should acquaint themselves with their financial intermediaries' procedures and should read this Prospectus in conjunction with any materials and information provided by their financial intermediary.

### **General Purchase Terms**

The minimum initial investment in the Fund by any investor is \$25,000 with respect to Class A Shares and Class D Shares, and \$1,000,000 with respect to Class I Shares. The minimum additional investment in the Fund by any investor is \$5,000, except for additional purchases pursuant to the dividend reinvestment plan.

The Board reserves the right to accept lesser amounts below these minimums for Trustees of the Fund and employees of Ares and vehicles controlled by such employees. With respect to Class I Shares, the Board has approved a minimum initial investment of \$25,000 for Trustees of the Fund and employees of Ares and vehicles controlled by such employees. The purchase price of the Shares is based on the net asset value as of the date such Shares are purchased.

The minimum initial and additional investments may be reduced by either the Fund or the Distributor in the discretion of each for certain investors based on consideration of various factors, including the investor's overall relationship with the Adviser or Distributor, the investor's holdings in other funds affiliated with the Adviser or Distributor, and such other matters as the Adviser or Distributor may consider relevant at the time, though Shares will only be sold to investors that satisfy the Fund's eligibility requirements. The minimum initial and additional investments may also be reduced by either the Fund or the Distributor in the discretion of each for clients of certain registered investment advisers, broker dealers and other financial intermediaries based on consideration of various factors, including the registered investment adviser or other financial intermediaries' overall relationship with the Adviser or Distributor, the type of distribution channels offered by the intermediary and such other factors as the Adviser or Distributor may consider relevant at the time.

In addition, the Fund may, in the discretion of the Adviser or Distributor, aggregate the accounts of clients of registered investment advisers, broker dealers and other financial intermediaries whose clients invest in the Fund for purposes of determining satisfaction of minimum investment amounts. At the discretion of the Adviser or the Distributor, the Fund may also aggregate the accounts of clients of certain registered investment advisers, broker dealers and other financial intermediaries across Share classes for purposes of determining satisfaction of minimum investment amounts for a specific Share class. The aggregation of accounts of clients of registered investment advisers, broker dealers and other financial intermediaries for purposes of determining satisfaction of minimum investment amounts for the Fund or for a specific Share class may be based on consideration of various factors, including the registered investment adviser or other financial intermediaries' overall relationship with the Adviser or Distributor, the type of distribution channels offered by the intermediary and such other factors as the Adviser or Distributor may consider relevant at the time.

Class A Shares are sold at the public offering price, which is the net asset value of a Class A Share plus an initial maximum 3.50% sales charge. Class D Shares and Class I Shares are not subject to any initial sales charge.

Shares are generally be offered for purchase as of the first business day of each calendar month, except that Shares may be offered more or less frequently as determined by the Board in its sole discretion. For purposes of this Prospectus, a "business day" means any day other than a Saturday, Sunday or any other day on which banks in New York, New York are required by law to be closed. Subscriptions are generally subject to the receipt of cleared funds on or prior to the acceptance date set by the Fund and notified to prospective investors. An investor who misses the acceptance date will have the acceptance of its investment in the Fund delayed until the following month. Except as otherwise permitted by the Board, initial and subsequent purchases of Shares will be payable in United States dollars.

Each initial or subsequent purchase of Shares will be payable in one installment which will generally be due 3 business days prior to the date of the proposed acceptance of the purchase set by the Fund, which is expected to be the last day of each calendar month, where funds are remitted by wire transfer.

A prospective investor is required to review, complete, and execute a subscription document. The subscription document is designed to provide the Fund with important information about the prospective investor. A prospective investor must submit a completed subscription document at least 5 business days before the acceptance date. The Fund reserves the right to accept or reject, in its sole discretion, any request to purchase Shares at any time. The Fund also reserves the right to suspend or terminate offerings of Shares at any time. Unless otherwise required by applicable law, any amount received in advance of a purchase ultimately rejected by the Fund will be returned promptly to the prospective investor without the deduction of any sales load, fees or expenses. Although the Fund may, in its sole discretion, elect to accept a subscription prior to receipt of cleared funds, a prospective investor will not become a Shareholder until cleared funds have been received. In the event that cleared funds and/or a properly completed subscription document are not received from a prospective investor prior to the cut-off dates pertaining to a particular offering, the Fund may hold the relevant funds and subscription document for processing in the next offering.

Pending any closing, funds received from prospective investors will be placed in an account with the Transfer Agent. On the date of any closing, the balance in the account with respect to each investor whose investment is accepted will be invested in the Fund on behalf of such investor.

Prospective investors whose subscriptions to purchase Shares are accepted by the Fund will become Shareholders by being admitted as Shareholders. An existing Shareholder generally may subscribe for additional Shares by completing an additional subscription agreement by the acceptance date and funding such amount by the deadline.

### **Share Class Considerations**

When selecting a share class, you should consider the following:

- which share classes are available to you;
- how much you intend to invest;
- how long you expect to own the shares; and
- total costs and expenses associated with a particular share class.

Each investor's financial considerations are different. You should speak with your financial advisor to help you decide which class of Shares of the Fund is best for you. Not all financial intermediaries offer all classes of Shares. In addition, financial intermediaries may vary the actual sale charged, if applicable, as well as impose additional fees and charges on each class of Shares. If your financial intermediary offers more than one class of Shares, you should carefully consider which class of Shares to purchase.

### **Class A Shares**

Class A Shares are available to any eligible investor. Unless eligible for a sales load waiver, investors purchasing Class A Shares will pay a sales load based on the amount of their investment in the Fund. The sales load payable by each Shareholder may be up to 3.50%. The sales load for Class A Shares will be deducted out of the Shareholder's

purchase amount, and will not constitute part of Shareholder's capital contribution to the Fund or part of the assets of the Fund. No sales load may be charged without the consent of the Distributor.

Investors may be able to buy Class A Shares without a sales load, if applicable (i.e., "load-waived"), when they are: (i) reinvesting distributions; (ii) a current or former Trustee of the Fund; or (iii) purchasing Class A Shares through a financial intermediary that has a special arrangement with the Fund. It is the investor's responsibility to determine whether a reduced sales load would apply. The Fund is not responsible for making such determination. As the Fund has not commenced operations as of the date of the Prospectus, there are no financial intermediaries that have special arrangements with the Fund. To receive a reduced sales load, notification must be provided at the time of subscription. Notice should be provided to the financial intermediary through whom the subscription is made so it can notify the Fund.

As Class A Shares were not operational as of March 31, 2023, the Distributor did not receive any sales charges for Class A Shares for the period ended March 31, 2023.

### **Class D Shares**

Class D Shares are sold at the prevailing net asset value per Class D Share and are not subject to any upfront sales charge. Class D Shares, however, are subject to a Distribution and Servicing Fee at an annual rate of 0.25% of the net assets of the Fund attributable to Class D Shares.

Class D Shares are generally available for purchase only (i) through fee-based programs, also known as wrap accounts, that provide access to Class D Shares, (ii) through participating broker dealers that have alternative fee arrangements with their clients to provide access to Class D shares, (iii) through investment advisers that are registered under the Investment Advisers Act of 1940 or applicable state law and direct clients to trade with a broker dealer that offers Class D shares and (iv) through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers.

### **Class I Shares**

Class I Shares are sold at the prevailing net asset value per Class I Share and are not subject to any upfront sales charge. Class I Shares also are not subject to any Distribution and Servicing Fee.

Class I Shares are available for purchase only (i) through fee-based programs, also known as wrap accounts, that provide access to Class I Shares, (ii) by institutional accounts as defined by FINRA Rule 4512(c), (iii) through bank-sponsored collective trusts and bank-sponsored common trusts, (iv) by retirement plans (including a trustee or custodian under any deferred compensation or pension or profit sharing plan or payroll deduction IRA established for the benefit of the employees of any company), foundations or endowments, (v) through certain financial intermediaries that are not otherwise registered with or as a broker dealer and that direct clients to trade with a broker dealer that offers Class I Shares, (vi) through investment advisers registered under the Investment Advisers Act of 1940 or applicable state law that are also registered with or as a broker dealer, whose broker dealer does not receive any ongoing compensation from the Fund or from the Distributor, (vii) by the Fund's officers and Trustees and their immediate family members, as well as officers and employees of Ares and their immediate family members, (viii) by participating broker dealers and their affiliates, including their officers, directors, employees, and registered representatives, as well as the immediate family members of such persons, as defined by FINRA Rule 5130, and (ix) through bank trust departments or any other organization or person authorized to act as a fiduciary for its clients or customers. Before making your investment decision, please consult with your investment advisor regarding your account type and the classes of Shares of the Fund you may be eligible to purchase.

If you are eligible to purchase all three classes of Shares, then you should consider that Class I Shares have no upfront sales charges and no Distribution and Servicing Fees. Such expenses are applicable to Class A and Class D Shares and will reduce the net asset value or distributions of the other share classes. If you are eligible to purchase Class A and Class D Shares but not Class I Shares, then you should consider that Class D shares have no upfront sales charges and lower annual Distribution and Servicing Fees. Investors should also inquire with their broker dealer or financial

representative about what additional fees may be charged with respect to the Share class under consideration or with respect to the type of account in which the Shares will be held.

### **Exchange of Shares Between Classes**

Assuming the exchange meets the eligibility requirements of the class into which such Shareholder seeks to exchange and the Fund has received proper instruction from the financial intermediary to effect such exchange and consents to such exchange, (i) a financial intermediary may, in its discretion, determine to exchange a Shareholder's Shares at such Shareholder's request and (ii) in certain cases, where a holder of Class A Shares or Class D Shares is no longer eligible to hold such class of Shares based on the Shareholder's arrangements with its financial intermediary, (a) such holder's Class A Shares may be exchanged into an equivalent net asset value amount of Class D Shares or Class I Shares and (b) such holder's Class D Shares may be exchanged into an equivalent net asset value amount of Class I Shares.

An investor may be permitted to exchange Shares between classes on an elective basis, provided that, among other things: (1) the investor's aggregate investment would have met the minimum initial investment requirements in the applicable class at the time of purchase and continues to meet those requirements; (2) the Shares are otherwise available for offer and sale; and (3) the investment meets all other requirements for investing in the applicable class. When an individual investor cannot meet the minimum initial investment requirements of the applicable class, exchanges of Shares from one class to the applicable class may be permitted if such investor's investment is made by an intermediary that has discretion over the account and has invested other clients' assets in the Fund, which when aggregated together with such investor's investment, meet the minimum initial investment requirements for the applicable class. Investors will not be charged any fees by the Fund for such exchanges. Ongoing fees and expenses incurred by a given class will differ from those of other share classes, and an investor receiving new Shares in an exchange may be subject to lower total expenses following such exchange. Exchange transactions will be effected only into an identically registered account. While exchange transactions will generally not be treated as a redemption for federal income tax purposes, investors should consult their tax advisors as to the federal, foreign, state and local tax consequences of an exchange. The Fund also reserves the right to revise or terminate the exchange privilege, limit the amount or number of exchanges or reject any exchange.

### **CLOSED-END FUND STRUCTURE; NO RIGHT OF REDEMPTION**

The Fund is a non-diversified, closed-end management investment company. Closed-end funds differ from open-end funds in that closed-end funds do not redeem their shares at the request of an investor. No Shareholder has the right to require the Fund to redeem his, her or its Shares. No public market for the Shares exists, and none is expected to develop in the future. As a result, Shareholders may not be able to liquidate their investment other than through repurchases of Shares by the Fund, as described below. Accordingly, Shareholders should consider that they may not have access to the funds they invested in the Fund for an indefinite period of time.

### **TRANSFER RESTRICTIONS**

No person shall become a substituted Shareholder of the Fund without the consent of the Fund, which consent may be withheld in its sole discretion. Shares held by Shareholders may be transferred only: (i) by operation of law in connection with the death, divorce, bankruptcy, insolvency, or adjudicated incompetence of the Shareholder; or (ii) under other limited circumstances, with the consent of the Fund (which may be withheld in its sole discretion).

Notice to the Fund of any proposed transfer must include evidence satisfactory to the Fund that the proposed transferee, at the time of transfer, meets any requirements imposed by the Fund with respect to investor eligibility and suitability. Notice of a proposed transfer of Shares must also be accompanied by a properly completed subscription document in respect of the proposed transferee. In connection with any request to transfer Shares, the Fund may require the Shareholder requesting the transfer to obtain, at the Shareholder's expense, an opinion of counsel selected by the Fund

as to such matters as the Fund may reasonably request. Each transferring Shareholder and transferee may be charged reasonable expenses, including, but not limited to, attorneys' and accountants' fees, incurred by the Fund in connection with the transfer.

Any transferee acquiring Shares by operation of law in connection with the death, divorce, bankruptcy, insolvency, or adjudicated incompetence of the Shareholder, will be entitled to the allocations and distributions allocable to the Shares so acquired, to transfer the Shares in accordance with the terms of the Declaration of Trust and to tender the Shares for repurchase by the Fund, but will not be entitled to the other rights of a Shareholder unless and until the transferee becomes a substituted Shareholder as specified in the Declaration of Trust. If a Shareholder transfers Shares with the approval of the Board, the Fund shall as promptly as practicable take all necessary actions so that each transferee or successor to whom the Shares are transferred is admitted to the Fund as a Shareholder.

By subscribing for Shares, each Shareholder agrees to indemnify and hold harmless the Fund, the Board, the Adviser, and each other Shareholder, and any affiliate of the foregoing and any of their employees, officers or directors against all losses, claims, damages, liabilities, costs, and expenses (including legal or other expenses incurred in investigating or defending against any losses, claims, damages, liabilities, costs, and expenses or any judgments, fines, and amounts paid in settlement), joint or several, to which such persons may become subject by reason of or arising from any transfer made by that Shareholder in violation of the Declaration of Trust or any misrepresentation made by that Shareholder in connection with any such transfer.

## **REPURCHASE OF SHARES**

At the sole discretion of the Board, the Fund may from time to time provide Shareholders with a limited degree of liquidity by offering to repurchase Shares pursuant to written tenders by Shareholders. Repurchase offers, if any, will be made to all holders of Shares.

Subject to the Board's discretion, under normal market circumstances, the Fund intends to conduct repurchase offers of no more than 5% of the Fund's net assets on a quarterly basis.

Subject to the considerations described above, the aggregate value of Shares to be repurchased at any time will be determined by the Board in its sole discretion, and such amount may be stated as a percentage of the value of the Fund's outstanding Shares. Therefore, the Fund may determine not to conduct a repurchase offer at a time that the Fund normally conducts a repurchase offer. The Fund may also elect to repurchase less than the full amount that a Shareholder requests to be repurchased. If a repurchase offer is oversubscribed by Shareholders, the Fund will repurchase only a pro rata portion of the Shares tendered by each Shareholder.

In certain circumstances the Board may determine not to conduct a repurchase offer, or to conduct a repurchase offer of less than 5% of the Fund's net assets. In particular, during periods of financial market stress, the Board may determine that some or all of the Fund's investments cannot be liquidated at their fair value, making a determination not to conduct repurchase offers more likely.

There will be a substantial period of time between the date as of which Shareholders must submit a request to have their Shares repurchased and the date they can expect to receive payment for their Shares from the Fund. The Fund will provide payment with respect to at least 95% of the repurchase offer proceeds within 65 days of the Expiration Date (as defined below) of each repurchase offer, and may hold back up to 5% of repurchase offer proceeds until after the Fund's year-end audit. Any such proceeds that are held back will be paid no later than 5 business days after the completion of such audit. Shareholders whose Shares are accepted for repurchase bear the risk that the Fund's net asset value may fluctuate significantly between the time that they submit their repurchase requests and the date as of which such Shares are valued for purposes of such repurchase.

### **Repurchase of Shares Process**

The following is a summary of the process expected to be employed by the Fund in connection with the repurchase of Shares. Additional information with respect to such process will be included in the materials provided by the Fund to Shareholders in connection with each repurchase offer. If the Board determines that the Fund will offer to repurchase Shares, written notice will be provided to Shareholders that describes the commencement date of the repurchase offer,

specifies the date on which repurchase requests must be received by the Fund, and contains other terms and information that Shareholders should consider in deciding whether and how to participate in such repurchase opportunity.

The Fund will repurchase Shares from Shareholders pursuant to written tenders on terms and conditions that the Board determines to be fair to the Fund and to all Shareholders. When the Board determines that the Fund will repurchase Shares, notice will be provided to Shareholders describing the terms of the offer, containing information Shareholders should consider in deciding whether to participate in the repurchase opportunity and containing information on how to participate. The amount due to any Shareholder whose Shares are repurchased will be equal to the value of the Shareholder's Shares being repurchased, based on the Fund's net asset value, as of the Valuation Date (as defined below), after reduction for all fees and expenses of the Fund for all periods through the Valuation Date (including, without limitation, the Advisory Fee, any Incentive Fee and any Early Repurchase Fee), any required U.S. federal tax withholding and other liabilities of the Fund to the extent accrued or otherwise attributable to the Shares being repurchased.

Each repurchase offer generally is expected to commence approximately 30 days prior to the last business day of each calendar quarter, or on such other day as determined by the Board, in its sole discretion (the last business day of each such calendar quarter or such other day being a "Valuation Date"). The expiration date of a repurchase offer (the "Expiration Date") will be a date set by the Board occurring no sooner than 20 business days after the commencement date of the repurchase offer, provided that such Expiration Date may be extended by the Board in its sole discretion. The Fund generally will not accept any repurchase request received by it or its designated agent after the Expiration Date. Fund Shares are expected to be repurchased within 60 days following the relevant Valuation Date (such date, the "Repurchase Date"), and will be effected as of such Valuation Date. The Valuation Date and the Expiration Date are generally expected to be the same date. As such, the Repurchase Date for each repurchase offer should occur within 65 calendar days after the Expiration Date of such offer.

The Fund generally expects to repurchase its Shares with cash, although it reserves the ability to issue payment for the repurchase of Shares through a distribution of portfolio securities. The Fund does not generally expect to distribute securities as payment for repurchased Shares except in unusual circumstances, including if making a cash payment would result in a material adverse effect on the Fund or the Shareholders, or if the Fund has received distributions and/or proceeds from its investments in the form of securities that are transferable to Shareholders. Securities which are distributed in-kind in connection with a repurchase of Shares may be illiquid. Any in-kind distribution of securities will be valued in accordance with the Adviser's valuation procedures and will be distributed to all tendering Shareholders on a proportional basis.

Each Shareholder whose Shares have been accepted for repurchase will continue to be a Shareholder of the Fund until the Repurchase Date (and thereafter if the Shareholder retains Shares following such repurchase) and may exercise its voting rights with respect to the repurchased Shares until the Repurchase Date. Moreover, the account maintained in respect of a Shareholder whose Shares have been accepted for repurchase will be adjusted for the net profits or net losses of the Fund through the Valuation Date, and such Shareholder's account shall not be adjusted for the amount withdrawn, as a result of the repurchase, prior to the Repurchase Date.

Payments in cash for repurchased Shares may require the Fund to liquidate certain Fund investments earlier than the Adviser otherwise would liquidate such holdings, potentially resulting in losses, and may increase the Fund's portfolio turnover. The Fund also may need to maintain higher levels of cash or borrow money to pay repurchase requests in cash. Such a practice could increase the Fund's operating expenses and impact the ability of the Fund to achieve its investment objective.

Following the commencement of an offer to repurchase Shares, the Fund may suspend, postpone or terminate such offer in certain circumstances upon the determination of a majority of the Board, including a majority of the Independent Trustees, that such suspension, postponement or termination is advisable for the Fund and its Shareholders, including, without limitation, circumstances as a result of which it is not reasonably practicable for the Fund to dispose of its investments or to determine its net asset value, and other unusual circumstances. Shareholders have the right to withdraw their written tenders after the expiration of forty business days from the commencement of the offer, if not yet accepted by the Fund for payment.

The Board has discretion to hold back a portion of the amount due to tendering Shareholders, which shall not exceed 5% of the total amount due to such Shareholders. The second and final payment for the balance due shall be paid no later than 5 business days after the completion of the annual audit of the Fund's financial statements for the fiscal year in which the applicable repurchase is effected, with such balance being subject to adjustment as a result of the Fund's annual audit or as a result of any other corrections to the Fund's net asset value as of the Valuation Date for the repurchase. If, based upon the results of the annual audit of the financial statements of the Fund for the fiscal year in which the Valuation Date of such repurchase occurred, it is determined that the value at which the Shares were repurchased was incorrect, the Fund shall decrease such Shareholder's account balance by the amount of any overpayment and redeem for no additional consideration a number of Shares having a value equal to such amount, or increase such Shareholder's account balance by the amount of any underpayment and issue for no additional consideration a number of Shares having an aggregate value equal to such amount, as applicable, in each case as promptly as practicable following the completion of such audits.

A 2.00% Early Repurchase Fee will be charged by the Fund with respect to any repurchase of Shares from a Shareholder at any time prior to the day immediately preceding the one-year anniversary of the Shareholder's purchase of the Shares. Shares tendered for repurchase will be treated as having been repurchased on a "first in - first out" basis. Therefore, Shares repurchased will be deemed to have been taken from the earliest purchase of Shares by such Shareholder (adjusted for subsequent net profits and net losses) until all such Shares have been repurchased, and then from each subsequent purchase of Shares by such Shareholder (adjusted for subsequent net profits and net losses) until such Shares are repurchased. An Early Repurchase Fee payable by a Shareholder may be waived by the Fund in circumstances where the Board determines that doing so is in the best interest of the Fund. To the extent the Fund determines to waive, impose scheduled variations of, or eliminate an Early Repurchase Fee, it will do so consistently with the requirements of Rule 22d-1 under the Investment Company Act, and the Fund's waiver of, scheduled variation in, or elimination of, the Early Repurchase Fee will apply uniformly to all Shareholders regardless of Share class. Other than the Early Repurchase Fee, the Fund does not presently intend to impose any charges on the repurchase of Shares.

A Shareholder who tenders some but not all of its Shares for repurchase will be required to maintain a minimum account balance of \$10,000. Such minimum ownership requirement may be waived by the Board, in its sole discretion. If such requirement is not waived by the Board, the Fund may redeem all of the Shareholder's Shares. To the extent a Shareholder seeks to tender all of the Shares they own and the Fund repurchases less than the full amount of Shares that the Shareholder requests to have repurchased, the Shareholder may maintain a balance of Shares of less than \$10,000 following such Share repurchase.

In the event that the Adviser or any of its affiliates holds Shares in its capacity as a Shareholder, such Shares may be tendered for repurchase in connection with any repurchase offer made by the Fund, without notice to the other Shareholders.

The repurchase of Shares is subject to regulatory requirements imposed by the SEC. The Fund's repurchase procedures are intended to comply with such requirements. However, in the event that the Board determines that modification of the repurchase procedures described above is required or appropriate, the Board will adopt revised repurchase procedures as necessary to ensure the Fund's compliance with applicable regulations or as the Board in its sole discretion deems appropriate.

## **DISTRIBUTIONS**

The Fund intends to elect to be treated as, and intends to continue to qualify annually as, a RIC under the Code and intends to distribute at least 90% of its annual net taxable income to its Shareholders. For any distribution, the Fund will calculate each Shareholder's specific distribution amount for the period using record and declaration dates. From time to time, the Fund may also pay special interim distributions in the form of cash or Shares at the discretion of the Board.

The Fund may finance its cash distributions to Shareholders from any sources of funds available to the Fund, including offering proceeds, borrowings, net investment income from operations, capital gains proceeds from the sale of assets (including fund investments), non-capital gains proceeds from the sale of assets (including fund investments), dividends or other distributions paid to the Fund on account of preferred and common equity investments by the Fund

in Portfolio Funds and/or Direct Investments and expense reimbursements from the Adviser. The Fund has not established limits on the amount of funds the Fund may use from available sources to make distributions.

Each year a statement on IRS Form 1099-DIV (or successor form), identifying the character (e.g., as ordinary income, qualified dividend income or long-term capital gain) of the distributions, will be mailed to Shareholders. The Fund's distributions may exceed the Fund's earnings, especially during the period before the Fund has substantially invested the proceeds from this offering. As a result, a portion of the distributions the Fund makes may represent a return of capital for U.S. federal tax purposes. A return of capital generally is a return of your investment rather than a return of earnings or gains derived from the Fund's investment activities and will be made after deduction of the fees and expenses payable in connection with the offering, including any fees payable to the Adviser. See "Material U.S. Federal Income Tax Considerations" for more information. **There can be no assurance that the Fund will be able to pay distributions at a specific rate or at all.**

Shareholders will automatically have all distributions reinvested in Shares of the Fund issued by the Fund in accordance with the Fund's dividend reinvestment plan unless an election is made to receive cash. See "Dividend Reinvestment Plan."

### **DIVIDEND REINVESTMENT PLAN**

The Fund operates under a DRIP administered by DST. Pursuant to the DRIP, the Fund's distributions, net of any applicable U.S. withholding tax, are reinvested in the same class of Shares of the Fund. The Fund expects to coordinate distribution payment dates so that the same net asset value that is used for the monthly closing date immediately preceding such distribution payment date will be used to calculate the purchase net asset value for purchasers under the DRIP. Shares issued pursuant to the DRIP will have the same voting rights as the Fund's Shares acquired by subscription to the Fund.

Shareholders automatically participate in the DRIP, unless and until an election is made to withdraw from the plan on behalf of such participating Shareholder. A Shareholder who does not wish to have distributions automatically reinvested may terminate participation in the DRIP at any time by written instructions to that effect to DST. Shareholders who elect not to participate in the DRIP will receive all distributions in cash paid to the Shareholder of record (or, if the Shares are held in street or other nominee name, then to such nominee). Such written instructions must be received by DST 30 days prior to the record date of the distribution or the Shareholder will receive such distribution in Shares through the DRIP. Under the DRIP, the Fund's distributions to Shareholders are automatically reinvested in full and fractional Shares as described below.

When the Fund declares a distribution, DST, on the Shareholder's behalf, will receive additional authorized Shares from the Fund either newly issued or repurchased from Shareholders by the Fund and held as treasury stock. The number of Shares to be received when distributions are reinvested will be determined by dividing the amount of the distribution by the Fund's net asset value per Share for the relevant class of Shares.

DST will maintain all Shareholder accounts and furnish written confirmations of all transactions in the accounts, including information needed by Shareholders for personal and tax records. DST will hold Shares in the account of the Shareholders in non-certificated form in the name of the participant, and each shareholder's proxy, if any, will include those Shares purchased pursuant to the DRIP. DST will distribute all proxy solicitation materials, if any, to participating Shareholders.

In the case of Shareholders, such as banks, brokers or nominees, that hold Shares for others who are beneficial owners participating under the DRIP, DST will administer the DRIP on the basis of the number of Shares certified from time to time by the record Shareholder as representing the total amount of Shares registered in the Shareholder's name and held for the account of beneficial owners participating under the DRIP.

Neither DST nor the Fund shall have any responsibility or liability beyond the exercise of ordinary care for any action taken or omitted pursuant to the DRIP, nor shall they have any duties, responsibilities or liabilities except such as expressly set forth herein. Neither shall they be liable hereunder for any act done in good faith or for any good faith omissions to act, including, without limitation, failure to terminate a participant's account prior to receipt of written

notice of his or her death or with respect to prices at which Shares are purchased or sold for the participants account and the terms on which such purchases and sales are made, subject to applicable provisions of the federal securities laws.

The automatic reinvestment of dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. The Fund may elect to make non-cash distributions to Shareholders. Such distributions are not subject to the DRIP, and all Shareholders, regardless of whether or not they are participants in the DRIP, will receive such distributions in additional Shares of the Fund.

The Fund reserves the right to amend or terminate the DRIP. There is no direct service charge to participants with regard to purchases under the DRIP; however, the Fund reserves the right to amend the DRIP to include a service charge payable by the participants.

All correspondence concerning the DRIP should be directed to Ares Private Markets Fund c/o DST at 430 W 7<sup>th</sup> Street, Suite 219079, Kansas City, Missouri 64105 (direct overnight mail) or c/o DST at P.O. Box 219079, Kansas City, Missouri 64121-0979. Certain transactions can be performed by calling the toll free number 1-866-324-7348.

## DESCRIPTION OF SHARES

The Fund is a Delaware statutory trust formed on July 28, 2021. The Fund currently offers three classes of Shares: Class A Shares, Class D Shares and Class I Shares. The Fund relies on an exemptive order from the SEC that allows it to issue multiple classes of Shares and to impose asset-based distribution fees and early-withdrawal fees as applicable. An investment in any Share class of the Fund represents an investment in the same assets of the Fund. However, the minimum investment amounts, sales loads, if applicable, and ongoing fees and expenses for each Share class are expected to be different. The estimated fees and expenses for each class of Shares of the Fund are set forth in "Summary of Fees and Expenses."

Shares of each class of the Fund represent an equal pro rata interest in the Fund and, generally, have identical voting, distribution, liquidation, and other rights, preferences, powers, restrictions, limitations, qualifications and terms and conditions, except that: (a) each class has a different designation; (b) each class of Shares bears any class-specific expenses; and (c) each class shall have separate voting rights on any matter submitted to shareholders in which the interests of one class differ from the interests of any other class, and shall have exclusive voting rights on any matter submitted to shareholders that relates solely to that class.

Any additional offerings of classes of Shares will require approval by the Board. Any additional offering of classes of Shares will also be subject to the requirements of the Investment Company Act, which provides that such Shares may not be issued at a price below the then-current net asset value, exclusive of the sales load, except in connection with an offering to existing holders of Shares or with the consent of a majority of the Fund's common shareholders.

The following table shows the amounts of Shares that have been authorized and outstanding as of September 30, 2023:

<b>Share Class</b>	<b>Amount Authorized</b>	<b>Amount Outstanding</b>
Class A Shares	Unlimited	3,628
Class D Shares	Unlimited	166,138
Class I Shares	Unlimited	13,632,368

There is currently no market for the Shares, and the Fund does not expect that a market for the Shares will develop in the foreseeable future.

## CERTAIN PROVISIONS IN THE DECLARATION OF TRUST

An investor in the Fund will be a Shareholder of the Fund and his or her rights in the Fund will be established and governed by the Declaration of Trust. A prospective investor and his or her advisors should carefully review the

Declaration of Trust as each Shareholder will agree to be bound by its terms and conditions. The following is a summary description of additional items and of select provisions of the Declaration of Trust that may not be described elsewhere in this Prospectus. The description of such items and provisions is not definitive and reference should be made to the complete text of the Declaration of Trust.

### **Shareholders; Additional Classes of Shares**

Persons who purchase Shares will be Shareholders of the Fund. The Adviser may invest in the Fund as a Shareholder.

In addition, to the extent permitted by the Investment Company Act and subject to the Fund's exemptive relief from the SEC, the Fund reserves the right to issue additional classes of shares in the future subject to fees, charges, repurchase rights, and other characteristics different from those of the Shares offered in this Prospectus.

### **Liability of Shareholders**

Under Delaware law and the Declaration of Trust, each Shareholder will be liable for the debts and obligations of the Fund only to the extent of any contributions to the capital of the Fund (plus any accretions in value thereto prior to withdrawal) and a Shareholder, in the sole discretion of the Board, may be obligated to return to the Fund amounts distributed to the Shareholder, or the Board may reduce any amount payable by the Fund to a Shareholder in respect of a redemption of Shares, in accordance with the Declaration of Trust in certain circumstances.

### **Anti-Takeover Provisions**

The Declaration of Trust includes provisions that could have the effect of limiting the ability of other entities or persons to acquire control of the Fund or to change the composition of the Board. These provisions may have the effect of discouraging attempts to acquire control of the Fund, which attempts could have the effect of increasing the expenses of the Fund and interfering with the normal operation of the Fund. The Trustees are elected for indefinite terms and do not stand for reelection. A Trustee may be removed from office (i) with cause only by a written instrument signed or adopted by two-thirds of the remaining Trustees; or (ii) without cause only by a written instrument signed or adopted by all of the remaining Trustees. The Declaration of Trust does not contain any other specific inhibiting provisions that would operate only with respect to an extraordinary transaction such as a merger, reorganization, tender offer, sale or transfer of substantially all of the Fund's assets, or liquidation.

### **Limitation of Liability; Indemnification**

The Declaration of Trust provides that the Trustees and former Trustees of the Board and officers and former officers of the Fund shall not be liable to the Fund or any of the Shareholders for any loss or damage occasioned by any act or omission in the performance of their services as such in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of their office or as otherwise required by applicable law. The Declaration of Trust also contains provisions for the indemnification, to the extent permitted by law, of the Trustees and former Trustees of the Board and officers and former officers of the Fund (as well as certain other related parties) by the Fund (but not by the Shareholders individually) against any liability and expense to which any of them may be liable that arise in connection with the performance of their activities on behalf of the Fund. None of these persons shall be personally liable to any Shareholder for the repayment of any positive balance in the Shareholder's capital account or for contributions by the Shareholder to the capital of the Fund or by reason of any change in the federal or state income tax laws applicable to the Fund or its investors. The rights of indemnification and exculpation provided under the Declaration of Trust shall not be construed so as to limit liability or provide for indemnification of the Trustees and former Trustees of the Board, officers and former officers of the Fund, and the other persons entitled to such indemnification for any liability (including liability under applicable federal or state securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification or limitation on liability would be in violation of applicable law, but shall be construed so as to effectuate the applicable provisions of the Declaration of Trust to the fullest extent permitted by law.

## **Derivative Actions and Exclusive Jurisdiction**

The Declaration of Trust provides that a Shareholder may not bring a derivative action on behalf of the Trust unless: (a) the Shareholder makes a pre-suit demand upon the Trustees to bring the subject action (unless an effort to cause the Trustees to bring such an action is not likely to succeed as determined under the terms of the Declaration of Trust); (b) Shareholders eligible to bring such derivative action who collectively hold Shares representing ten percent (10%) or more of the total combined net asset value of all Shares issued and outstanding join in the request for the Trustees to commence such action (the "10% Threshold"); and (c) the Trustees are afforded a reasonable amount of time to consider such Shareholder request and to investigate the basis of such claim. The Trustees shall be entitled to retain counsel or other advisers in considering the merits of the request and may require an undertaking by the Shareholders making such request to reimburse the Trust for the expense of any such advisors in the event that the Trustees determine not to bring such action (the "Shareholder Undertaking"). The provisions of the Declaration of Trust regarding the 10% Threshold and the Shareholder Undertaking do not apply to claims arising under the federal securities laws.

Under the Declaration of Trust, actions by Shareholders against the Fund asserting a claim governed by Delaware law or the Fund's organizational documents must be brought in the Court of Chancery of the State of Delaware or any other court in the State of Delaware with subject matter jurisdiction. Shareholders also waive the right to jury trial to the fullest extent permitted by law. This exclusive jurisdiction provision may make it more expensive for a Shareholder to bring a suit but does not apply to claims arising under the federal securities laws.

## **Amendment of the Declaration of Trust**

The Declaration of Trust may generally be amended, in whole or in part, with the approval of a majority of the Board (including a majority of the Independent Trustees, if required by the Investment Company Act) and without the approval of the Shareholders unless the approval of Shareholders is required under the Investment Company Act. However, certain amendments to the Declaration of Trust involving capital accounts and allocations thereto may not be made without the written consent of each Shareholder materially adversely affected thereby or unless each Shareholder has received written notice of the amendment and any Shareholder objecting to the amendment has been allowed a reasonable opportunity (pursuant to any procedures as may be prescribed by the Board) to have all of its Shares repurchased by the Fund.

## **Term, Dissolution, and Liquidation**

The Fund shall be dissolved: (i) upon the affirmative vote to dissolve the Fund by a majority of the Trustees of the Board; or (ii) as required by operation of law.

Upon the occurrence of any event of dissolution, one or more Trustees of the Board or the Adviser, acting as liquidator under appointment by the Board (or another liquidator, if the Board does not appoint one or more Trustees of the Board or the Adviser to act as liquidator or is unable to perform this function) is charged with winding up the affairs of the Fund and liquidating its assets. Upon the liquidation of the Fund, after establishment of appropriate reserves for contingencies in such amounts as the Board or the liquidator, as applicable, deems appropriate in its sole discretion, the Fund's assets will be distributed: (i) first to satisfy the debts, liabilities, and obligations of the Fund (other than debts to Shareholders) including actual or anticipated liquidation expenses; (ii) next to repay debts, liabilities and obligations owing to the Shareholders; and (iii) finally to the Shareholders (including the Adviser) proportionately in accordance with the balances in their respective capital accounts. Assets may be distributed in kind on a pro rata basis if the Board or liquidator determines that such a distribution would be in the interests of the Shareholders in facilitating an orderly liquidation.

The Board may, in its sole discretion, and if determined to be in the best interests of the Shareholders, distribute the assets of the Fund into and through a liquidating trust to effect the liquidation of the Fund. The use of a liquidating trust would be subject to the regulatory requirements of the Investment Company Act and applicable Delaware law, and could result in additional expenses to the Shareholders.

## MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of certain material U.S. federal income tax considerations applicable to the Fund, to its qualification and taxation as a RIC for U.S. federal income tax purposes under Subchapter M of the Code and to an investment in the Fund's Shares, and to the acquisition, ownership, and disposition of the Fund's Shares. This discussion applies only to beneficial owners that acquire the Fund's Shares in this initial offering at the offering price.

This discussion does not purport to be a complete description of the tax considerations applicable to the Fund or its Shareholders. In particular, this discussion does not address certain considerations that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including Shareholders that are not U.S. Shareholders (as defined below), Shareholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, Shareholders that are treated as partnerships for U.S. federal income tax purposes, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, pension plans and trusts, financial institutions, a person that holds the Fund's Shares as part of a straddle or a hedging or conversion transaction, real estate investment trusts ("REITs"), RICs, U.S. persons with a functional currency other than the U.S. dollar, Shareholders that are not U.S. Shareholders (as defined below) engaged in a trade or business in the United States or entitled to claim the benefits of an applicable income tax treaty, persons who have ceased to be U.S. citizens or to be taxed as residents of the United States, controlled foreign corporations ("CFCs"), and passive foreign investment companies ("PFICs"). This discussion does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax nor does it discuss the special treatment under U.S. federal income tax laws that could result if the Fund invests in tax-exempt securities or certain other investment assets or realizes such income through investments in Portfolio Funds that are treated as partnerships for U.S. federal income tax purposes (other than certain publicly traded partnerships), or are otherwise treated as disregarded from the Fund for U.S. federal income tax purposes. This discussion is limited to Shareholders that hold the Fund's Shares as capital assets (within the meaning of the Code), and does not address owners of a Shareholder. This discussion is based upon the Code, its legislative history, existing and proposed U.S. Treasury regulations, published rulings and court decisions, each as of the date of this Prospectus and all of which are subject to change or differing interpretations, possibly retroactively, which could affect the continuing validity of this discussion. The Fund has not sought, and will not seek any ruling from the IRS regarding any matter discussed herein, and this discussion is not binding on the IRS. Accordingly, there can be no assurance that the IRS would not assert, and that a court would not sustain, a position contrary to any of the tax consequences discussed herein.

For purposes of this discussion, a "U.S. Shareholder" is a beneficial owner of the Fund's Shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- a trust, if a court within the United States has primary supervision over its administration and one or more U.S. persons (as defined in the Code) have the authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes; or
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds the Fund's Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, the activities of the partner and the partnership and certain determinations made at the partner level. Prospective beneficial owners of the Fund's Shares that are partnerships or partners in such partnerships are urged to consult their tax advisers with respect to the purchase, ownership and disposition of the Fund's Shares.

Tax matters are complicated and the tax consequences to a Shareholder of an investment in the Fund's Shares will depend on the facts of such Shareholder's particular situation. Shareholders are strongly encouraged to consult their tax advisor regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition (including by reason of a repurchase) of the Fund's Shares, as well as the effect of state, local and foreign tax laws, and the effect of any possible changes in tax laws.

### **Election to be Taxed as a Regulated Investment Company**

The Fund intends to elect to be treated, and intends to operate in a manner so as to continuously qualify annually thereafter, as a RIC under the Code. The Fund intends to make a timely election to be treated as a corporation for U.S. federal income tax purposes in order to make a valid RIC election. As a RIC, the Fund generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that the Fund timely distributes (or is deemed to timely distribute) to its Shareholders as dividends. Instead, dividends the Fund distributes (or is deemed to timely distribute) to Shareholders generally will be taxable to Shareholders, and any net operating losses, foreign tax credits and most other tax attributes generally will not pass through to Shareholders. The Fund will be subject to U.S. federal corporate-level income tax on any undistributed income and gains. To qualify as a RIC, the Fund must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, the Fund must distribute to its Shareholders, for each taxable year, at least 90% of its investment company taxable income (which generally is the Fund's net ordinary taxable income and realized net short-term capital gains in excess of realized net long-term capital losses, determined without regard to the dividends paid deduction) (the "Annual Distribution Requirement") for any taxable year. The following discussion assumes that the Fund qualifies as a RIC.

The Fund's qualification and taxation as a RIC depends upon its ability to satisfy on a continuing basis, through actual, annual operating results, distribution, income and asset, and other requirements imposed under the Code. However, no assurance can be given that the Fund will be able to meet the complex and varied tests required to qualify as a RIC or to avoid corporate level tax. In addition, because the relevant laws may change, compliance with one or more of the RIC requirements may be impossible or impracticable.

### **Qualification and Taxation as a Regulated Investment Company**

If the Fund (1) qualifies as a RIC and (2) satisfies the Annual Distribution Requirement, then the Fund will not be subject to U.S. federal income tax on the portion of its investment company taxable income and net capital gain (realized net long-term capital gain in excess of realized net short term capital loss) that the Fund timely distributes (or is deemed to timely distribute) to Shareholders. The Fund will be subject to U.S. federal income tax at the regular corporate rate on any of its income or capital gains not distributed (or deemed distributed) to its Shareholders.

If the Fund fails to distribute in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for the calendar year, (2) 98.2% of its net capital gain income (both long-term and short-term) for the one-year period ending October 31 in that calendar year (or November 30 or December 31 of that year if the Fund is permitted to elect or so elects) and (3) any income realized, but not distributed, in the preceding years (to the extent that income tax was not imposed on such amounts) less certain over-distributions in prior years (together, the "Excise Tax Distribution Requirements"), the Fund will be subject to a 4% nondeductible federal excise tax on the portion of the undistributed amounts of such income that are less than the amounts required to be distributed based on the Excise Tax Distribution Requirements. For this purpose, however, any ordinary income or capital gain net income retained by the Fund that is subject to corporate income tax for the tax year ending in that calendar year will be considered to have been distributed by year end (or earlier if estimated taxes are paid). In order to meet the Excise Tax Distribution Requirement for a particular year, the Fund will need to receive certain information from the Portfolio Funds, which it may not timely receive, in which case the Fund will need to estimate the amount of distributions it needs to make to meet the Excise Tax Distribution Requirement. If the Fund underestimates that amount, it will be subject to the excise tax. In addition, the Fund may choose to retain its net capital gains or any investment company taxable income, and pay the associated U.S. federal corporate income tax, including the U.S. federal excise tax, thereon. In either event described in the preceding two sentences, the Fund will only pay the excise tax on the amount by which the Fund does not meet the Excise Tax Distribution Requirements.

To qualify as a RIC for U.S. federal income tax purposes, the Fund generally must, among other things:

- Elect to be treated and qualify as a registered management company under the Investment Company Act at all times during each taxable year;
- derive in each taxable year at least 90% of its gross income from (a) dividends, interest, payments with respect to certain securities loans, gains from the sale of stock, securities, or foreign currencies (including certain deemed inclusions) derived with respect to the Fund's business of investing in such stock, securities, foreign currencies or other income, or (b) net income derived from an interest in a qualified publicly traded partnership ("QPTP") (collectively, the "90% Gross Income Test"); and
- diversify its holdings so that at the end of each quarter of the taxable year:
  - o at least 50% of the value of its assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs and other securities that, with respect to any issuer, do not represent more than 5% of the value of the Fund's assets or more than 10% of the outstanding voting securities of that issuer; and
  - o no more than 25% of the value of its assets is invested in the securities, other than U.S. government securities or securities of other RICs, of (i) one issuer, (ii) or of two or more issuers that are controlled, as determined under the Code, by the Fund and that are engaged in the same or similar or related trades or businesses or (iii) securities of one or more QPTPs (collectively, the "Diversification Tests").

The Fund has an opt-out DRIP. The tax consequences to Shareholders of participating in the DRIP are discussed below – "Taxation of U.S. Shareholders."

The Fund may have investments, either directly or through the Portfolio Funds, that require income to be included in investment company taxable income in a year prior to the year in which the Fund (or the Portfolio Funds) actually receives a corresponding amount of cash in respect of such income. For example, if the Portfolio Funds hold, directly or indirectly, corporate stock with respect to which Section 305 of the Code requires inclusion in income of amounts of deemed dividends even if no cash distribution is made, the Fund must include in its taxable income in each year the full amount of its applicable share of these deemed dividends. Additionally, if the Fund holds, directly or indirectly through the Portfolio Funds, debt obligations that are treated under applicable U.S. federal income tax rules as having original issue discount ("OID") (such as debt instruments with "payment in kind" interest or, in certain cases, that have increasing interest rates or are issued with warrants), the Fund must include in its taxable income in each year a portion of the OID that accrues over the life of the obligation, regardless of whether the Fund receives cash representing such income in the same taxable year. The Fund may also have to include in its taxable income other amounts that it has not yet received in cash but has been allocated by the Portfolio Funds.

A RIC is limited in its ability to deduct expenses in excess of its investment company taxable income. If the Fund's deductible expenses in a given year exceed its investment company taxable income, the Fund will have a net operating loss for that year. A RIC is not able to offset its investment company taxable income with net operating losses on either a carryforward or carryback basis, and net operating losses generally will not pass through to Shareholders. In addition, expenses may be used only to offset investment company taxable income, and may not be used to offset net capital gain. A RIC may not use any net capital losses (i.e., realized capital losses in excess of realized capital gains) to offset its investment company taxable income, but may carry forward those losses, and use them to offset future capital gains, indefinitely. Further, a RIC's deduction of net business interest expense is limited to 30% of its "adjusted taxable income" plus "floor plan financing interest expense." It is not expected that any portion of any underwriting or similar fee will be deductible for U.S. federal income tax purposes to the Fund or the Shareholders. Due to these limits on the deductibility of expenses, net capital losses and business interest expenses, the Fund may, for U.S. federal income tax purposes, have aggregate taxable income for several years that the Fund is required to distribute and that is taxable to Shareholders even if this income is greater than the aggregate net income the Fund actually earned during those years.

In order to enable the Fund to make distributions to Shareholders that will be sufficient to enable the Fund to satisfy the Annual Distribution Requirement or the Excise Tax Distribution Requirements in the event that the circumstances described in the preceding two paragraphs apply, the Fund may need to liquidate or sell some of its assets at times or at prices that the Fund would not consider advantageous, the Fund may need to raise additional equity or debt capital, the Fund may need to take out loans, or the Fund may need to forego new investment opportunities or otherwise take actions that are disadvantageous to the Fund's business (or be unable to take actions that are advantageous to its business). Even if the Fund is authorized to borrow and to sell assets in order to satisfy the Annual Distribution Requirement or the Excise Tax Distribution Requirements, under the Investment Company Act, the Fund generally is not permitted to make distributions to its Shareholders while its debt obligations and senior securities are outstanding unless certain "asset coverage" tests or other financial covenants are met.

If the Fund is unable to obtain cash from other sources to enable the Fund to satisfy the Annual Distribution Requirement, the Fund may fail to qualify for the U.S. federal income tax benefits allowable to RICs and, thus, become subject to a corporate-level U.S. federal income tax (and any applicable state and local taxes). Although the Fund expects to operate in a manner so as to qualify continuously as a RIC, the Fund may decide in the future to be taxed as a "C" corporation, even if the Fund would otherwise qualify as a RIC, if the Fund determines that such treatment as a C corporation for a particular year would be in the Fund's best interest.

An entity that is properly classified as a partnership, rather than an association or publicly traded partnership taxable as a corporation, is not itself subject to U.S. federal income tax. Instead, each partner of the partnership must take into account its distributive share of the partnership's income, gains, losses, deductions and credits (including all such items allocable to that partnership from investments in other partnerships) for each taxable year of the partnership ending with or within the partner's taxable year, without regard to whether such partner has received or will receive corresponding cash distributions from the partnership. For the purpose of determining whether the Fund satisfies the 90% Gross Income Test and the Diversification Tests, the character of the Fund's distributive share of items of income, gain, losses, deductions and credits derived through any investments in companies that are treated as partnerships for U.S. federal income tax purposes (other than certain publicly traded partnerships), such as the Portfolio Funds, or are otherwise treated as disregarded from the Fund for U.S. federal income tax purposes, generally will be determined as if the Fund realized these tax items directly. In order to meet the 90% Gross Income Test, the Fund may structure its investments in a way that could increase the taxes imposed thereon or in respect thereof. For example, the Fund may be required to hold such investments through a subsidiary that is treated as a corporation for U.S. federal income tax purposes. In such a case, any income from such investments is generally not expected to adversely affect the Fund's ability to meet the 90% Gross Income Test, although such income generally would be subject to U.S. corporate federal income tax (and possibly state and local taxes), which the Fund would indirectly bear through its ownership of such subsidiary.

Further, for purposes of calculating the value of the Fund's investment in the securities of an issuer for purposes of determining the 25% requirement of the Diversification Tests, the Fund's proper proportion of any investment in the securities of that issuer that are held by a member of the Fund's "controlled group" must be aggregated with the Fund's investment in that issuer. A controlled group is one or more chains of corporations connected through stock ownership with the Fund if (a) at least 20% of the total combined voting power of all classes of voting stock of each of the corporations is owned directly by one or more of the other corporations, and (b) the Fund directly owns at least 20% or more of the combined voting stock of at least one of the other corporations.

### **Failure to Qualify as a Regulated Investment Company**

If the Fund, otherwise qualifying as a RIC, fails to satisfy the 90% Gross Income Test for any taxable year or the Diversification Tests for any quarter of a taxable year, the Fund may continue to be taxed as a RIC for the relevant taxable year if certain relief provisions of the Code apply (which might, among other things, require the Fund to pay certain corporate-level U.S. federal taxes or to dispose of certain assets). If the Fund fails to qualify as a RIC for more than two consecutive taxable years and then seeks to re-qualify as a RIC, the Fund would generally be required to recognize gain to the extent of any unrealized appreciation in its assets unless the Fund elects to pay U.S. corporate income tax on any such unrealized appreciation during the succeeding 5-year period.

If the Fund were to fail to meet the income, diversification, or distribution tests described above, the Fund could in some cases cure such failure, including by paying a fund-level tax, paying interest, making additional distributions, or disposing of certain assets.

If the Fund fails to qualify for treatment as a RIC in any taxable year and is not eligible for relief provisions, the Fund would be subject to U.S. federal income tax on all of its taxable income at the regular corporate U.S. federal income tax rate and would be subject to any applicable state and local taxes, regardless of whether the Fund makes any distributions to Shareholders. Additionally, the Fund would not be able to deduct distributions to its Shareholders, nor would distributions to Shareholders be required to be made for U.S. federal income tax purposes. Any distributions the Fund makes generally would be taxable to Shareholders as ordinary dividend income and, subject to certain limitations under the Code, would be eligible for the current maximum rate applicable to qualifying dividend income of individuals and other non-corporate U.S. Shareholders, to the extent of the Fund's current or accumulated earnings and profits. Subject to certain limitations under the Code, U.S. Shareholders that are corporations for U.S. federal income tax purposes would be eligible for the dividends-received deduction. Distributions in excess of the Fund's current and accumulated earnings and profits would be treated first as a return of capital to the extent of the holder's adjusted tax basis in the Fund's Shares, and any remaining distributions would be treated as capital gain.

The remainder of this discussion assumes that the Fund will continuously qualify as a RIC for each taxable year.

### **The Fund's Investments—General**

Certain of the Fund's investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (1) treat dividends that would otherwise constitute qualified dividend income as non-qualified dividend income, (2) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (3) convert long-term capital gain (currently taxed at lower rates for non-corporate taxpayers) into higher-taxed short-term capital gain or ordinary income, (4) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (5) cause it to recognize income or gain without receipt of a corresponding cash payment, (6) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (7) adversely alter the characterization of certain complex financial transactions and (8) produce income that will not be qualifying income for purposes of the 90% Gross Income Test. The Fund intends to monitor its transactions and may make certain tax elections in order to mitigate the effects of these provisions; however, no assurance can be given that the Fund will be eligible for any such tax elections or that any elections it makes will fully mitigate the effects of these provisions.

Unless otherwise indicated, references in this discussion to the Fund's investments, activities, income, gain and loss, include both the direct investments, activities, income, gain and loss of the Fund, as well as those indirectly attributable to the Fund as a result of the Fund's investment in any Portfolio Fund (or other entity) that is properly classified as a partnership or disregarded entity for U.S. federal income tax purposes (and not an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes).

A Portfolio Fund in which the Fund invests may face financial difficulties that require the Fund to work-out, modify or otherwise restructure its investment in Portfolio Fund. Any such transaction could, depending upon the specific terms of the transaction, cause the Fund to recognize taxable income without a corresponding receipt of cash, which could affect its ability to satisfy the Annual Distribution Requirement or the Excise Tax Distribution Requirements or result in unusable capital losses and future non-cash income. Any such transaction could also result in the Fund receiving assets that give rise to non-qualifying income for purposes of the 90% Gross Income Test.

### *Securities and other Financial Assets*

Gain or loss recognized by the Fund from securities and other financial assets acquired by it, as well as any loss attributable to the lapse of options, warrants, or other financial assets taxed as options generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term depending on how long the Fund held a particular security or other financial asset.

### *Non-U.S. Investments, including PFICs and CFCs*

The Fund's investment in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes. Shareholders generally will not be entitled to claim a U.S. foreign tax credit or deduction with respect to non-U.S. taxes paid by the Fund.

If the Fund purchases shares in a PFIC, the Fund may be subject to U.S. federal income tax on a portion of any "excess distribution" received on, or any gain from the disposition of, such shares even if the Fund distributes such income as a taxable dividend to Shareholders. Additional charges in the nature of interest generally will be imposed on the Fund in respect of deferred taxes arising from any such excess distribution or gain. If the Fund invests in a PFIC and elects to treat the PFIC as a "qualified electing fund" under the Code (a "QEF"), in lieu of the foregoing requirements, the Fund will be required to include in gross income each year a portion of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed by the QEF. Any inclusions in the Fund's gross income resulting from the QEF election will be considered qualifying income for the purposes of the 90% Gross Income Test. Alternatively, the Fund may elect to mark-to-market at the end of each taxable year its shares in such PFIC, in which case, the Fund will recognize as ordinary income any increase in the value of such shares, and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in its income. The Fund's ability to make either election will depend on factors beyond the Fund's control, and is subject to restrictions which may limit the availability of the benefit of these elections. Under either election, the Fund may be required to recognize in any year income in excess of its distributions from PFICs and its proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of determining whether the Fund satisfies the Excise Tax Distribution Requirements. See "—Qualification as a Regulated Investment Company" above.

If the Fund holds more than 10% of the shares in a foreign corporation that is treated as a CFC, the Fund may be treated as receiving a deemed distribution (taxable as ordinary income or, if eligible, the preferential rates that apply to "qualified dividend income") each year from such foreign corporation in an amount equal to its pro rata share of the foreign corporation's income for the tax year (including both ordinary earnings and capital gains), whether or not the foreign corporation makes an actual distribution during such year. This deemed distribution is required to be included in the income of a U.S. shareholder of a CFC regardless of whether the shareholder has made a QEF election with respect to such CFC (as discussed above). In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (directly, indirectly or by attribution) by U.S. shareholders. A "U.S. shareholder," for this purpose, is any U.S. person that possesses (actually or constructively) 10% or more of the combined value or voting power of all classes of shares of a corporation. If the Fund is treated as receiving a deemed distribution from a CFC, the Fund will be required to include such distribution in its investment company taxable income regardless of whether the Fund receives any actual distributions from such CFC, and the Fund must distribute such income to satisfy the Annual Distribution Requirement and the Excise Tax Distribution Requirement. Income inclusions from a foreign corporation that is a CFC are "good income" for purposes of the 90% Gross Income Test regardless of whether the Fund receives timely distributions of such income from the foreign corporation.

### *Non-U.S. Currency*

The Fund's functional currency is the U.S. dollar for U.S. federal income tax purposes. Under Section 988 of the Code, gains or losses attributable to fluctuations in exchange rates between the time the Fund accrues income, expenses or other liabilities denominated in a currency other than the U.S. dollar and the time it actually collects such income or pay such expenses or liabilities may be treated as ordinary income or loss by the Fund. Similarly, gains or losses on foreign currency forward contracts, the disposition of debt denominated in a foreign currency and other financial transactions denominated in foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, may also be treated as ordinary income or loss.

### *Hedging and Derivative Transactions*

In connection with its primary investment strategies, the Fund may choose to enter into certain hedging and derivative transactions, including through the use of certain options, futures contracts, forward contracts (including forward currency contracts), straddles and foreign currencies. Such transactions will be subject to special tax rules (including

mark-to-market, constructive sale, straddle, wash sale and short sale rules), the effect of which may be to accelerate income to the Fund, defer losses to the Fund, cause adjustments in the holding periods of the Fund's securities, convert long-term capital gains into short-term capital gains and convert short-term capital losses into long-term capital losses. These rules could therefore affect the amount, timing and character of distributions to Shareholders.

### **Taxation of U.S. Shareholders**

The following discussion generally describes certain material U.S. federal income tax consequences of an investment in the Fund's Shares beneficially owned by U.S. Shareholders (as defined above). If you are not a U.S. Shareholder this section does not apply to you. Whether an investment in the Fund is appropriate for a U.S. Shareholder will depend upon that person's particular circumstances. An investment in the Fund by a U.S. Shareholder may have adverse tax consequences. U.S. Shareholders are urged to consult their tax advisors about the U.S. tax consequences of investing in the Fund.

The Fund will ordinarily declare and pay dividends from its net investment income and distribute net realized capital gains, if any, once a year. The Fund, however, may make distributions on a more frequent basis to comply with the distribution requirements of the Code, in all events in a manner consistent with the provisions of the Investment Company Act.

#### *Distributions on, and Sale or Other Disposition of, the Fund's Shares*

Distributions by the Fund generally are taxable to U.S. Shareholders as ordinary income or capital gains. Distributions of the Fund's investment company taxable income, determined without regard to the deduction for dividends paid, will be taxable as ordinary income to U.S. Shareholders to the extent of the Fund's current or accumulated earnings and profits, whether paid in cash or reinvested in additional Shares. To the extent such distributions the Fund pays to non-corporate U.S. Shareholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations and if certain holding period requirements are met, such distributions generally are taxable to U.S. Shareholders at the preferential rates applicable to long-term capital gains. Distributions of the Fund's net capital gains (which generally are the Fund's realized net long-term capital gains in excess of realized net short-term capital losses) that are properly reported by the Fund as "capital gain dividends" will be taxable to a U.S. Shareholder as long-term capital gains that are currently taxable at reduced rates in the case of non-corporate taxpayers, regardless of the U.S. Shareholder's holding period for his, her or its Shares and regardless of whether paid in cash or reinvested in additional Shares. Distributions in excess of the Fund's earnings and profits first will reduce a U.S. Shareholder's adjusted tax basis in such U.S. Shareholder's Shares and, after the adjusted tax basis is reduced to zero, will constitute capital gains to such U.S. Shareholder.

The Fund generally expects to make distributions in cash but retains the discretionary ability to make distributions of in-kind of securities. Shareholders are urged to consult their tax advisors as to the possibility of the Fund distributing securities in-kind, as well as the specific tax consequences of owning and disposing any securities actually distributed in-kind by the Fund.

The Fund may retain some or all of its realized net long-term capital gains in excess of realized net short-term capital losses and designate the retained net capital gains as a "deemed distribution." In that case, among other consequences, the Fund will pay U.S. federal corporate income tax on the retained amount and each Shareholder will be required to include its share of the deemed distribution in income as if it had been actually distributed to the Shareholder, and such Shareholder will be entitled to claim a credit equal to its allocable share of the tax paid thereon by the Fund for U.S. federal income tax purposes. The amount of the deemed distribution net of such tax will be added to the Shareholder's cost basis for its Shares. The amount of tax that individual Shareholders will be treated as having paid and for which they will receive a credit may exceed the tax they owe on the retained net capital gain. Such excess generally may be claimed as a credit against the U.S. Shareholder's other U.S. federal income tax obligations or may be refunded to the extent it exceeds a U.S. Shareholder's liability for U.S. federal income tax. A U.S. Shareholder that is not subject to U.S. federal income tax or otherwise required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form to claim a refund with respect to the allocable share of the taxes that the Fund has paid. For U.S. federal income tax purposes, the tax basis of Shares owned by a Shareholder will be increased by an amount equal to the excess of the amount of undistributed capital gains included in the Shareholder's gross income over the tax deemed paid by the Shareholder as described in this paragraph. To utilize the

deemed distribution approach, the Fund must provide written notice to Shareholders prior to the expiration of 60 days after the close of the relevant taxable year. The Fund cannot treat any of its investment company taxable income as a "deemed distribution." The Fund may also make actual distributions to its Shareholders of some or all of realized net long-term capital gains in excess of realized net short-term capital losses.

A portion of the Fund's ordinary income dividends paid to corporate U.S. Shareholders may, if the distributions consist of qualifying distributions received by the Fund and certain other conditions are met, qualify for the 50% dividends received deduction to the extent that the Fund has received dividends from certain corporations during the taxable year, but only to the extent these ordinary income dividends are treated as paid out of earnings and profits of the Fund. The Fund expects only a small portion of the Fund's dividends to qualify for this deduction. A corporate U.S. Shareholder may be required to reduce its basis in its Shares with respect to certain "extraordinary dividends," as defined in Section 1059 of the Code. Corporate U.S. Shareholders are urged to consult their tax advisors in determining the application of these rules in their particular circumstances.

U.S. Shareholders who have not "opted-out" of the Fund's DRIP will have their cash dividends and distributions automatically reinvested in additional Shares, rather than receiving cash dividends and distributions. Any dividends or distributions reinvested under the plan will nevertheless remain taxable to U.S. Shareholders. A U.S. Shareholder will have an adjusted basis in the additional Shares purchased through the DRIP equal to the dollar amount that would have been received if the U.S. Shareholder had received the dividend or distribution in cash, unless the Fund were to issue new Shares that are trading at or above net asset value, in which case, the U.S. Shareholder's basis in the new Shares would generally be equal to their fair market value. The additional Shares will have a new holding period commencing on the day following the day on which the Shares are credited to the U.S. Shareholder's account.

The Fund expects to be treated as a "publicly offered regulated investment company." As a "publicly offered regulated investment company," in addition to the Fund's DRIP, the Fund may choose to pay a majority of a required dividend in Shares rather than cash. In order for the distribution to qualify for the Annual Distribution Requirement, the dividend must be payable at the election of each Shareholder in cash or Shares (or a combination of the two), but may have a "cash cap" that limits the total amount of cash paid to not less than 20% of the entire distribution. If Shareholders in the aggregate elect to receive an amount of cash greater than the Fund's cash cap, then each Shareholder who elected to receive cash will receive a pro rata share of the cash and the rest of their distribution in Shares of the Fund. The value of the portion of the distribution made in Shares will be equal to the amount of cash for which the Shares is substituted, and the Fund's U.S. Shareholders will be subject to tax on such amount as though they had received cash.

The Fund may elect to retain its net capital gain or a portion thereof for investment and be taxed at corporate-level tax rates on the amount retained, and therefore designate the retained amount as a "deemed dividend." In this case, the Fund may report the retained amount as undistributed capital gains to its U.S. Shareholders, who will be treated as if each U.S. Shareholder received a distribution of its pro rata share of this gain, with the result that each U.S. Shareholder will (i) be required to report its pro rata share of this gain on its tax return as long-term capital gain, (ii) receive a refundable tax credit for its pro rata share of tax paid by the Fund on the gain, and (iii) increase the tax basis for its Shares by an amount equal to the deemed distribution less the tax credit. In order to utilize the deemed distribution approach, the Fund must provide written notice to its Shareholders prior to the expiration of 60 days after the close of the relevant taxable year. The Fund cannot treat any of its investment company taxable income as a "deemed distribution."

For purposes of determining (1) whether the Annual Distribution Requirement is satisfied for any year and (2) the amount of capital gains dividends paid for that year, the Fund may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If the Fund makes such an election, a U.S. Shareholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any dividend declared by the Fund in October, November or December of any calendar year, payable to Shareholders of record on a specified date in such a month and actually paid during January of the following year, will be treated as if it had been received by the Fund's Shareholders on December 31 of the year in which the dividend was declared.

If a U.S. Shareholder receives Shares in the Fund shortly before the record date of a distribution, the value of the Shares will include the value of the distribution and such U.S. Shareholder will be subject to tax on the distribution even though it economically represents a return of its investment.

A U.S. Shareholder generally will recognize taxable gain or loss if the U.S. Shareholder redeems, sells or otherwise disposes of its Shares in the Fund. The amount of gain or loss will be measured by the difference between a U.S. Shareholder's adjusted tax basis in the Shares sold, redeemed or otherwise disposed of and the amount of the proceeds received in exchange. Any gain or loss arising from such sale, redemption or other disposition generally will be treated as long-term capital gain or loss if the U.S. Shareholder has held his, her or its Shares for more than one year. Otherwise, such gain or loss will be classified as short-term capital gain or loss. However, any capital loss arising from the sale, redemption or other disposition of the Fund's Shares held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such Shares. In addition, all or a portion of any loss recognized upon a disposition of the Fund's Shares may be disallowed if substantially identical stock or securities are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition. In such case, any disallowed loss is generally added to the U.S. Shareholder's adjusted tax basis of the acquired Shares.

In general, U.S. Shareholders that are individuals, trusts or estates are taxed at preferential rates on their net capital gain. Such rates are lower than the maximum rate on ordinary income currently payable by individuals. Corporate U.S. Shareholders currently are subject to U.S. federal income tax on net capital gain and ordinary income at the same maximum rate. A non-corporate U.S. Shareholders with net capital losses for a year (i.e., capital loss in excess of capital gain) generally may deduct up to \$3,000 of such losses against its ordinary income each year; any net capital losses of a non-corporate U.S. Shareholder in excess of \$3,000 generally may be carried forward and used in subsequent years as provided in the Code. Corporate U.S. Shareholders generally may not deduct any net capital losses for a year, but may carry back such losses for three years or carry forward such losses for five years.

The Fund will furnish to its Shareholders as soon as practicable after the end of each taxable year information on Form 1099-DIV to assist Shareholders in preparing their tax returns. In addition, the U.S. federal tax status of each year's distributions generally will be reported to the IRS (including the amount of dividends, if any, eligible for the preferential rates applicable to long-term capital gains). Distributions by the Fund out of current or accumulated earnings and profits also generally will not be eligible for the 20% pass through deduction under Section 199A of the Code, although under recently released U.S. Treasury regulations, qualified REIT dividends earned by the Fund may qualify for the Section 199A deduction. Distributions may also be subject to additional state, local and non-U.S. taxes depending on a U.S. Shareholder's particular situation.

Legislation requires reporting of adjusted cost basis information for covered securities, which generally include shares of a RIC, to the Internal Revenue Service and to taxpayers. U.S. Shareholders are urged to consult their own tax advisers to determine the applicability of these regulations in light of their individual circumstances.

### **Income from Repurchases of Shares**

*In General.* A U.S. Shareholder who participates in a repurchase of Shares will, depending on such U.S. Shareholder's particular circumstances, and as set forth further under "Sale or Exchange Treatment" and "Distribution Treatment," be treated either as recognizing gain or loss from the disposition of its Shares or as receiving a distribution from the Fund with respect to its Shares. Under each of these approaches, a U.S. Shareholder's realized income and gain (if any) would be calculated differently. Under the "sale or exchange" approach, a U.S. Shareholder generally would be allowed to recognize a taxable loss (if the repurchase proceeds are less than the U.S. Shareholder's adjusted tax basis in the Shares tendered and repurchased).

*Sale or Exchange Treatment.* In general, the tender and repurchase of the Fund's Shares should be treated as a sale or exchange of the Shares by a U.S. Shareholder if the receipt of cash:

- results in a "complete termination" of such U.S. Shareholder's ownership of Shares in the Fund;
- results in a "substantially disproportionate" redemption with respect to such U.S. Shareholder; or

- is "not essentially equivalent to a dividend" with respect to the U.S. Shareholder.

In applying each of the tests described above, a U.S. Shareholder must take account of Shares that such U.S. Shareholder constructively owns under detailed attribution rules set forth in the Code, which generally treat the U.S. Shareholder as owning Shares owned by certain related individuals and entities, and Shares that the U.S. Shareholder has the right to acquire by exercise of an option, warrant or right of conversion. U.S. Shareholders are urged to consult their tax advisors regarding the application of the constructive ownership rules to their particular circumstances.

A sale of Shares pursuant to a repurchase of Shares by the Fund generally will result in a "complete termination" if either (i) the U.S. Shareholder owns none of the Fund's Shares, either actually or constructively, after the Shares are sold pursuant to a repurchase, or (ii) the U.S. Shareholder does not actually own any of the Fund's Shares immediately after the sale of Shares pursuant to a repurchase and, with respect to Shares constructively owned, is eligible to waive, and effectively waives, constructive ownership of all such Shares. U.S. Shareholders wishing to satisfy the "complete termination" test through waiver of attribution are urged to consult their tax advisors.

A sale of Shares pursuant to a repurchase of Shares by the Fund will result in a "substantially disproportionate" redemption with respect to a U.S. Shareholder if the percentage of the then outstanding Shares actually and constructively owned by such U.S. Shareholder immediately after the sale is less than 80% of the percentage of the Shares actually and constructively owned by such U.S. Shareholder immediately before the sale. If a sale of Shares pursuant to a repurchase fails to satisfy the "substantially disproportionate" test, the U.S. Shareholder may nonetheless satisfy the "not essentially equivalent to a dividend" test.

A sale of Shares pursuant to a repurchase of Shares by the Fund will satisfy the "not essentially equivalent to a dividend" test if it results in a "meaningful reduction" of the U.S. Shareholder's proportionate interest in the Fund. A sale of Shares that actually reduces the percentage of the Fund's outstanding Shares owned, including constructively, by such Shareholder would likely be treated as a "meaningful reduction" even if the percentage reduction is relatively minor, provided that the U.S. Shareholder's relative interest in Shares of the Fund is minimal (e.g., less than 1%) and the U.S. Shareholder does not exercise any control over or participate in the management of the Fund's corporate affairs. Any person that has an ownership position that allows some exercise of control over or participation in the management of corporate affairs will not satisfy the meaningful reduction test unless that person's ability to exercise control over or participate in management of corporate affairs is materially reduced or eliminated.

Substantially contemporaneous dispositions or acquisitions of Shares by a U.S. Shareholder or a related person that are part of a plan viewed as an integrated transaction with a repurchase of Shares may be taken into account in determining whether any of the tests described above are satisfied.

If a U.S. Shareholder satisfies any of the tests described above, the U.S. Shareholder will recognize gain or loss in an amount equal to the difference, if any, between the amount of cash received and such U.S. Shareholder's tax basis in the repurchased Shares. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the Shares exceeds one year as of the date of the repurchase. Specified limitations apply to the deductibility of capital losses by U.S. Shareholders. However, if a U.S. Shareholder's tendered and repurchased Shares have previously paid a long-term capital gain distribution (including, for this purpose, amounts credited as an undistributed capital gain) and such Shares were held for six months or less, any loss realized will be treated as a long-term capital loss to the extent that it offsets the long-term capital gain distribution.

Any loss realized on a sale or exchange will be disallowed to the extent the Shares disposed of are replaced within a 61-day period beginning 30 days before and ending 30 days after the disposition of the Shares. In such a case, the basis of the Shares acquired will be increased to reflect the disallowed loss.

*Distribution Treatment.* If a U.S. Shareholder does not satisfy any of the tests described above, and therefore does not qualify for sale or exchange treatment, the U.S. Shareholder may be treated as having received, in whole or in part, a taxable dividend, a tax-free return of capital or taxable capital gain, depending on (i) whether the Fund has sufficient earnings and profits to support a dividend and (ii) the U.S. Shareholder's tax basis in the relevant Shares. The amount of any distribution in excess of the Fund's current and accumulated earnings and profits, if any, would be treated as a non-taxable return of investment to the extent, generally, of the U.S. Shareholder's basis in the Shares.

remaining. If the portion not treated as a dividend exceeds the U.S. Shareholder's basis in the Shares remaining, any such excess will be treated as capital gain from the sale or exchange of the remaining Shares. Any such gain will be capital gain and will be long-term capital gain if the holding period of the Shares exceeds one year as of the date of the exchange. If the tendering U.S. Shareholder's tax basis in the Shares tendered and repurchased exceeds the total of any dividend and return of capital distribution with respect to those Shares, the excess amount of basis from the tendered and repurchased Shares will be reallocated pro rata among the bases of such U.S. Shareholder's remaining Shares.

Provided certain holding period and other requirements are satisfied, certain non-corporate U.S. Shareholders generally will be subject to U.S. federal income tax at a maximum rate of 20% on amounts treated as a dividend. This reduced rate will apply to: (i) 100% of the dividend if 95% or more of the Fund's gross income (ignoring gains attributable to the sale of stocks and securities except to the extent net short-term capital gain from such sales exceeds net long-term capital loss from such sales) in that taxable year is attributable to qualified dividend income; or (ii) the portion of the dividends paid by the Fund to an individual in a particular taxable year that is attributable to qualified dividend income received by the Fund this year if such qualified dividend income accounts for less than 95% of the Fund's gross income (ignoring gains attributable to the sale of stocks and securities except to the extent net short-term capital gains from such sales exceeds net long-term capital loss from such sales) for that taxable year. Such a dividend will be taxed in its entirety, without reduction for the U.S. Shareholder's tax basis of the repurchased Shares. To the extent that a tender and repurchase of a U.S. Shareholder's Shares is treated as the receipt by the U.S. Shareholder of a dividend, the U.S. Shareholder's remaining adjusted basis (reduced by the amount, if any, treated as a return of capital) in the tendered and repurchased Shares will be added to any Shares retained by the U.S. Shareholder.

To the extent that cash received in exchange for Shares is treated as a dividend to a corporate U.S. Shareholder, (i) it may be eligible for a dividends-received deduction to the extent attributable to dividends received by the Fund from domestic corporations, and (ii) it may be subject to the "extraordinary dividend" provisions of the Code. Corporate U.S. Shareholders are urged to consult their tax advisors concerning the availability of the dividends-received deduction and the application of the "extraordinary dividend" provisions of the Code in their particular circumstances. No portion of any dividend is expected to be eligible for the dividends received deduction.

If the sale of Shares pursuant to a repurchase of Shares by the Fund is treated as a dividend to a U.S. Shareholder rather than as an exchange, the other Shareholders, including any non-tendering Shareholders, could be deemed to have received a taxable stock distribution if such Shareholder's interest in the Fund increases as a result of the repurchase. This deemed dividend would be treated as a dividend to the extent of current or accumulated earnings and profits allocable to it. A proportionate increase in a U.S. Shareholder's interest in the Fund will not be treated as a taxable distribution of Shares if the distribution qualifies as an isolated redemption of Shares as described in Treasury regulations. All Shareholders are urged to consult their tax advisors about the possibility of deemed distributions resulting from a repurchase of Shares by the Fund.

### **Taxation of Tax-Exempt Investors**

Under current law, the Fund generally serves to prevent the attribution to Shareholders of unrelated business taxable income ("UBTI") from being realized by its tax-exempt Shareholders (including, among others, individual retirement accounts, 401(k) accounts, Keogh plans, pension plans and certain charitable entities). Notwithstanding the foregoing, a tax-exempt Shareholder could realize UBTI by virtue of its investment in Shares if such tax-exempt Shareholder borrows to acquire its Shares.

### **Tax Shelter Reporting Regulations**

Under U.S. Treasury regulations, if a U.S. Shareholder recognizes a loss with respect to Shares of the Fund in excess of \$2 million or more for a non-corporate U.S. Shareholder or \$10 million or more for a corporate U.S. Shareholder in any single taxable year, such Shareholder must file with the IRS a disclosure statement on Form 8886. Direct shareholders of "portfolio securities" in many cases are excepted from this reporting requirement, but, under current guidance, equity owners of a RIC are not excepted. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Significant monetary penalties apply to a failure to comply with this reporting requirement. States may also have a similar reporting requirement.

U.S. Shareholders are urged to consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

### **Net Investment Income Tax**

An additional 3.8% surtax applies to the net investment income of non-corporate U.S. Shareholders (other than certain trusts) on the lesser of (i) the U.S. Shareholder's "net investment income" for a taxable year and (ii) the excess of the U.S. Shareholder's modified adjusted gross income for the taxable year over \$200,000 (\$250,000 in the case of joint filers). For these purposes, "net investment income" generally includes interest and taxable distributions and deemed distributions paid with respect to Shares, and net gain attributable to the disposition of Shares (in each case, unless the Shares are held in connection with certain trades or businesses), but will be reduced by any deductions properly allocable to these distributions or this net gain.

### **Information Reporting and Backup Withholding**

The Fund may be required to withhold, for U.S. federal income taxes, a portion of all taxable distributions payable U.S. Shareholders (a) who fail to provide the Fund with their correct taxpayer identification numbers (TINs) or who otherwise fail to make required certifications or (b) with respect to whom the IRS notifies the Fund that this U.S. Shareholder is subject to backup withholding. Certain U.S. Shareholders specified in the Code and the Treasury regulations promulgated thereunder are exempt from backup withholding but may be required to provide documentation to establish their exempt status. Backup withholding is not an additional tax. Any amounts withheld will be allowed as a refund or a credit against the U.S. Shareholder's U.S. federal income tax liability if the appropriate information is timely provided to the IRS. Failure by a U.S. Shareholder to furnish a certified TIN to the Fund could subject the U.S. Shareholder to a penalty imposed by the IRS.

Sections 1471-1474 of the Code and the U.S. Treasury and IRS guidance issued thereunder (collectively, "FATCA") generally require that the Fund obtains information sufficient to identify the status of each Shareholder under FATCA or under an applicable intergovernmental agreement (an "IGA") between the United States and a foreign government. If a Shareholder fails to provide the requested information or otherwise fails to comply with FATCA or an IGA, the Fund may be required to withhold under FATCA at a rate of 30% with respect to that Shareholder on ordinary dividends it pays. The IRS and the Department of Treasury have issued proposed regulations providing that these withholding rules will not apply to the gross proceeds of share redemptions or capital gain dividends the Fund pays. If a payment is subject to FATCA withholding, the Fund is required to withhold even if such payment would otherwise be exempt from withholding under the rules applicable to foreign Shareholders.

### **Other Taxation**

Shareholders may be subject to state, local and foreign taxes on their distributions from the Shares. Shareholders are urged to consult their own tax advisors with respect to the particular tax consequences to them of an investment in the Shares.

**ALL SHAREHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISERS WITH RESPECT TO THE U.S. FEDERAL INCOME AND WITHHOLDING TAX CONSEQUENCES, AND STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES, OF AN INVESTMENT IN THE FUND'S SHARES.**

### **CUSTODIAN**

UMB Bank, N.A. serves as the custodian of the assets of the Fund and may maintain custody of such assets with U.S. and non-U.S. sub-custodians (which may be banks and trust companies), securities depositories and clearing agencies in accordance with the requirements of Section 17(f) of the Investment Company Act and the rules thereunder. Assets of the Fund are not held by the Adviser or commingled with the assets of other accounts other than to the extent that securities are held in the name of the Custodian or U.S. or non-U.S. sub-custodians in a securities depository, clearing agency or omnibus customer account of such custodian. The Custodian's principal business address is 928 Grand Blvd., 28<sup>th</sup> Floor, Kansas City, MO 64106.

## **ADMINISTRATION AND ACCOUNTING SERVICES**

The Fund has entered into an Administration and Fund Accounting Agreement with ALPS Fund Services, Inc. under which the Administrator performs certain administration and accounting services for the Fund, including, among other things: customary fund accounting services, including computing the Fund's net asset values and maintaining books, records and other documents relating to the Fund's financial and portfolio transactions, and customary fund administration services, including assisting the Fund with regulatory filings, tax compliance and other oversight activities. In consideration for these services, the Fund pays the Administrator tiered fees based on the average monthly net asset value of the Fund, subject to a minimum annual fee, as well as certain other fixed, per-account or transactional fees. The Administration Fee is paid to the Administrator out of the assets of the Fund and therefore decreases the net profits or increases the net losses of the Fund. The Fund also reimburses the Administrator for certain out-of-pocket expenses and pays the Administrator a fee for transfer agency services.

The Administrator's principal business address is 1290 Broadway, Suite 1000, Denver, CO 80203.

## **TRANSFER AGENT AND DIVIDEND PAYING AGENT**

DST Asset Manager Solutions, Inc., whose principal business address is 1055 Broadway, Kansas City, MO 64105, serves as the Fund's transfer agent with respect to the Shares.

DST Systems, Inc. serves as the Fund's dividend paying agent.

## **FISCAL YEAR; REPORTS TO SHAREHOLDERS**

The Fund's fiscal year is the 12-month period ending on March 31st. The Fund's taxable year is the 12-month period ending on September 30th.

The Fund will provide Shareholders with an audited annual report and an unaudited semi-annual report within 60 days after the close of the reporting period for which the report is being made, or as otherwise required by the Investment Company Act. Shareholders will also receive quarterly commentary regarding the Fund's operations and investments.

The Fund will furnish to Shareholders as soon as practicable after the end of each taxable year information on Form 1099 to assist Shareholders in preparing their tax returns.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP serves as the independent registered public accounting firm of the Fund. Its principal business address is One Manhattan West, New York, New York 10001.

## **LEGAL COUNSEL**

Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, serves as legal counsel to the Fund. No attorney-client relationship exists, however, between Kirkland & Ellis LLP and any other person solely by reason of such other person investing in the Fund.

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**ARES PRIVATE MARKETS FUND**

**Class A Shares (AMSAX)  
Class D Shares (AMSDX)  
Class I Shares (AMSIX)**

**PROSPECTUS**

**October 17, 2023**

All dealers that effect transactions in these Shares, whether or not participating in this offering, may be required to deliver a Prospectus.

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## **ARES PRIVATE MARKETS FUND**

**Class A Shares (AMSAX)**

**Class D Shares (AMSDX)**

**Class I Shares (AMSIX)**

**October 17, 2023**

Ares Private Markets Fund (the "Fund") is a non-diversified, closed-end management investment company. This Statement of Additional Information ("SAI") relating to the Shares does not constitute a prospectus, but should be read in conjunction with the Prospectus relating thereto dated October 17, 2023. This SAI, which is not a prospectus, does not include all information that a prospective investor should consider before purchasing Shares, and investors should obtain and read the Prospectus prior to purchasing such Shares. A copy of the Prospectus may be obtained without charge by calling 1-866-324-7348, by writing to the Fund at 245 Park Avenue, 44th Floor, New York, New York 10167 or [wmsoperations@aresmgmt.com](mailto:wmsoperations@aresmgmt.com), or by visiting [www.areswms.com/ares-wealth-management-solutions/investors/apmf](http://www.areswms.com/ares-wealth-management-solutions/investors/apmf). You may also obtain a copy of the Prospectus on the SEC's website at <http://www.sec.gov>. Capitalized terms used but not defined in this SAI have the meanings ascribed to them in the Prospectus.

References to the Investment Company Act, or other applicable law, will include any rules promulgated thereunder and any guidance, interpretations or modifications by the SEC, SEC staff or other authority with appropriate jurisdiction, including court interpretations, and exemptive, no-action or other relief or permission from the SEC, SEC staff or other authority.

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## ADDITIONAL INVESTMENT POLICIES

The investment objective and the principal investment strategies of the Fund, as well as the principal risks associated with such investment strategies, are set forth in the Prospectus. The following disclosure supplements the disclosure set forth under the captions "Investment Objective and Strategy" and "Risks" in the Prospectus and does not, by itself, present a complete or accurate explanation of the matters discussed. Prospective investors also should refer to "Investment Objective and Strategy" and "Risks" in the Prospectus for a complete presentation of the matters disclosed below.

### Fundamental Policies

The Fund has adopted restrictions and policies relating to the investment of the Fund's assets and its activities. Certain of the restrictions are fundamental policies of the Fund and may not be changed without the approval of a majority of the Fund's outstanding voting securities (as defined by the Investment Company Act). For this purpose, under the Investment Company Act, the vote of a "majority of the outstanding voting securities of the Fund" means the vote, at an annual or special meeting of the Shareholders duly called, (i) of 67% or more of the Shares represented at such meeting, if the holders of more than 50% of the outstanding Shares are present in person or represented by proxy or (ii) of more than 50% of the outstanding Shares, whichever is less. No other policy is a fundamental policy of the Fund, except as expressly stated.

The Fund's fundamental investment restrictions are as follows:

1. The Fund will not invest 25% or more of the value of its total assets in the securities (other than U.S. Government securities) of issuers engaged in any single industry or groups of industries. For the avoidance of doubt, this 25% limitation on investment in a single industry or groups of industries does not restrict or limit: (i) the Fund's authority to invest 25% or more of the value of its total assets in Portfolio Funds; or (ii) the Fund's ability to invest in U.S. Government securities or such other securities as may be excluded for this purpose under the Investment Company Act.
2. The Fund will not issue senior securities or borrow money, except to the extent permitted by the Investment Company Act.
3. The Fund will not underwrite securities of other issuers, except insofar as the Fund may be deemed an underwriter under the Securities Act in selling its own securities or portfolio securities.
4. The Fund will not make loans of money or securities to other persons, except that (i) the Fund will not be deemed to be making a loan to the extent that the Fund makes investments in fixed-income securities or enters into repurchase agreements in a manner consistent with its stated investment policies; (ii) the Fund may take short positions in any security or financial instrument; and (iii) the Fund may lend its portfolio securities in an amount not in excess of 33-1/3% of its total assets, taken at market value, provided that such loans shall be made in accordance with applicable law.
5. The Fund will not purchase or sell physical commodities or commodity contracts, except to the extent permitted under the Investment Company Act, the rules and regulations thereunder and any applicable exemptive relief or unless otherwise acquired as a result of the ownership of securities or instruments, but this restriction shall not prohibit the Fund from purchasing and selling foreign currency, options, swaps, futures and forward contracts and other financial instruments and contracts, including those related to indexes, and options on indices, and may invest in commodity pools and other entities that purchase and sell commodities and commodity contracts. For purposes of the limitation on commodities, the Fund does not consider foreign currencies or forward contracts to be physical commodities.
6. The Fund will not purchase, hold or deal in real estate, except the Fund may purchase and hold securities or other instruments that are secured by, or linked to, real estate or interests therein, securities of real estate investment trusts, mortgage-related securities and securities of issuers engaged in the real estate business, and the Fund may purchase and hold real estate as a result of the ownership of securities or other instruments (including interests in Portfolio Funds).

With respect to the fundamental policy relating to concentration set forth in (1) above, the Investment Company Act does not define what constitutes "concentration" in an industry or groups of industries. The SEC staff has taken the position that investment of 25% or more of a fund's total assets in one or more issuers conducting their principal activities in the same industry or group of industries constitutes concentration. It is possible that interpretations of concentration could change in the future. The policy in (1) above will be interpreted to refer to concentration as that term may be interpreted from time to time. The policy also will be interpreted to permit investment without limit in the following: securities of the U.S. Government and its agencies or instrumentalities; tax exempt securities of state, territory, possession or municipal governments and their authorities, agencies, instrumentalities or political subdivisions; and repurchase agreements collateralized by any such obligations. Accordingly, issuers of the foregoing securities will not be considered to be members of any industry. There also will be no limit on investment in issuers domiciled in a single jurisdiction or country. Finance companies will be considered to be in the industries of their parents if their activities are primarily related to financing the activities of the parents. Each foreign government will be considered to be a member of a separate industry. With respect to the Fund's industry classifications, the Fund currently utilizes any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Ares Capital Management II LLC, the Fund's investment adviser (the "Adviser"). The policy also will be interpreted to give broad authority to the Fund as to how to classify issuers within or among industries.

The investment restrictions and other policies described herein do not apply to Portfolio Funds. The Fund will, however, consider the investments held by Portfolio Funds, to the extent known, in determining whether its investments are concentrated in any particular industry or groups of industries.

Unless otherwise indicated, all limitations under the Fund's investment restrictions apply only at the time that a transaction is undertaken. Any change in the percentage of the Fund's assets invested in certain securities or other instruments resulting from market fluctuations or other changes in the Fund's total assets, including changes resulting from the Fund having a smaller base of assets after a repurchase offer, will not require the Fund to dispose of an investment until the Adviser determines that such disposition is in the Fund's best interest.

The fundamental investment limitations set forth above restrict the ability of the Fund to engage in certain practices and purchase securities and other instruments other than as permitted by, or consistent with, applicable law, including the Investment Company Act. These limitations are based either on the Investment Company Act itself, the rules or regulations thereunder or applicable orders of the SEC. In addition, interpretations and guidance provided by the SEC staff may be taken into account to determine if a certain practice or the purchase of securities or other instruments is permitted by the Investment Company Act, the rules or regulations thereunder or applicable orders of the SEC. As a result, the foregoing fundamental investment policies may be interpreted differently over time as the statute, rules, regulations or orders (or, if applicable, interpretations) that relate to the meaning and effect of these policies change, and no vote of Shareholders, as applicable, will be required or sought.

The Fund's investment objective is non-fundamental and may be changed with the approval of the Fund's Board upon 60 days' prior written notice to Shareholders.

## **INVESTMENT PRACTICES, TECHNIQUES AND RISKS**

The following information supplements the discussion of the Fund's investment objective, policies, techniques and risks that are described in the Prospectus. The Fund may invest in the following instruments and use the following investment techniques, subject to any limitations set forth in the Prospectus. There is no guarantee the Fund will buy all of the types of securities or use any or all of the investment techniques described herein.

*Cash Equivalents and Short-Term Debt Securities.* For temporary defensive purposes, the Fund may invest up to 100% of its assets in cash equivalents and short-term debt securities. Short-term debt securities are defined to include, without limitation, the following:

- U.S. government securities, including bills, notes and bonds differing as to maturity and rates of interest that are either issued or guaranteed by the U.S. Treasury or by U.S. government agencies or instrumentalities.

U.S. government securities include securities issued by: (a) the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration and Government National Mortgage Association, the securities of which are supported by the full faith and credit of the United States; (b) the Federal Home Loan Banks, Federal Intermediate Credit Banks and Tennessee Valley Authority, the securities of which are supported by the right of the agency to borrow from the U.S. Treasury; (c) the Federal National Mortgage Association, the securities of which are supported by the discretionary authority of the U.S. government to purchase certain obligations of the agency or instrumentality; and (d) the Student Loan Marketing Association, the securities of which are supported only by its credit. While the U.S. government provides financial support to such U.S. government-sponsored agencies or instrumentalities, no assurance can be given that it always will do so since it is not so obligated by law. The U.S. government, its agencies and instrumentalities do not guarantee the market value of their securities. Consequently, the value of such securities may fluctuate.

- Certificates of deposit issued against funds deposited in a bank or a savings and loan association. Such certificates are for a definite period of time, earn a specified rate of return and are normally negotiable. The issuer of a certificate of deposit agrees to pay the amount deposited plus interest to the bearer of the certificate on the date specified thereon. Certificates of deposit purchased by the Fund may not be fully insured by the Federal Deposit Insurance Corporation.
- Repurchase agreements, which involve purchases of debt securities.
- Commercial paper, which consists of short-term unsecured promissory notes, including variable rate master demand notes issued by corporations to finance their current operations. Master demand notes are direct lending arrangements between the Fund and a corporation. There is no secondary market for such notes. However, they are redeemable by the Fund at any time. The Adviser will consider the financial condition of the corporation (e.g., earning power, cash flow and other liquidity ratios) and will continuously monitor the corporation's ability to meet all of its financial obligations, because the Fund's liquidity might be impaired if the corporation were unable to pay principal and interest on demand. Investments in commercial paper will be limited to commercial paper rated in the highest categories by a major rating agency and which mature within one year of the date of purchase or carry a variable or floating rate of interest.

*Derivatives.* A derivative is generally a financial contract the value of which depends on, or is derived from, changes in the value of one or more "reference instruments," such as underlying assets (including securities), reference rates, indices or events. Derivatives may relate to stocks, bonds, credit, interest rates, commodities, currencies or currency exchange rates, or related indices. A derivative may also contain leverage to magnify the exposure to the reference instrument. Derivatives may be traded on organized exchanges and/or through clearing organizations, or in private transactions with other parties in the over-the-counter ("OTC") market with a single dealer or a prime broker acting as an intermediary with respect to an executing dealer. Derivatives may be used for hedging purposes and non-hedging (or speculative) purposes. Some derivatives require one or more parties to post "margin," which means that a party must deposit assets with, or for the benefit of, a third party, such as a futures commission merchant, in order to initiate and maintain the derivatives position.

Use of derivatives is a highly specialized activity that can involve investment techniques and risks different from, and in some respects greater than, those associated with investing in more traditional investments, such as stocks and bonds. Derivatives can be highly complex and highly volatile and may perform in unanticipated ways. Derivatives can create leverage, which can magnify the impact of a decline in the value of the reference instrument underlying the derivative, and the Fund could lose more than the amount it invests. Derivatives can have the potential for unlimited losses, for example, where the Fund may be called upon to deliver a security it does not own. Derivatives may at times be highly illiquid, and the Fund may not be able to close out or sell a derivative at a particular time or at an anticipated price. Derivatives can be difficult to value and valuation may be more difficult in times of market turmoil. Derivatives may involve risks different from, and possibly greater than, the risks associated with investing directly in the reference instrument. Suitable derivatives may not be available in all circumstances, and there can be no assurance that the Fund will use derivatives to reduce exposure to other risks when that might have been beneficial. Derivatives may involve fees, commissions, or other costs that may reduce the Fund's gains or exacerbate losses from the

derivatives. Certain aspects of the regulatory treatment of derivative instruments, including federal income tax, are currently unclear and may be affected by changes in legislation, regulations, or other legally binding authority.

Derivatives involve counterparty risk, which is the risk that the other party to the derivative will fail to make required payments or otherwise comply with the terms of the derivative. Counterparty risk may arise because of market activities and developments, the counterparty's financial condition (including financial difficulties, bankruptcy, or insolvency), or other reasons. Not all derivative transactions require a counterparty to post collateral, which may expose the Fund to greater losses in the event of a default by a counterparty. Counterparty risk is generally thought to be greater with OTC derivatives than with derivatives that are exchange traded or centrally cleared. However, derivatives that are traded on organized exchanges and/or through clearing organizations involve the possibility that the futures commission merchant or clearing organization will default in the performance of its obligations.

When the Fund uses derivatives, it will likely be required to provide margin or collateral and/or segregate cash or other liquid assets; these practices are intended to satisfy contractual undertakings and regulatory requirements and will not prevent the Fund from incurring losses on derivatives. The need to provide margin or collateral and/or segregate assets could limit the Fund's ability to pursue other opportunities as they arise. Segregated assets are not available to meet redemptions. The amount of assets required to be segregated will depend on the type of derivative the Fund uses and the nature of the contractual arrangement. If the Fund is required to segregate assets equal to only the current market value of its obligation under a derivative, the Fund may be able to use derivatives to a greater extent, which would increase the degree of leverage the Fund could undertake through derivatives and otherwise, than if it were required to segregate assets equal to the full notional value of such derivative. Derivatives that have margin requirements involve the risk that if the Fund has insufficient cash or eligible margin securities to meet daily variation margin requirements, it may have to sell securities or other instruments from its portfolio at a time when it may be disadvantageous to do so. The Fund normally will remain obligated to meet margin requirements until a derivatives position is closed.

Rule 18f-4 under the Investment Company Act regulates and limits the Fund's use of derivatives. The Fund is a "limited derivatives user," as defined in Rule 18f-4, and has adopted policies and procedures to monitor compliance with such qualification. In the event the Fund were not able to qualify as a limited derivatives user, the rule would, among other things, require the Fund to establish a comprehensive derivatives risk management program, to comply with certain value-at-risk based leverage limits, to appoint a derivatives risk manager and to provide additional disclosure both publicly and to the SEC regarding its derivatives positions.

Options. The Fund may purchase put and call options on currencies or securities. A put option gives the purchaser the right to compel the writer of the option to purchase from the option holder an underlying currency or security or its equivalent at a specified price at any time during the option period. In contrast, a call option gives the purchaser the right to buy the underlying currency or security covered by the option or its equivalent from the writer of the option at the stated exercise price. As a holder of a put option, the Fund will have the right to sell the currencies or securities underlying the option and as the holder of a call option, the Fund will have the right to purchase the currencies or securities underlying the option, in each case at their exercise price at any time prior to the option's expiration date. The Fund may seek to terminate its option positions prior to their expiration by entering into closing transactions. The ability of the Fund to enter into a closing sale transaction depends on the existence of a liquid secondary market. There can be no assurance that a closing purchase or sale transaction can be effected when the Fund so desires.

The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. The purchase of options is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The purchase of options involves the risk that the premium and transaction costs paid by the Fund in purchasing an option will be lost as a result of unanticipated movements in prices of the securities on which the option is based. Imperfect correlation between the options and securities markets may detract from the effectiveness of attempted hedging. Options transactions may result in significantly higher transaction costs and portfolio turnover for the Fund.

Some, but not all, of the Fund's options may be traded and listed on an exchange. There is no assurance that a liquid secondary market on an options exchange will exist for any particular option at any particular time, and for some options no secondary market on an exchange or elsewhere may exist. If the Fund is unable to effect a closing sale transaction with respect to options on securities that it has purchased, it would have to exercise the option to realize any profit and would incur transaction costs upon the purchase and sale of the underlying securities.

**Futures Contracts.** The Fund may enter into securities-related futures contracts, including security futures contracts. The Fund will not enter into futures contracts that are prohibited under the Commodity Exchange Act, as amended (the "CEA"), and will, to the extent required by regulatory authorities, enter only into futures contracts that are traded on exchanges and are standardized as to maturity date and underlying financial instrument. A security futures contract is a legally binding agreement between two parties to purchase or sell in the future a specific quantity of a security or of the component securities of a narrow-based security index, at a certain price. A person who buys a security futures contract enters into a contract to purchase an underlying security and is said to be "long" the contract. A person who sells a security futures contract enters into a contract to sell the underlying security and is said to be "short" the contract. The price at which the contract trades (the "contract price") is determined by relative buying and selling interest on a regulated exchange.

An open position, either a long or short position, is typically closed or liquidated by entering into an offsetting transaction (i.e., an equal and opposite transaction to the one that opened the position) prior to the contract expiration. Traditionally, most futures contracts are liquidated prior to expiration through an offsetting transaction and, thus, holders do not incur a settlement obligation. If the offsetting purchase price is less than the original sale price, a gain will be realized; if it is more, a loss will be realized. Conversely, if the offsetting sale price is more than the original purchase price, a gain will be realized; if it is less, a loss will be realized. The transaction costs must also be included in these calculations. However, there can be no assurance that the Fund will be able to enter into an offsetting transaction with respect to a particular futures contract at a particular time. If the Fund is not able to enter into an offsetting transaction, the Fund will continue to be required to maintain the margin deposits on the futures contract and the Fund may not be able to realize a gain in the value of its future position or prevent losses from mounting. This inability to liquidate could occur, for example, if trading is halted due to unusual trading activity in either the security futures contract or the underlying security; if trading is halted due to recent news events involving the issuer of the underlying security; if systems failures occur on an exchange or at the firm carrying the position; or, if the position is on an illiquid market. Even if the Fund can liquidate its position, it may be forced to do so at a price that involves a large loss. Because of the low margin deposits required, futures contracts trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial loss or gain to the investor.

There can be no assurance that a liquid market will exist at a time when the Fund seeks to close out a futures contract position. The Fund would continue to be required to meet margin requirements until the position is closed, possibly resulting in a decline in the Fund's net asset value. In addition, many of the contracts discussed above are relatively new instruments without a significant trading history. As a result, there can be no assurance that an active secondary market will develop or continue to exist.

Security futures contracts that are not liquidated prior to expiration must be settled in accordance with the terms of the contract. Depending on the terms of the contract, some security futures contracts are settled by physical delivery of the underlying security. Settlement with physical delivery may involve additional costs. Depending on the terms of the contract, other security futures contracts are settled through cash settlement. In this case, the underlying security is not delivered. Instead, any positions in such security futures contracts that are open at the end of the last trading day are settled through a final cash payment based on a final settlement price determined by the exchange or clearing organization. Once this payment is made, neither party has any further obligations on the contract.

In addition, the value of a position in security futures contracts could be affected if trading is halted in either the security futures contract or the underlying security. In certain circumstances, regulated exchanges are required by law to halt trading in security futures contracts. The regulated exchanges may also have discretion under their rules to halt trading in other circumstances, such as when the exchange determines that the halt would be advisable in maintaining a fair and orderly market. A trading halt, either by a regulated exchange that trades security futures or an exchange

trading the underlying security or instrument, could prevent the Fund from liquidating a position in security futures contracts in a timely manner, which could expose the Fund to a loss.

Each regulated exchange trading a security futures contract may also open and close for trading at different times than other regulated exchanges trading security futures contracts or markets trading the underlying security or securities. Trading in security futures contracts prior to the opening or after the close of the primary market for the underlying security may be less liquid than trading during regular market hours.

Swap Agreements. The Fund may enter into swap agreements. In a standard "swap" transaction, two parties agree to exchange the returns, differentials in rates of return or some other amount earned or realized on the "notional amount" of predetermined investments or instruments, which may be adjusted for an interest factor. Some swaps are structured to include exposure to a variety of different types of investments or market factors, such as interest rates, commodity prices, non-U.S. currency rates, mortgage securities, corporate borrowing rates, security prices, indexes or inflation rates. Swap agreements may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a futures commission merchant and cleared through a clearinghouse that serves as a central counterparty. Certain risks are reduced (but not eliminated) if a fund invests in cleared swaps. Certain standardized swaps, including certain credit default swaps, are subject to mandatory clearing, and more are expected to be in the future. The counterparty risk for cleared derivatives is generally lower than for uncleared derivatives, but cleared contracts are not risk-free.

Swap agreements may increase or decrease the overall volatility of the Fund's investments and the price of its Shares. The performance of swap agreements may be affected by a change in the specific interest rate, currency or other factors that determine the amounts of payments due to and from the Fund. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if the counterparty's creditworthiness declines, the value of a swap agreement would likely decline, potentially resulting in losses.

Generally, swap agreements have fixed maturity dates that are agreed upon by the parties to the swap. The agreement can be terminated before the maturity date only under limited circumstances, such as default by or insolvency of one of the parties and can be transferred by a party only with the prior written consent of the other party. The Fund may be able to eliminate its exposure under a swap agreement either by assignment or other disposition, or by entering into an offsetting swap agreement with the same party or a similarly creditworthy party. If the counterparty is unable to meet its obligations under the contract, declares bankruptcy, defaults or becomes insolvent, it is possible that the Fund may not be able to recover the money it expected to receive under the contract.

A swap agreement can be a form of leverage, which can magnify the Fund's gains or losses. To reduce the risk associated with leveraging, the Fund will segregate assets equal to the full notional value of the swap agreements, unless future SEC staff guidance permits asset segregation to a lesser extent. The use of swaps can cause the Fund to be subject to additional regulatory requirements, which may generate additional Fund expenses. The Fund monitors any swaps with a view towards ensuring that the Fund remains in compliance with all applicable regulatory, investment and tax requirements.

General Limitations on Certain Futures, Options and Swap Transactions. The Adviser with respect to the Fund has filed a notice of eligibility for an exclusion from the definition of the term "commodity pool operator" with the U.S. Commodity Futures Trading Commission (the "CFTC") and the National Futures Association (the "NFA"), which regulate trading in the futures markets. Pursuant to CFTC Regulation 4.5, the Adviser and the Fund are not subject to regulation as a commodity pool or commodity pool operator under the CEA. If the Adviser or the Fund becomes subject to these requirements, as well as related NFA rules, the Fund may incur additional compliance and other expenses.

The Fund will comply with the current regulatory requirements of the SEC and the CFTC with respect to coverage of options and futures positions by registered investment companies and, if the guidelines so require, will segregate cash, U.S. government securities, high-grade liquid debt securities and/or other liquid assets permitted by the SEC and CFTC on the Fund's records in the amount prescribed. Securities segregated on the Fund's records cannot be sold

while the futures or options position is outstanding, unless replaced with other permissible assets, and will be marked-to-market daily.

*Convertible Securities.* Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock or other equity security of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities have characteristics similar to nonconvertible income securities in that they ordinarily provide a stable stream of income with generally higher yields than those of common stocks of the same or similar issuers, but lower yields than comparable nonconvertible securities. The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. Convertible securities rank senior to common stock in a corporation's capital structure but are usually subordinated to comparable nonconvertible securities. Convertible securities may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument.

Many convertible securities have credit ratings that are below investment grade and are subject to the same risks as an investment in lower-rated debt securities (commonly known as "junk bonds"). Lower-rated debt securities involve greater risks than investment grade debt securities. Lower-rated debt securities may fluctuate more widely in price and yield and may fall in price during times when the economy is weak or is expected to become weak. The credit rating of a company's convertible securities is generally lower than that of its non-convertible debt securities. Convertible securities are normally considered "junior" securities—that is, the company usually must pay interest on its non-convertible debt securities before it can make payments on its convertible securities. If the issuer stops paying interest or principal, convertible securities may become worthless and the Fund could lose its entire investment.

*Zero Coupon and Paid-In-Kind ("PIK") Bonds.* The Fund may invest in zero coupon or PIK bonds. Because investors in zero coupon or PIK bonds receive no cash prior to the maturity or cash payment date applicable thereto, an investment in such securities generally has a greater potential for complete loss of principal and/or return than an investment in debt securities that make periodic interest payments. Such investments are more vulnerable to the creditworthiness of the issuer and any other parties upon which performance relies.

*Stressed and Distressed Investments.* The Fund may invest in securities and other obligations of companies that involve significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities may present a substantial risk of default, including the loss of the entire investment, or may be in default. Distressed securities include loans, bonds and notes, many of which are not publicly traded, and may involve a substantial degree of risk. In certain periods, there may be little or no liquidity in the markets for distressed securities meaning that the Fund may be unable to exit its position.

The Fund may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal of or interest on its portfolio holdings. In any investment opportunity involving any such type, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or new securities, the value of which may be less than the purchase price paid by the Fund for the securities or other financial instruments in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. The consummation of such transactions can be prevented or delayed by a variety of factors, including, but not limited to: (i) intervention of a regulatory agency; (ii) market conditions resulting in material changes in securities prices; (iii) compliance with any applicable bankruptcy, insolvency or securities laws; and/or (iv) the inability to obtain adequate financing. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund invests, there is a potential risk of loss by the Fund of its entire investment in such companies.

*Equity Securities.* Equity securities in which the Fund may invest include common stocks, preferred stocks, convertible securities and warrants. This may include the equity securities of private equity sponsors. Common stocks and preferred stocks represent shares of ownership in a corporation. Preferred stocks usually have specific dividends

and rank after bonds and before common stock in claims on assets of the corporation should it be dissolved. Increases and decreases in earnings are usually reflected in a corporation's stock price. Convertible securities are debt or preferred equity securities convertible into common stock. Usually, convertible securities pay dividends or interest at rates higher than common stock, but lower than other securities. Convertible securities usually participate to some extent in the appreciation or depreciation of the underlying stock into which they are convertible.

Preferred securities, which are a form of hybrid security (i.e., a security with both debt and equity characteristics), may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities, however, unlike common stocks, participation in the growth of an issuer may be limited. Distributions on preferred securities are generally payable at the discretion of the issuer's board and after the company makes required payments to holders of its bonds and other debt securities. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt securities to actual or perceived changes in the company's financial condition or prospects. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred securities of larger companies. Preferred securities may be less liquid than common stocks. Preferred securities may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer. Preferred shareholders may have certain rights if distributions are not paid but generally have no legal recourse against the issuer and may suffer a loss of value if distributions are not paid. Generally, preferred shareholders have no voting rights with respect to the issuer unless distributions to preferred shareholders have not been paid for a stated period, at which time the preferred shareholders may elect a number of Trustees to the issuer's board. Generally, once all the distributions have been paid to preferred shareholders, the preferred shareholders no longer have voting rights.

Warrants are options to buy a stated number of shares of common stock at a specified price anytime during the life of the warrants. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle their holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of investments. In addition, the value of a warrant or right does not necessarily change with the value of the underlying securities. The Fund could lose the value of a warrant or right if the right to subscribe to additional shares is not exercised prior to the warrant's or right's expiration date. The market for warrants and rights may be very limited and there may at times not be a liquid secondary market for warrants and rights.

*Securities of other Investment Companies.* The Fund may invest, subject to applicable regulatory limits, in the securities of other investment companies, including open-end management companies, closed-end management companies (including business development companies or "BDCs") and unit investment trusts. The Fund also may invest in ETFs, as described in additional detail under "ETFs and Other Exchange-Traded Investment Vehicles" below. Under the Investment Company Act, subject to the Fund's own more restrictive limitations, if any, the Fund's investment in securities issued by other investment companies, subject to certain exceptions, currently is limited to: (1) 3% of the total voting stock of any one investment company; (2) 5% of the Fund's total assets with respect to any one investment company; and (3) 10% of the Fund's total assets in the aggregate (such limits do not apply to investments in money market funds). Exemptions in the Investment Company Act or the rules thereunder may allow the Fund to invest in another investment company in excess of these limits. In particular, Rule 12d1-4 under the Investment Company Act allows the Fund to acquire the securities of another investment company, including ETFs, in excess of the limitations imposed by Section 12 of the Investment Company Act, subject to certain limitations and conditions on the Fund and the Adviser, including limits on control and voting of acquired funds' shares, evaluations and findings by the Adviser and limits on most three-tier fund structures.

When investing in the securities of other investment companies, the Fund will be indirectly exposed to all the risks of such investment companies' portfolio securities. In addition, as a shareholder in an investment company, the Fund would indirectly bear its pro rata share of that investment company's advisory fees and other operating expenses. Fees and expenses incurred indirectly by the Fund as a result of its investment in shares of one or more other investment companies generally are referred to as "acquired fund fees and expenses" and may appear as a separate line item in the Fund's prospectus fee table. For certain investment companies, such as BDCs, these expenses may be significant. In addition, the shares of closed-end management companies may involve the payment of substantial premiums above, while the sale of such securities may be made at substantial discounts from, the value of such issuer's portfolio

securities. Historically, shares of closed-end funds, including BDCs, have frequently traded at a discount to their net asset value, which discounts have, on occasion, been substantial and lasted for sustained periods of time.

Certain money market funds that operate in accordance with Rule 2a-7 under the Investment Company Act float their NAV while others seek to reserve the value of investments at a stable NAV (typically \$1.00 per share). An investment in a money market fund, even an investment in a fund seeking to maintain a stable NAV per share, is not guaranteed, and it is possible for the Fund to lose money by investing in these and other types of money market funds. If the liquidity of a money market fund's portfolio deteriorates below certain levels, the money market fund may suspend redemptions (i.e., impose a redemption gate) and thereby prevent the Fund from selling its investment in the money market fund or impose a fee of up to 2% on amounts the Fund redeems from the money market fund (i.e., impose a liquidity fee).

*ETFs and Other Exchange-Traded Investment Vehicles.* The Fund may invest, subject to applicable regulatory limits, in the securities of ETFs and other pooled investment vehicles that are traded on an exchange and that hold a portfolio of securities or other financial instruments (collectively, "exchange-traded investment vehicles"). When investing in the securities of exchange-traded investment vehicles, the Fund will be indirectly exposed to all the risks of the portfolio securities or other financial instruments they hold. The performance of an exchange-traded investment vehicle will be reduced by transaction and other expenses, including fees paid by the exchange-traded investment vehicle to service providers. ETFs are investment companies that are registered as open-end management companies or unit investment trusts. The limits that apply to the Fund's investment in securities of other investment companies generally apply also to the Fund's investment in securities of ETFs.

Shares of exchange-traded investment vehicles are listed and traded in the secondary market. Many exchange-traded investment vehicles are passively managed and seek to provide returns that track the price and yield performance of a particular index or otherwise provide exposure to an asset class (e.g., currencies or commodities). Although such exchange-traded investment vehicles may invest in other instruments, they largely hold the securities (e.g., common stocks) of the relevant index or financial instruments that provide exposure to the relevant asset class. The share price of an exchange-traded investment vehicle may not track its specified market index, if any, and may trade below its net asset value. An active secondary market in the shares of an exchange-traded investment vehicle may not develop or be maintained and may be halted or interrupted due to actions by its listing exchange, unusual market conditions, or other reasons. There can be no assurance that the shares of an exchange-traded investment vehicle will continue to be listed on an active exchange.

*Repurchase Agreements.* The Fund may invest in repurchase agreements. A repurchase agreement is a contractual agreement whereby the seller of securities agrees to repurchase the same security at a specified price on a future date agreed upon by the parties. The agreed-upon repurchase price determines the yield during the Fund's holding period. Repurchase agreements are considered to be loans collateralized by the underlying security that is the subject of the repurchase contract. The Fund will only enter into repurchase agreements with registered securities dealers or domestic banks that, in the opinion of the Adviser, present minimal credit risk. The risk to the Fund is limited to the ability of the issuer to pay the agreed-upon repurchase price on the delivery date; however, although the value of the underlying collateral at the time the transaction is entered into always equals or exceeds the agreed-upon repurchase price, if the value of the collateral declines there is a risk of loss of both principal and interest. In the event of default, the collateral may be sold but the Fund might incur a loss if the value of the collateral declines, and might incur disposition costs or experience delays in connection with liquidating the collateral. In addition, if bankruptcy proceedings are commenced with respect to the seller of the security, realization upon the collateral by the Fund may be delayed or limited. The Adviser will monitor the value of the collateral at the time the transaction is entered into and at all times subsequent during the term of the repurchase agreement in an effort to determine that such value always equals or exceeds the agreed-upon repurchase price. In the event the value of the collateral declines below the repurchase price, the Adviser will demand additional collateral from the issuer to increase the value of the collateral to at least that of the repurchase price, including interest.

*Reverse Repurchase Agreements.* In a reverse repurchase agreement, the Fund sells portfolio securities to another party and agrees to repurchase the securities at an agreed-upon price and date, which reflects an interest payment. Reverse repurchase agreements involve the risk that the other party will fail to return the securities in a timely manner,

or at all, which may result in losses to the Fund. The Fund could lose money if it is unable to recover the securities and the value of the collateral held by the Fund is less than the value of the securities. These events could also trigger adverse tax consequences to the Fund. Reverse repurchase agreements also involve the risk that the market value of the securities sold will decline below the price at which the Fund is obligated to repurchase them. When the Fund enters into a reverse repurchase agreement, any fluctuations in the market value of either the securities transferred to another party or the securities in which the proceeds may be invested would affect the market value of the Fund's assets. During the term of the agreement, the Fund may also be obligated to pledge additional cash and/or securities in the event of a decline in the fair value of the transferred security. The Adviser monitors the creditworthiness of counterparties to reverse repurchase agreements. With respect to reverse repurchase agreements or other similar financing transactions in particular, Rule 18f-4 under the Investment Company Act permits the Fund to enter into such transactions if the Fund either (i) complies with the asset coverage requirements of Section 18 of the Investment Company Act (that is, the value of the Fund's total assets less all liabilities and indebtedness not represented by senior securities (for these purposes, "total net assets") is at least 300% of the senior securities representing indebtedness) or (ii) treats all such transactions as derivatives transactions for all purposes under Rule 18f-4.

*Restricted Securities and Rule 144A Securities.* The Fund may invest in "restricted securities," which generally are securities that may be resold to the public only pursuant to an effective registration statement under the Securities Act or an exemption from registration. Regulation S under the Securities Act is an exemption from registration that permits, under certain circumstances, the resale of restricted securities in offshore transactions, subject to certain conditions, and Rule 144A under the Securities Act is an exemption that permits the resale of certain restricted securities to qualified institutional buyers. Since its adoption by the SEC in 1990, Rule 144A has facilitated trading of restricted securities among qualified institutional investors. To the extent restricted securities held by the Fund qualify under Rule 144A and an institutional market develops for those securities, the Fund expects that it will be able to dispose of the securities without registering the resale of such securities under the Securities Act. However, to the extent that a robust market for such 144A securities does not develop, or a market develops but experiences periods of illiquidity, investments in Rule 144A securities could increase the level of the Fund's illiquidity.

Where an exemption from registration under the Securities Act is unavailable, or where an institutional market is limited, the Fund may, in certain circumstances, be permitted to require the issuer of restricted securities held by the Fund to file a registration statement to register the resale of such securities under the Securities Act. In such case, the Fund will typically be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the decision to sell and the time the Fund may be permitted to resell a security under an effective registration statement. If, during such a period, adverse market conditions were to develop, or the value of the security were to decline, the Fund might obtain a less favorable price than prevailed when it decided to sell. Restricted securities for which no market exists are priced by a method that the Portfolio Fund Managers believe accurately reflects fair value.

*Special Purpose Acquisition Companies.* The Fund may invest in stock, warrants or other securities of special purpose acquisition companies ("SPACs") or similar special purpose entities that pool funds to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC or similar entity generally maintains assets (less a portion retained to cover expenses) in a trust account comprised of U.S. Government securities, money market securities, and cash. If an acquisition is not completed within a pre-established period of time, the invested funds are returned to the entity's shareholders.

Because SPACs and similar entities are essentially blank-check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. SPACs may allow shareholders to redeem their pro rata investment immediately after the SPAC announces a proposed acquisition, which may prevent the entity's management from completing the transaction. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. In addition, SPACs may trade in the over-the-counter market and, accordingly, may be considered illiquid and/or be subject to restrictions on resale.

*Private Investments in Public Equity.* The Fund may invest in securities issued in private investments in public equity transactions, commonly referred to as "PIPEs." A PIPE investment involves the sale of equity securities, or securities

convertible into equity securities, in a private placement transaction by an issuer that already has outstanding, publicly traded equity securities of the same class.

Shares acquired in PIPEs are commonly sold at a discount to the current market value per share of the issuer's publicly traded securities. Securities acquired in PIPEs generally are not registered with the SEC until after a certain period of time from the date the private sale is completed, which may be months and perhaps longer. PIPEs may contain provisions that require the issuer to pay penalties to the holder if the securities are not registered within a specified period. Until the public registration process is completed, securities acquired in PIPEs are restricted and, like investments in other types of restricted securities, may be illiquid. Any number of factors may prevent or delay a proposed registration. Prior to or in the absence of registration, it may be possible for securities acquired in PIPEs to be resold in transactions exempt from registration under the Securities Act. There is no guarantee, however, that an active trading market for such securities will exist at the time of disposition, and the lack of such a market could hurt the market value of the Fund's investments. Even if the securities acquired in PIPEs become registered, or the Fund is able to sell the securities through an exempt transaction, the Fund may not be able to sell all the securities it holds on short notice and the sale could impact the market price of the securities.

## MANAGEMENT OF THE FUND

### Further Information Regarding Management of the Fund

Information regarding the Trustees and officers of the Fund, including brief biographical information, is set forth below.

#### Board of Trustees

The Trustees of the Fund, their ages, addresses, positions held, lengths of time served, their principal business occupations during the past five years, the number of portfolios in the Fund Complex overseen by each Trustee and other Trusteeships, if any, held by the Trustees, are shown below. The Trustees have been divided into two groups—Interested Trustees and Independent Trustees. As set forth in the Fund's Declaration of Trust, each Trustee's term of office shall continue until his or her death, resignation or removal. The address of each Trustee is care of the Secretary of the Fund at 245 Park Avenue, 44th Floor, New York, New York 10167.

<b>Name, Position(s) Held with Registrant and Year of Birth*</b>	<b>Length of Time Served</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee**</b>	<b>Other Directorships Held by Trustee During Past 5 Years</b>
<i>Independent Trustees</i>				
Patrick Dooley (1962)	Since inception	Private investor since 2012.	1	N/A
Edward Lewis (1952)	Since inception	Senior Managing Director and Head of Alternative Investments, CIGNA Investment Management.	1	N/A

<b>Name, Position(s) Held with Registrant and Year of Birth*</b>	<b>Length of Time Served</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee**</b>	<b>Other Directorships Held by Trustee During Past 5 Years</b>
Paola Sapienza (1965)	Since inception	Professor, Kellogg School of Management Northwestern University since 1998.	1	TIM Group (telecommunications); Assicurazioni Generali SpA (financial services) since 2021.
Lawrence M. Schloss (1954)	Since May 25, 2023	Senior Advisor, Marathon Asset Management, L.P. since 2018.	1	N/A
Kent Weldon (1967)	Since inception	Advisory Partner, Thomas H. Lee Partners since 2021; previously, Managing Director since 1991.	1	OmniLit Acquisition Corp. (optics and photonics focused-SPAC) since; Federal Street Acquisition Corp. (healthcare focused- SPAC) from 2017 to 2019.
<i>Interested Trustees***</i>				
Francisco Borges (1951) Chair of the Board	Since inception	Partner, Co-Head of the Secondaries Group at Ares Management Corporation ("Ares") since 2021; Chairman and Managing Partner of Landmark Partners from 1989 to 2021.	1	Assured Guaranty Ltd. (financial guaranty insurance business); Director, Jefferies Financial Group (holding company); Director, Selected Funds (consisting of two portfolios); Director, Hartford Healthcare (healthcare network); Trustee, Clipper Fund; Director, Interactive Brokers Group, Inc.
Rajat Dhanda (1968)	Since inception	Partner, Ares since 2021; Chief Executive Officer at Black Creek Group from 2018 to 2021, President from 2016 to 2018.	1	N/A

<b>Name, Position(s) Held with Registrant and Year of Birth*</b>	<b>Length of Time Served</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee**</b>	<b>Other Directorships Held by Trustee During Past 5 Years</b>
David Sachs (1959)	Since inception	Partner, Ares since 1997.	3	Terex Corporation (global manufacturing); CION Ares Diversified Credit Fund and Ares Dynamic Credit Allocation Fund, Inc.

\* Each of the Independent Trustees serves on the Board's Audit and Nominating and Governance Committees.

\*\* "Fund Complex" comprises registered investment companies for which the Adviser or an affiliate of the Adviser serves as investment adviser.

\*\*\* "Interested person," as defined in the Investment Company Act, of the Fund. Francisco Borges, Rajat Dhanda and David Sachs are interested persons of the Fund due to their affiliation with the Adviser.

### Executive Officers

Certain biographical and other information relating to the officers of the Fund who are not Trustees, is set forth below, including their ages, addresses, positions held, lengths of time served and their principal business occupations during the past five years.

<b>Name, Position(s) held with Registrant, Year of Birth and Address*</b>	<b>Length of Time Served</b>	<b>Principal Occupation During Past 5 Years</b>
Barry Miller Chief Executive Officer and President (1969)	Since August 11, 2022 and May 25, 2023 respectively	Partner in the Ares Secondaries Group since 2021; Partner in the Landmark Partners Private Equity Group from 2013 to 2021.
Tina St. Pierre Chief Financial Officer, Principal Accounting Officer and Treasurer (1970)	Since inception	Partner in the Ares Secondaries Group since 2021 and Chief Operating Officer of the Ares Secondaries Group since 2023; Partner and the Chief Administrative Officer at Landmark Partners from 1995 to 2021.
Ian Fitzgerald Chief Legal Officer, General Counsel and Secretary (1975)	Since inception	Managing Director and Associate General Counsel (Credit) in the Ares Legal Group at Ares since 2010.
Lisa Morgan	Since inception	Managing Director and Head of Regulatory Compliance in the Ares Compliance Group at Ares since 2017; Chief Compliance Officer of Ares

<b>Name, Position(s) held with Registrant, Year of Birth and Address*</b>	<b>Length of Time Served</b>	<b>Principal Occupation During Past 5 Years</b>
Chief Compliance Officer and Anti-Money Laundering Officer (1976)		Capital Corporation and Ares Dynamic Credit Allocation fund since 2019. Chief Compliance Officer of CION Ares Diversified Credit Fund since 2021.
Scott Humber Vice President (1973)	Since inception	Partner in the Ares Secondaries Group since 2021; Partner in the Private Equity Group at Landmark Partners from 2003 to 2021.
Matthew Jill Vice President and Assistant Secretary (1978)	Since inception	Partner and General Counsel, Fund Formation in the Ares Legal Group at Ares since 2014.
Joel Kress Vice President (1972)	Since May 25, 2023	Managing Director in the Ares Secondaries Group since 2022; previously, Chief Operating Officer and Treasurer, Pomona Investment Fund from 2015-2022 and Senior Advisor to Diamond Ventures, LLC from 2013-2022.
Miriam Krieger Vice President (1976)	Since inception	Partner and Global Chief Compliance Officer, Global Anti-Money Laundering Officer and Global Anti-Corruption Officer; Joined Ares in 2010; Chief Compliance Officer of several entities affiliated with Ares or of investment funds managed by Ares and its affiliates.
Antoinette Lazarus Vice President (1963)	Since inception	Managing Director and Head of Secondaries Compliance in the Ares Compliance Group at Ares since 2021; Chief Compliance and Risk Officer at Landmark Partners from 2006 to 2021.
Peter Ogilvie Vice President (1984)	Since inception	Partner and Head of the Ares Corporate Strategy Group since 2007; Executive Vice President for Ares Acquisition Corporation, a special purpose acquisition company sponsored by Ares, since 2021.
Kathryn Regan Vice President (1977)	Since inception	Partner in the Ares Secondary Solutions Group at Ares since 2021; Partner in the Landmark Partners Private Equity Group from 2019 to 2021; previously, Managing Director from 2017 to 2018.
Naseem Sagati Aghili Vice President and Assistant Secretary (1981)	Since inception	General Counsel and Secretary of Ares since 2020; Partner and Head of the Ares Legal Group; previously, Co-General Counsel, Deputy General Counsel and General Counsel of Private Equity since 2009.

<b>Name, Position(s) held with Registrant, Year of Birth and Address*</b>	<b>Length of Time Served</b>			<b>Principal Occupation During Past 5 Years</b>
Nathan Walton Vice President (1978)	Since 2023	May	25,	Partner, Head of Private Equity Secondaries in the Ares Secondaries Group since 2023; previously, Partner, Ares Private Equity Group from 2006 to 2023.
Christina Oh Assistant Treasurer (1980)	Since 2023	May	25,	Chief Financial Officer of Ares Secondaries Group since 2023. Partner, Chief Financial Officer, Infrastructure and Deputy Chief Financial Officer and Treasurer in the Ares Finance and Accounting Department since 2016.

\* The address of each officer is care of the Secretary of the Fund at 245 Park Avenue, 44th Floor, New York, New York 10167.

### **Biographical Information and Discussion of Experience and Qualifications of Trustees**

The following is a summary of the experience, qualifications, attributes and skills of each Trustee that support the conclusion, as of the date of this SAI, that each Trustee should serve as a Trustee of the Fund.

#### **Independent Trustees**

*Patrick Dooley.* Mr. Dooley has over two decades of experience in investment management. He previously served as Senior Portfolio Manager and Director of Research at Canyon Capital Advisors, a Los Angeles based hedge fund. Prior to joining Canyon in 1991, Mr. Dooley was an Investment Analyst at Executive Life Insurance Company. He holds a B.A. from Wesleyan University in Economics and an M.B.A from the Anderson School of Management at the University of California, Los Angeles.

*Edward Lewis.* Mr. Lewis is a Senior Managing Director and Head of Alternative Investments at Cigna Investment Management. Prior to joining Cigna in 1987, Mr. Lewis worked at Continental Illinois National Bank and Trust Company (now part of Bank of America) where he oversaw a \$160 million commercial loan portfolio. Mr. Lewis has served on a number of charitable boards including the National Conference for Community and Justice, Connecticut Children's Medical Center, Girl Scouts of Connecticut, Connecticut Forum, The Village for Families and Children and the Connecticut Women's Hall of Fame. He holds a B.A. from Fordham University in Accounting and Economics and an M.B.A. from Columbia Graduate School of Business.

*Paola Sapienza.* Ms. Sapienza is the Donald C. Clark/HSBC Chair in Consumer Finance Professor at the Kellogg School of Management at Northwestern University. She also serves as a faculty research fellow in the National Bureau of Economic Research's program on corporate finance and political economy and a research affiliate of the Center for Economic Policy Research. She is a Fellow of the European Corporate Governance Institute (ECGI) and she was elected director of the American Finance Association in 2011 for a three year term. She served on the board of the Academic Female Finance Committee (AFPECT) of the American Finance Association from 2015 to 2019. Professor Sapienza currently serves as an independent director in TIM Group and previously was an independent board member of Assicurazioni Generali SpA. She holds a bachelor's degree in Economics from Bocconi University and an M.A. and Ph.D. in Economics from Harvard University.

*Lawrence Schloss.* Mr. Schloss has served as a Senior Advisor at Marathon Asset Management, L.P. since 2018. Previously, he was the President of Angelo, Gordon & Co., L.P., a \$26 billion alternative asset investment manager, from November 2013 to March 2016. Before joining Angelo, Gordon, Mr. Schloss was the New York City Deputy Comptroller for Asset Management and Chief Investment Officer for the \$145 billion New York City Retirement Systems. As a representative of the New York City Comptroller, he was appointed a trustee of The Teachers'

Retirement System of the City of New York, The New York City Employees' Retirement System, New York City Police Pension Fund and New York City Fire Pension Fund. In 2004, Mr. Schloss was Chairman, Chief Executive Officer and co-founder of Diamond Castle Holdings, a \$1.8 billion middle market private equity firm. Prior to Diamond Castle, he was Global Head of CSFB Private Equity, where he was responsible for \$32 billion of alternative assets under management, and a member of the Credit Suisse First Boston Executive Board. Mr. Schloss is the Vice Chairman of the New York Police & Fire Widows' and Children's Benefit Fund. He currently serves on the board of Girls Who Invest and, until 2022, served as a member of the Board of Trustees of Tulane University. Until early 2014, he served as a member of the Federal Reserve Bank of New York Investors Advisory Committee on Financial Markets. He received a B.A. from Tulane University and an M.B.A. from The Wharton School of the University of Pennsylvania.

*Kent Weldon.* Mr. Weldon has three decades of experience in finding, structuring, and acquiring companies. He is an advisory partner to Thomas H. Lee Partners, previously serving as a Managing Director, starting at the firm in 1991. Prior to joining Thomas H. Lee Partners, Mr. Weldon worked at Morgan Stanley & Co. Incorporated in the Financial Institutions Group, and at Wellington Management Company, an institutional money management firm. Mr. Weldon's prior directorships include Acosta Sales and Marketing, Bargain Hunt, CTI Foods, Give and Go Prepared Foods Corp., iHeartMedia, Inc., CMP Susquehanna Corp., FairPoint Communications, Inc., Fisher Scientific International Inc., Michael Foods, Nortek, Inc., Phillips Pet Food & Supplies and Progressive Moulded Products. Mr. Weldon holds a B.A., summa cum laude, in Economics and Arts and Letters Program for Administrators from the University of Notre Dame and an M.B.A. from Harvard Business School.

#### Interested Trustees

*Francisco Borges.* Mr. Borges is a Partner and Co-Head of Secondary Solutions at Ares. He also serves as a member of the Landmark Private Equity, Infrastructure and Real Estate Secondaries Investment Committees. Prior to joining Ares in 2021, Mr. Borges served as Chairman and Managing Partner of Landmark Partners, where he also was a member of the private equity, infrastructure and real estate investment committees. Prior to joining Landmark in 1999, Mr. Borges was a managing director of GE Capital's Financial Guaranty Insurance Company and capital markets subsidiaries, before which he was treasurer of the State of Connecticut, deputy mayor of the City of Hartford, and legal counsel for the Travelers Insurance Companies. Mr. Borges serves on a number of boards including The Knight Foundation, Hartford Healthcare Corporation, Millbrook School, Jefferies Financial Corp., Davis Selected Funds and Assured Guaranty. Mr. Borges is a member of the Connecticut and New Jersey bars. He received a J.D. from the University of Connecticut School of Law, and a B.A. from Trinity College in Hartford, Connecticut.

*Rajat Dhanda.* Mr. Dhanda is a Partner and the Chief Operating Officer, Global Real Estate in the Ares Real Estate Group at Ares. He also serves as Global Head of Wealth Management in the Ares Wealth Management Solutions Group, which oversees product development, distribution, marketing, and client management activities across Ares' investment offerings in the global wealth management channel. Prior to joining Ares in 2021, he was the Chief Executive Officer at Black Creek Group, which he joined in 2016 as President before being named Chief Executive Officer in 2018. Mr. Dhanda also serves on the Board of Directors for Black Creek Diversified Property Fund Inc. and as Co-President of both Black Creek Diversified Property Fund Inc. and Black Creek Industrial REIT IV Inc. Previously, Mr. Dhanda spent 26 years at Morgan Stanley, where he held a variety of leadership roles, including leading key divisions of their institutional and wealth management platforms and served on the executive and operating committees for Morgan Stanley's wealth management division. Mr. Dhanda serves on the Brown University Real Estate Group Advisory Board. He holds a B.A. from Brown University in Economics and Organizational Behavior & Management.

*David Sachs.* Mr. Sachs is a Partner in the Ares Strategy and Relationship Management Group at Ares, where he focuses on the Ares Credit Group's publicly traded funds, strategic growth opportunities for Ares and facilitating the sharing of credit knowledge across the Ares platform. He serves as a board member of Ares Dynamic Credit Allocation Fund, Inc. and CION Ares Diversified Credit Fund. Additionally, Mr. Sachs serves as a member of Ares Credit Group, Private Equity Group and Real Estate Group fund investment committees and the Ares Equity Income Opportunity Strategy Portfolio Review Committee. Prior to joining Ares in 1997, Mr. Sachs was a Principal of Onyx Partners, Inc., where he focused on merchant banking and related capital raising activities in the private equity and mezzanine debt markets. Previously, he also worked with Taylor & Co., an investment manager providing investment

advisory and consulting services to members of the Bass Family of Fort Worth, Texas, and Columbia Savings and Loan Association as Executive Vice President, where he was responsible for asset-liability management and running the investment management department. Mr. Sachs serves as the Non-Executive Chairman of Terex Corporation and is on the Board of Trustees and the McCormick Advisory Council at Northwestern University. He holds a B.S. from Northwestern University in Industrial Engineering and Management Science.

### Trustee Share Ownership

For each Trustee, the dollar range of equity securities beneficially owned by the Trustee in the Fund and in the Family of Investment Companies Overseen by the Trustee as of December 31, 2022, is set forth in the table below.

<b>Name of Trustee</b>	<b>Dollar Range of Equity Securities in the Fund</b>	<b>Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies</b>
<b>Independent Trustees:</b>		
Patrick Dooley	None	None
Edward Lewis	None	None
Paola Sapienza	None	None
Lawrence Schloss	None	None
Kent Weldon	None	None
<b>Interested Trustees:</b>		
Francisco Borges	None	None
Rajat Dhanda	None	None
David Sachs	None	None

As of December 31, 2022, the Trustees and officers of the Fund, as a group, owned beneficially or of record less than 1% of the outstanding shares of each class of the Fund.

As to each Independent Trustee and his or her immediate family members, no person owned beneficially or of record securities of an investment adviser or principal underwriter of the Fund, or a person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with an investment adviser or principal underwriter of the Fund.

### Trustee Compensation

The Independent Trustees are each paid an annual retainer of \$62,000. In addition, the Fund pays an additional annual fee of \$8,000 to the Chairperson of the Audit Committee and an additional annual fee of \$5,000 for the Chairperson of the Nominating and Governance Committee. The Independent Trustees are also reimbursed for out-of-pocket expenses in connection with providing services to the Fund. The Trustees who are "interested persons", as defined in the Investment Company Act, of the Fund and the Fund's officers do not receive compensation from the Fund. The Fund does not have any retirement plan for the Fund's Trustees and none of the Independent Trustees serve on the boards of any other funds in the Fund Complex. The Independent Trustees' compensation for the period ended March 31, 2023 is set forth below.

<b>Name of Independent Trustee</b>	<b>Aggregate Compensation from the Fund</b>	<b>Total Compensation from the Fund Complex</b>
Patrick Dooley	\$62,000	\$62,000
Edward Lewis	\$70,000	\$70,000
Paola Sapienza	\$62,000	\$62,000
Lawrence Schloss*	None	None
Kent Weldon	\$67,000	\$67,000

\*Mr. Schloss was appointed to the Board on May 25, 2023 and therefore did not receive any compensation for his service as a Trustee for the period ended March 31, 2023.

### **Compensation of the Portfolio Managers**

The Adviser's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The portfolio managers may receive, all or some combination of, salary, an annual bonus and interests in the carried interest in certain of Ares' funds.

*Base compensation.* Generally, when portfolio managers receive base compensation it is based on their individual seniority and their position within the firm.

*Discretionary compensation.* In addition to base compensation, portfolio managers may receive discretionary compensation. Discretionary compensation may be based on individual seniority and contribution.

## Other Accounts Managed by the Portfolio Managers

The following table lists the number and types of accounts, other than the Fund, managed by the Fund's primary portfolio managers and assets under management in those accounts, as of March 31, 2023.

Type of Account	Number of Accounts Managed	Total Assets Managed	Number of Accounts Managed for which Advisory Fee is Performance-Based	Assets Managed for which Advisory Fee is Performance-Based
<b>Francisco Borges</b>				
Registered Investment Companies	0	\$0	0	\$0
Other Pooled Investment Vehicles	20	\$21.7B	17	\$20.3B
Other Accounts	38	\$8.4B	25	\$5.4B
<b>Barry Miller</b>				
Registered Investment Companies	0	\$0	0	\$0
Other Pooled Investment Vehicles	12	\$13.4B	9	\$12.0B
Other Accounts	28	\$5.8B	21	\$4.1B

As of March 31, 2023, none of the Fund's primary portfolio managers owned Shares.

## Codes of Ethics

The Fund, the Adviser and Ares Wealth Management Solutions, LLC (the "Distributor"), have each adopted a code of ethics pursuant to Rule 17j-1 under the Investment Company Act that establishes procedures for personal investments and restrict certain personal securities transactions. Personnel subject to these codes may invest in securities for their personal investment accounts, including securities that may be purchased or held by the Fund, so long as such investments are made in accordance with the applicable code's requirements. The codes of ethics are included as exhibits to the registration statement of which this Statement of Additional Information forms a part. In addition, the codes of ethics are available on the EDGAR database on the SEC's website at <http://www.sec.gov>. Shareholders may also obtain copies of each code of ethics, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

## Proxy Voting Policies

The Fund's investments do not typically convey traditional voting rights, and the occurrence of corporate governance or other consent or voting matters for this type of investment is substantially less than that encountered in connection with registered equity securities. On occasion, however, the Fund may receive notices or proposals from a Portfolio Fund or a portfolio company held through a Direct Investment seeking the consent of or voting by holders, and may also vote on matters relating to the other private equity investments. The Board has delegated the voting of proxies for the securities held in the Fund's portfolio to the Adviser pursuant to the Adviser's proxy voting policies and procedures. Under these policies, the Adviser will vote proxies, amendments, consents or resolutions related to Fund securities in the best interests of the Fund and its Shareholders. The Adviser's proxy voting procedures are included in Appendix B of this SAI. Information regarding how the Adviser voted proxies related to the Fund's portfolio

holdings during the 12-month period ending June 30 will be available, without charge, upon request by calling collect (212) 476-8800, and on the SEC's website at [www.sec.gov](http://www.sec.gov).

## **PORTFOLIO TRANSACTIONS**

The Adviser is responsible for decisions to buy and sell securities for the Fund, the selection of brokers and dealers to effect the transactions and the negotiation of prices and any brokerage commissions. In effecting securities transactions, the Fund seek to obtain the best price and execution of orders. The Adviser is responsible for arranging for the execution of the Fund's portfolio transactions and will do so in a manner deemed fair and reasonable to the Fund and in accordance with the Adviser's conflicts policy. The primary consideration in all portfolio transactions is prompt execution of orders in an effective manner at the most favorable price. In selecting broker-dealers and in negotiating prices and any brokerage commissions on such transactions, the Adviser considers the firm's reliability, integrity and financial condition and the firm's execution capability, the size and breadth of the market for the security, the size of and difficulty in executing the order, and the best net price. There may be instances when, in the judgment of the Adviser, more than one firm can offer comparable execution services. A commission paid to such brokers may be higher than that which another qualified broker would have charged for effecting the same transaction, provided that the Adviser determines in good faith that such commission is reasonable in terms either of the transaction or the overall responsibility of the Adviser to the Fund and its other clients and that the total commissions paid by the Fund will be reasonable in relation to the benefits to the Fund over the long-term. The Advisory Fee that the Fund pays to the Adviser will not be reduced if the Adviser receives brokerage and research services. Commission rates for brokerage transactions on foreign stock exchanges are generally fixed.

With respect to other types of securities, the Fund may purchase certain money market instruments directly from an issuer, in which case no commissions or discounts are paid, may purchase securities in the over-the-counter market from an underwriter or dealer serving as market maker for the securities, in which case the price includes a fixed amount of compensation to the underwriter or dealer, and may purchase and sell listed securities on an exchange, which are effected through brokers who charge a commission for their services.

Purchases and sales of certain debt securities generally are transacted with issuers, underwriters, or dealers that serve as primary market-makers, who act as principals for the securities on a net basis. Most of these transactions will be principal transactions at net prices for which the Fund will generally incur little or no brokerage costs. The Fund may be required to pay fees, or forgo a portion of interest and any fees payable to the Fund, to a lender selling assignment or participations to the Fund. The Adviser will determine the lenders from whom the Fund will purchase assignments and participations by considering their professional ability, level of service, relationship with the borrower, financial condition, credit standards and quality of management. Affiliates of the Adviser may participate in the primary and secondary market for certain debt securities, including loans. Because of certain limitations imposed by the Investment Company Act, this may restrict the Fund's ability to acquire certain loans. The Advisers do not believe that this will have a material effect on the Fund's ability to acquire those loans consistent with its investment policies. Sales to dealers are effected at bid prices.

In some instances, the Fund will purchase interests in a Portfolio Fund directly from the Portfolio Fund, and in other instances the Fund will purchase interests in a Portfolio Fund from a third party, and such purchases by the Fund may be, but are generally not, subject to transaction expenses. Nevertheless, the Fund anticipates that some of its portfolio transactions (including investments in Portfolio Funds by the Fund) may be subject to expenses.

During the period ended March 31, 2023, the Fund paid \$0 in brokerage commissions. No brokerage commissions were paid to a broker that is an affiliated person of the Fund, is an affiliated person of an affiliated person of the Fund, or has an affiliated person that is an affiliated person of the Fund, the Adviser or the Distributor.

## **CERTAIN ERISA CONSIDERATIONS**

Persons who are fiduciaries with respect to an employee benefit plan or other arrangements or entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") (an "ERISA Plan"), and persons who are fiduciaries with respect to an "individual retirement account" (an "IRA"), Keogh Plan or another arrangement

or entity which is not subject to ERISA but is subject to the prohibited transaction rules of Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") (together with ERISA Plans, "Benefit Plans") should consider, among other things, the matters described below before determining whether to invest in the Fund.

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, an obligation not to engage in a prohibited transaction and other standards. In determining whether a particular investment is appropriate for an ERISA Plan, U.S. Department of Labor ("DOL") regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, an examination of the risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the income tax consequences of the investment and the projected return of the total portfolio relative to the ERISA Plan's funding objectives. Before investing the assets of an ERISA Plan in the Fund, a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Fund may be too illiquid or too speculative for a particular ERISA Plan, and whether the assets of the ERISA Plan would be sufficiently diversified. Fiduciaries of such plans or arrangements also should confirm that investment in the Fund is consistent, and complies, with the governing provisions of the plan or arrangement, including any eligibility and nondiscrimination requirements that may be applicable under law with respect to any "benefit, right or feature" affecting the qualified status of the plan or arrangement, which may be of particular importance for participant-directed plans given that the Fund sells Shares only to Eligible Investors, as described herein. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary itself may be held liable for losses incurred by the ERISA Plan as a result of such breach. Fiduciaries of Benefit Plans that are not subject to Title I of ERISA but that are subject to Section 4975 of the Code (such as IRAs and Keogh Plans) should consider carefully these same factors.

The DOL has adopted regulations, which, along with Section 3(42) of ERISA (collectively, the "Plan Assets Rules"), treat the assets of certain pooled investment vehicles as "plan assets" for purposes of, and subject to, Title I of ERISA and Section 4975 of the Code ("Plan Assets"). The Plan Assets Rules provide, however, that, in general, funds registered as investment companies under the Investment Company Act are not deemed to be subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code merely because of investments made in the fund by Benefit Plans. Accordingly, the underlying assets of the Fund should not be considered to be the Plan Assets of the Benefit Plans investing in the Fund for purposes of ERISA's (or the Code's) fiduciary responsibility and prohibited transaction rules. Thus, the Adviser should not be considered a fiduciary within the meaning of ERISA or the Code by reason of its authority with respect to the Fund.

The Fund will require a Benefit Plan (and each person causing such Benefit Plan to invest in the Fund) to represent that it, and any such fiduciaries responsible for such Benefit Plan's investments (including in its individual or corporate capacity, as may be applicable), are aware of and understand the Fund's investment objective, policies and strategies, that the decision to invest Plan Assets in the Fund was made with appropriate consideration of relevant investment factors with regard to the Benefit Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA and/or the Code.

Benefit Plans may be required to report certain compensation paid by the Fund (or by third parties) to the Fund's service providers as "reportable indirect compensation" on Schedule C to IRS Form 5500 ("Form 5500"). To the extent that any compensation arrangements described herein constitute reportable indirect compensation, any such descriptions are intended to satisfy the disclosure requirements for the alternative reporting option for "eligible indirect compensation," as defined for purposes of Schedule C to Form 5500.

The provisions of ERISA and the Code are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA and the Code contained in this SAI is general, does not purport to be a thorough analysis of ERISA or the Code, may be affected by future publication of regulations and rulings and should not be considered legal advice. Potential investors that are Benefit Plans and their fiduciaries should consult their legal advisers regarding the consequences under ERISA and the Code of the acquisition and ownership of Shares.

Employee benefit plans that are not subject to the requirements of ERISA or Section 4975 of the Code (such as governmental plans, non-U.S. plans and certain church plans) may be subject to similar rules under other applicable laws or documents, and also should consult their own advisers as to the propriety of an investment in the Fund.

By acquiring Shares of the Fund, a Shareholder acknowledges and agrees that any information provided by the Fund, the Adviser or any of their respective affiliates (including information set forth in the Prospectus and this SAI) is not a recommendation to invest in the Fund and that none of the Fund, the Adviser or any of their respective affiliates is undertaking to provide any investment advice to the Shareholder (impartial or otherwise), or to give advice to the Shareholder in a fiduciary capacity in connection with an investment in the Fund and, accordingly, no part of any compensation received by the Adviser or any of its affiliates is for the provision of investment advice to the Shareholder.

## CONTROL PERSONS AND PRINCIPAL SHAREHOLDERS

The following table sets forth, as of September 30, 2023, information with respect to the beneficial ownership of our Shares by each person known to the Fund to beneficially own more than 5% of the outstanding Shares.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Except as otherwise noted below, each shareholder named in the following table has sole voting and investment power with respect to all Shares that it beneficially owns. Each of the record holders of 5% or more of Shares may be deemed not to beneficially own (or may be deemed to have disclaimed beneficial ownership of) some or all of its Shares to the extent it does not have voting and/or dispositive power over such Shares. Percentage of beneficial ownership is based on 13,802,123 Shares outstanding as of September 30, 2023.

Name	Address	Class	Number of Shares Held	Percentage of Shares Held
Liberty Mutual Investment Holdings	175 Berkeley Street Boston, MA 02116	Class I	3,477,324	26.24%
Ares Holdings LP	245 Park Avenue, 44th Floor, New York, NY 10167	Class I	3,000,000	22.64%
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-Chome, Chiyoda-Ku, Tokyo 100-0005	Class I	3,000,000	22.64%
Liberty Mutual Retirement Plan	175 Berkeley Street Boston, MA 02116	Class I	894,624	6.75%

Shareholders who beneficially own 25% or more of the outstanding Shares of the Fund may be deemed to be a "control person" of the Fund for purposes of the Investment Company Act.

## FINANCIAL STATEMENTS

The Fund's audited financial statements and financial highlights for the period ended March 31, 2023 appearing in the [Fund's Annual Report](#), filed with the SEC on June 6, 2023, are incorporated by reference into this Statement of Additional Information. Those financial statements and financial highlights have been audited by Ernst & Young LLP, independent registered public accounting firm, as indicated in its report thereon, and are incorporated herein by reference in reliance upon such report, given on the authority of Ernst & Young LLP as experts in accounting and auditing.

## APPENDIX A – SECURITIES RATING DESCRIPTIONS

### Long-Term and Short-Term Debt Securities Rating Descriptions

#### **S&P Global Ratings — Long-Term Issue Credit Ratings\*:**

*The following descriptions have been published by Standard & Poor's Financial Services LLC.*

**AAA** – An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

**AA** – An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.

**A** – An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

**BBB** – An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

**BB, B, CCC, CC, and C** – Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.

**BB** – An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation.

**B** – An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.

**CCC** – An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation.

**CC** – An obligation rated 'CC' is currently highly vulnerable to nonpayment. The 'CC' rating is used when a default has not yet occurred, but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.

**C** – An obligation rated 'C' is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared with obligations that are rated higher.

**D** – An obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within five business days, in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to "D" if it is subject to a distressed debt restructuring.

**NR** – This indicates that no rating has been requested, or that there is insufficient information on which to base a rating, or that S&P Global Ratings does not rate a particular obligation as a matter of policy.

\* The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

**Moody's Investors Service, Inc. ("Moody's") — Global Long-Term Rating Scale:**

*The following descriptions have been published by Moody's Investors Service, Inc.*

**Aaa** – Obligations rated Aaa are judged to be of the highest quality, with minimal risk.

**Aa** – Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

**A** – Obligations rated A are considered upper-medium grade and are subject to low credit risk.

**Baa** – Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.

**Ba** – Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

**B** – Obligations rated B are considered speculative and are subject to high credit risk.

**Caa** – Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

**Ca** – Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery in principal and interest.

**C** – Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal and interest.

**Note:** Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.\*

**Fitch Ratings ("Fitch") — Corporate Finance Obligations — Long-Term Rating Scale:**

*The following descriptions have been published by Fitch, Inc. and Fitch Ratings Ltd. and its subsidiaries.*

**AAA** – Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

**AA** – Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

**A** – High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

**BBB** – Good credit quality. 'BBB' ratings indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

**BB** – Speculative. '**BB**' ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial alternatives may be available to allow financial commitments to be met.

**B** – Highly speculative. '**B**' ratings indicate that material credit risk is present. For performing obligations, default risk is commensurate with an Issuer Default Risk ("IDR") in the ranges 'BB' to 'C'. For issuers with an IDR below 'B', the overall credit risk of this obligation is moderated by the expected level of recoveries should a default occur. For issuers with an IDR above 'B', the overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, but the rated obligation is expected to have extremely high recovery rates consistent with a Recovery Rating of 'RR1'.

\* By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

**CCC** – Substantial credit risk. '**CCC**' ratings indicate that substantial credit risk is present. For performing obligations, default risk is commensurate with an IDR in the ranges 'B' to 'C'. For issuers with an IDR below 'CCC', the overall credit risk of this obligation is moderated by the expected level of recoveries should a default occur. For issuers with an IDR above 'CCC', the overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, but the rated obligation is expected to have a superior recovery rate consistent with a Recovery Rating of 'RR2'.

**CC** – Very high levels of credit risk. '**CC**' ratings indicate very high levels of credit risk. For performing obligations, default risk is commensurate with an IDR in the ranges 'B' to 'C'. For issuers with an IDR below 'CC', the overall credit risk of this obligation is moderated by the expected level of recoveries should a default occur. For issuers with an IDR above 'CC', the overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, but the rated obligation is expected to have a good recovery rate consistent with a Recovery Rating of 'RR3'.

**C** – Exceptionally high levels of credit risk. '**C**' indicates exceptionally high levels of credit risk. For performing obligations, default risk is commensurate with an IDR in the ranges 'B' to 'C'. The overall credit risk of this obligation is exacerbated by the expected low level of recoveries should a default occur. For non-performing obligations, the obligation or issuer is in default, or has deferred payment, and the rated obligation is expected to have an average, below-average or poor recovery rate consistent with a Recovery Rating of 'RR4', 'RR5' or 'RR6'.

Defaulted obligations typically are not assigned 'RD' or 'D' ratings, but are instead rated in the 'B' to 'C' rating categories, depending upon their recovery prospects and other relevant characteristics. This approach better aligns obligations that have comparable overall expected loss but varying vulnerability to default and loss.

**Note:** The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' obligation rating category, or to corporate finance obligation ratings in the categories below 'CCC'.

The subscript 'emr' is appended to a rating to denote embedded market risk which is beyond the scope of the rating. The designation is intended to make clear that the rating solely addresses the counterparty risk of the issuing bank. It is not meant to indicate any limitation in the analysis of the counterparty risk, which in all other respects follows published Fitch criteria for analyzing the issuing financial institution. Fitch does not rate these instruments where the principal is to any degree subject to market risk.

### **DBRS — Long Term Obligations Rating Scale:**

*The following descriptions have been published by Dominion Bond Rating Service.*

**AAA** – Highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.

**AA** – Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

**A** – Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.

**BBB** – Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

**BB** – Speculative, non investment-grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events.

**B** – Highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet financial obligations.

**CCC, CC, C** – Very highly speculative credit quality. In danger of defaulting on financial obligations. There is little difference between these three categories, although CC and C ratings are normally applied to obligations that are seen as highly likely to default, or subordinated to obligations rated in the CCC to B range. Obligations in respect of which default has not technically taken place but is considered inevitable may be rated in the C category.

**D** – When the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods, a downgrade to D may occur. DBRS may also use SD (Selective Default) in cases where only some securities are impacted, such as the case of a "distressed exchange."

All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

### **S&P Global Ratings — Short-Term Issue Credit Ratings:**

*The following descriptions have been published by Standard & Poor's Financial Services LLC.*

**A-1** – A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

**A-2** – A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

**A-3** – A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**B** – A short-term obligation rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

**C** – A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

**D** – A short-term obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.

Dual ratings may be assigned to debt issues that have a put option or demand feature. The first component of the rating addresses the likelihood of repayment of principal and interest as due, and the second component of the rating addresses only the demand feature. The first component of the rating can relate to either a short-term or long-term transaction and accordingly use either short-term or long-term rating symbols. The second component of the rating relates to the put option and is assigned a short-term rating symbol (for example, 'AAA/A-1+' or 'A-1+/A-1'). With U.S. municipal short-term demand debt, the U.S. municipal short-term note rating symbols are used for the first component of the rating (for example, 'SP-1+/A-1+').

#### **Moody's — Global Short-Term Rating Scale:**

*The following descriptions have been published by Moody's Investors Service, Inc.*

**P-1** – Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

**P-2** – Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

**P-3** – Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.

**NP** – Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

#### **Fitch — Short-Term Ratings Assigned to Issuers or Obligations in Corporate, Public and Structured Finance:**

*The following descriptions have been published by Fitch Inc. and Fitch Ratings Ltd. and its subsidiaries.*

**F1** – Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

**F2** – Good short-term credit quality. Good intrinsic capacity for timely payment of financial commitments.

**F3** – Fair short-term credit quality. The intrinsic capacity for timely payment of financial commitments is adequate.

**B** – Speculative short-term credit quality. Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.

**C** – High short-term default risk. Default is a real possibility.

**RD** – Restricted default. Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Typically applicable to entity ratings only.

**D** – Default. Indicates a broad-based default event for an entity, or the default of a short-term obligation.

## **DBRS—Commercial Paper and Short-Term Debt Rating Scale:**

*The following descriptions have been published by Dominion Bond Rating Service.*

**R-1 (high)** – Highest credit quality. The capacity for the payment of short-term financial obligations as they fall due is exceptionally high. Unlikely to be adversely affected by future events.

**R-1 (middle)** – Superior credit quality. The capacity for the payment of short-term financial obligations as they fall due is very high. Differs from R-1 (high) by a relatively modest degree. Unlikely to be significantly vulnerable to future events.

**R-1 (low)** – Good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating categories. May be vulnerable to future events, but qualifying negative factors are considered manageable.

**R-2 (high)** – Upper end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events.

**R-2 (middle)** – Adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events or may be exposed to other factors that could reduce credit quality.

**R-2 (low)** – Lower end of adequate credit quality. The capacity for the payment of short-term financial obligations as they fall due is acceptable. May be vulnerable to future events. A number of challenges are present that could affect the issuer's ability to meet such obligations.

**R-3** – Lowest end of adequate credit quality. There is a capacity for the payment of short-term financial obligations as they fall due. May be vulnerable to future events and the certainty of meeting such obligations could be impacted by a variety of developments.

**R-4** – Speculative credit quality. The capacity for the payment of short-term financial obligations as they fall due is uncertain.

**R-5** – Highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet short-term financial obligations as they fall due.

**D** – When the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods, a downgrade to D may occur. DBRS may also use SD (Selective Default) in cases where only some securities are impacted, such as the case of a "distressed exchange."

## **APPENDIX B – PROXY VOTING POLICIES AND PROCEDURES**

### **Fund Proxy Voting Policy**

It is the policy of the Fund to delegate the responsibility for voting proxies relating to portfolio securities held by the Fund to the Adviser as a part of the Adviser's general management of the Fund's portfolio, subject to the continuing oversight of the Board. The Board has directed the Adviser to vote proxies relating to portfolio securities held by the Fund consistent with the duties and procedures set forth below. The Adviser may retain one or more vendors to review, monitor and recommend how to vote proxies in a manner consistent with the duties and procedures set forth below, to ensure that such proxies are voted on a timely basis and to provide reporting and/or record retention services in connection with proxy voting for the Fund.

The right to vote a proxy with respect to portfolio securities held by the Fund is an asset of the Fund. The Adviser, to which authority to vote on behalf of the Fund is delegated, acts as a fiduciary of the Fund and must vote proxies in a manner consistent with the best interest of the Fund and its shareholders. In discharging this fiduciary duty, the Adviser must maintain and adhere to its policies and procedures for addressing conflicts of interest and must vote proxies in a manner substantially consistent with its policies, procedures and guidelines, as presented to the Board.

Any actual or potential conflicts of interest between the Distributor or the Adviser and the Fund's shareholders arising from the proxy voting process will be addressed by the Adviser and the Adviser's application of its proxy voting procedures pursuant to the delegation of proxy voting responsibilities to the Adviser. In the event that the Adviser notifies the officer(s) of the Fund that a conflict of interest cannot be resolved under the Adviser's proxy voting procedures, such officer(s) are responsible for notifying the Board of such irreconcilable conflict of interest and assisting the Board with any actions it determines are necessary.

### **Adviser Proxy Voting Policy and Procedures**

Where the Adviser has been granted discretion by a client, such as the Fund ("Client") to exercise by proxy the voting rights of securities beneficially owned by such Client (the "Client Securities"), the Adviser will exercise all voting rights delegated to it by the Client with respect to Client Securities, except as provided herein.

In determining how to vote, investment professionals of the Adviser will consult with each other, taking into account the interests of each Client as well as any potential conflicts of interest. In general, the Adviser will vote proxies in accordance with the guidelines set out below, which are designed to maximize the value of Client Securities (the "Guidelines"), unless any of the following is true:

- the Adviser's agreement with the Client requires it to vote proxies in a certain way;
- the Adviser has determined otherwise due to the specific and unusual facts and circumstances with respect to a particular vote;
- the subject matter of the vote is not covered by the Guidelines;
- a material conflict of interest is present; or
- the Adviser finds it necessary to vote contrary to the Guidelines to maximize the best interests of the Client.

In the absence of Guidelines with respect to a particular matter, the Adviser will vote proxies so as to maximize the economic value of the Client Securities and otherwise serve the best interests of the Client. Subject to the policies stated above, the Adviser will generally use the following guidelines in reviewing proxy issues:

Elections of Directors. In general, the Adviser will vote in favor of the management-proposed slate of directors. If there is a proxy fight for seats on the board of directors of an issuer of Client Securities (an "Issuer") or the Adviser determines that there are other compelling reasons for withholding the Client's vote, it will determine the appropriate vote on the matter. Among other reasons, the Adviser may withhold votes for directors when any of the following are true:

- the Adviser believes a direct conflict of interest exists between the interests of a director and the stockholders;
- the Adviser concludes that the actions of a director are unlawful, unethical, or negligent;
- the Adviser believes a director is entrenched or dealing inadequately with performance problems or is acting with insufficient independence between the board and management; or
- the Adviser believes that, with respect to directors of non-US Issuers, there is insufficient information about the nominees disclosed in the proxy statement.

Appointment of Auditors. As the Adviser believes that an Issuer remains in the best position to choose its independent auditors, the Adviser will generally support management's recommendation in this regard.

Changes in Capital Structure. Changes in the charter or bylaws of an Issuer may be required by state or federal regulation. In general, the Adviser will cast a Client's votes in accordance with the management on such proposals. However, the Adviser will consider carefully any proposal regarding a change in corporate structure that is not required by state or federal regulation.

Corporate Restructurings; Mergers and Acquisitions. As the Adviser believes that proxy votes dealing with corporate reorganizations are an extension of the investment decision, the Adviser will analyze such proposals on a case-by-case basis and vote in accordance with its perception of each Client's interests.

Proposals Affecting Shareholder Rights. The Adviser will generally cast a Client's votes in favor of proposals that give shareholders a greater voice in the affairs of an Issuer and oppose any measure that seeks to limit such rights. However, when analyzing such proposals, the Adviser will balance the financial impact of the proposal against any impairment of shareholder rights as well as of the client's investment in the Issuer.

Corporate Governance. As the Adviser recognizes the importance of good corporate governance, the Adviser will generally favor proposals that promote transparency and accountability within an Issuer.

Anti-Takeover Measures. The Adviser will evaluate, on a case-by-case basis, any proposals regarding anti-takeover measures to determine the measure's likely effect on shareholder value dilution.

Stock Splits. The Adviser will generally vote with management on stock split matters.

Limited Liability of Directors. The Adviser will generally vote with management on matters that could adversely affect the limited liability of directors.

Social and Corporate Responsibility. The Adviser will review proposals related to social, political, and environmental issues to determine whether they may adversely affect shareholder value. The Adviser may abstain from voting on such proposals where they do not have a readily determinable financial impact on shareholder value.

Executive and Directors Compensation. The Adviser will evaluate, on a case-by-case basis, any proposals regarding stock option and compensation plans. The Adviser will generally vote against any proposed plans that may result in excessive transfer of shareholder value, that permit the repricing of underwater options, or that include an option exercise price that is below the market price on the day of the grant. The Adviser will generally vote for proposals requiring top executive and director compensation for "golden parachutes" to be submitted for shareholder approval.

The Adviser will inform each Client of the proxy voting policies and procedures described here. The Adviser will inform each client of any changes in its proxy voting policies and procedures and, upon request, the Adviser will promptly provide to a Client a copy of its proxy voting policies and procedures as then in effect.

If a potential conflict of interest exists, the Adviser may choose to resolve the conflict by following the recommendation of a disinterested third party, by seeking the direction of each affected Client or, in extreme cases, by abstaining from voting. In any event, the Adviser will not delegate its voting authority to any third party, although it may retain an outside service to provide voting recommendations and to assist in analyzing votes. Some examples of potential conflicts of interest include:

- the Adviser or an affiliate provides investment advice to an officer or director of an Issuer and the Adviser or such affiliate receives a proxy solicitation from that Issuer, or a competitor of that Issuer;
- an Issuer or some other third party offers the Adviser or an affiliate compensation in exchange for voting a proxy in a particular way;
- an affiliate or an member of an affiliate's household has a personal or business relationship with an Issuer;
- an affiliate has a beneficial interest contrary to the position held by the Adviser on behalf of its Clients;
- the Adviser holds various classes and types of equity and debt securities of the same Issuer contemporaneously in different Client portfolios; and
- any other circumstance where the Adviser's duty to service its Clients' interest could be compromised.

The Adviser will retain records pertaining to these proxy voting policies and procedures in accordance with Rule 204-2 under the Investment Advisers Act of 1940, as amended.