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## Ares Industrial Real Estate Income Trust

Distribution Warehouses: Investing in the Power of E-Commerce and Logistics  
4Q 2023

# Important Risk Factors

An investment in Ares Industrial Real Estate Income Trust (AIREIT) is subject to significant risks. A summary of some of the more important risks is below. A more detailed description of the risks associated with the offering is found in the section of the prospectus entitled "Risk Factors." Investors should read and understand all of the risk factors before making a decision to invest in shares of AIREIT's common stock.

This sales and advertising literature must be read in conjunction with the AIREIT prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates. Neither the Securities and Exchange Commission (SEC) nor any other state securities regulator has approved or disapproved of the securities or determined if the prospectus is truthful or complete. In addition, the Attorney General of the State of New York has not passed on or endorsed the merits of the offering. Any representation to the contrary is a criminal offense.

- **Past performance is not a guarantee of future results. Investing in shares of AIREIT's common stock involves a high degree of risk.**
- REITs are not suitable for all investors. AIREIT is subject to various risks related to owning real estate, including changes in economic, demographic and real estate market conditions. Due to the risks involved in the ownership of real estate and real estate-related investments, the amount of distributions AIREIT may pay to stockholders in the future, if any, is uncertain, there is no guarantee of any return on investment and stockholders may lose the amount they invest.
- AIREIT anticipates that its investment in real estate assets will be primarily concentrated in the industrial real estate sector and that its investments will be concentrated in the largest distribution and logistics markets in the United States. Such industry concentration may expose AIREIT to the risk of economic downturns in this sector to a greater extent than if its business activities included investing a more significant portion of the net proceeds of the offering in other sectors of the real estate industry; and such market concentrations may expose AIREIT to the risk of economic downturns in these areas. In addition, if AIREIT's tenants are concentrated in any particular industry, any adverse economic developments in such industry could expose AIREIT to additional risks. These concentration risks could negatively impact AIREIT's operating results and affect its ability to make distributions to its stockholders.
- Further, investing in AIREIT's common stock involves additional and substantial risks specific to AIREIT, including, among others, that:
  - i. There is no assurance that it will be able to achieve its investment objectives. AIREIT has experienced net loss, as defined by generally accepted accounting principles.
  - ii. There is no public trading market for shares of AIREIT's common stock, and AIREIT does not anticipate that there will be a public trading market for its shares, so redemption of shares by AIREIT will likely be the only way to dispose of stockholders' shares. AIREIT's share redemption program will provide stockholders with the opportunity to request that AIREIT redeems stockholders' shares on a monthly basis, but AIREIT is not obligated to redeem any shares and may choose to redeem only some, or even none, of the shares that have been requested to be redeemed in any particular month, in its discretion. In addition, redemptions will be subject to available liquidity and other significant restrictions. Further, AIREIT's board of directors may modify or suspend its share redemption program if in its reasonable judgment it deems such action to be in AIREIT's best interest and the best interest of its stockholders. As a result, AIREIT's shares should be considered as having only limited liquidity and at times may be illiquid.
  - iii. A portion of the proceeds received in this offering is expected to be used to satisfy redemption requests. Using the proceeds from this offering for redemptions will reduce the net proceeds available to retire debt or acquire properties, which may result in reduced liquidity and profitability or restrict AIREIT's ability to grow its NAV.
  - iv. The transaction price may not accurately represent the value of AIREIT's assets at any given time and the actual value of a stockholder's investment may be substantially less. The transaction price generally is based on AIREIT's most recently disclosed monthly NAV of each class of common stock (subject to material changes as described above) and will not be based on any public trading market. In addition, the transaction price may represent AIREIT's enterprise value and may not accurately reflect the actual prices at which AIREIT's assets could be liquidated on any given day, the value a third party would pay for all or substantially all of AIREIT's shares, or the price at which AIREIT's shares would trade on a national stock exchange. Further, AIREIT's board of directors may amend its NAV procedures from time to time.
  - v. This is a "blind pool" offering; stockholders will not have the opportunity to evaluate all of the investments AIREIT will make before it makes them.

# Important Risk Factors (continued)

- vi. This is a "best efforts" offering and if AIREIT is unable to raise substantial funds, then AIREIT will be more limited in its investments.
  - vii. AIREIT may change its investment policies without stockholder notice or consent, which could result in investments that are different from those described in the prospectus.
  - viii. Some of AIREIT's executive officers, directors and other key personnel are also officers, directors, managers, key personnel and / or holders of an ownership interest in Ares Commercial Real Estate Management LLC (the Advisor), Ares Wealth Management Solutions, LLC (the Dealer Manager), and/ or other entities related to Ares Real Estate Group, the parent of the Advisor and the sponsor of this offering, or the "Sponsor." As a result, they face conflicts of interest, including but not limited to conflicts arising from time constraints, allocation of investment and leasing opportunities, and the fact that certain of the compensation the Advisor will receive for services rendered to AIREIT is based on AIREIT's NAV, the procedures for which the Advisor assists AIREIT's board of directors in developing, overseeing, implementing and coordinating. AIREIT expects to compete with certain vehicles sponsored or advised by affiliates of direct and indirect owners of the Sponsor for investments and certain of those entities may be given priority with respect to certain investment opportunities.
  - ix. The amount of distributions AIREIT may make is uncertain. AIREIT may pay distributions from sources other than cash flow from operations, including, without limitation, from borrowings, the sale of assets, or offering proceeds. The use of these sources for distributions may decrease the amount of cash AIREIT has available for new investments, share redemptions and other corporate purposes, and could reduce stockholders' overall return.
  - x. If AIREIT fails to qualify as a REIT, it would adversely affect its operations and its ability to make distributions to its stockholders.
- **THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED IN THE AIREIT PROSPECTUS. THE OFFERING IS MADE ONLY BY THE AIREIT PROSPECTUS. THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY AN AIREIT PROSPECTUS.**
  - Shares will be offered to the public through the Dealer Manager and through other members of the Financial Industry Regulatory Authority (FINRA) or with the assistance of registered investment advisors. Securities are not FDIC-insured, nor bank guaranteed, and may lose value.

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# Executive Summary

» Opportunity to invest in the power of e-commerce and logistics with one of the leading managers of industrial real estate in the United States.

## Why Industrial?

- Distribution warehouses and logistics facilities are at the center of today's global supply chain
- Acceleration of the e-commerce revolution has increased demand for industrial warehouses – each \$1 billion of additional online sales is estimated to drive an incremental 1.25 million square feet of industrial warehouse demand<sup>1</sup>
- Ares' believes a combination of healthy GDP and trade growth, low vacancy rates in target markets, and rising construction costs creates a strong environment for continued rent growth

## Why Ares?

- A leading global alternative investment manager with \$419bn in AUM
- Significant scale, sourcing and informational advantages of global real estate platform, with \$49bn invested across property types and geographies
- Cycle-tested real estate team located across 17 offices in the U.S. and Europe
- Extensive experience sourcing, acquiring, developing and operating industrial real estate

## Why Ares Industrial REIT?

- Provides investors access to what Ares believes to be high-quality bulk and last-mile distribution warehouses
- Targets properties in top-tier, high barrier-to-entry markets and secondary markets with long-term growth potential
- Seeks to provide capital appreciation, consistent income<sup>2</sup> and capital preservation<sup>3</sup> to investors
- Potential to enhance returns via investment in development and value-add assets

Note: As December 31, 2023. Ares confirms that, to the best of its knowledge, more updated information is not available and that the above information remains materially accurate.

1. Source: CBRE Research, 4Q 2020.

2. There can be no assurances that AIREIT will attain its investment objectives. Distributions are not guaranteed. AIREIT may pay for distributions from sources other than cash flow from operations.

3. Substantial fees and expenses will be paid to AIREIT's advisor, dealer manager and other affiliates of AIREIT's advisor for services they provide to AIREIT in connection with the offering and the operation of AIREIT's business and the acquisition, management and disposition of AIREIT's investments. Distributions to stockholders may represent a return of capital. Share value will fluctuate so that when redeemed, shares may be worth more or less than their original cost.

## Ares Overview

# Ares Management

» With approximately \$419 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating an integrated platform across five business groups

## Profile

Founded	1997
AUM	\$419bn
Employees	~2,850
Investment Professionals	~990
Global Offices	35+
Direct Institutional Relationships	~2,300
Listing: NYSE – Market Capitalization	\$37.9bn <sup>1</sup>

## Global Footprint<sup>2</sup>



## The Ares Differentiators

Power of a broad and scaled platform enhancing investment capabilities

Deep management team with integrated and collaborative approach

20+ year track record of attractive risk adjusted returns through market cycles

A pioneer and leader in leveraged finance, private credit and secondaries

	Credit	Private Equity	Real Assets	Secondaries	Other Businesses
AUM	<b>\$284.8bn</b>	<b>\$39.1bn</b>	<b>\$65.4bn</b>	<b>\$24.7bn</b>	<b>\$4.8bn</b>
Strategies	Direct Lending	Corporate Private Equity	Real Estate Equity	Private Equity Secondaries	Ares Insurance Solutions <sup>3</sup>
	Liquid Credit	Special Opportunities	Real Estate Debt	Real Estate Secondaries	Ares Acquisition Corporation <sup>4</sup>
	Alternative Credit	APAC Private Equity	Infrastructure Opportunities	Infrastructure Secondaries	
	APAC Credit		Infrastructure Debt	Credit Secondaries	

Note: As of December 31, 2023. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results.

1. As of February 2, 2024.

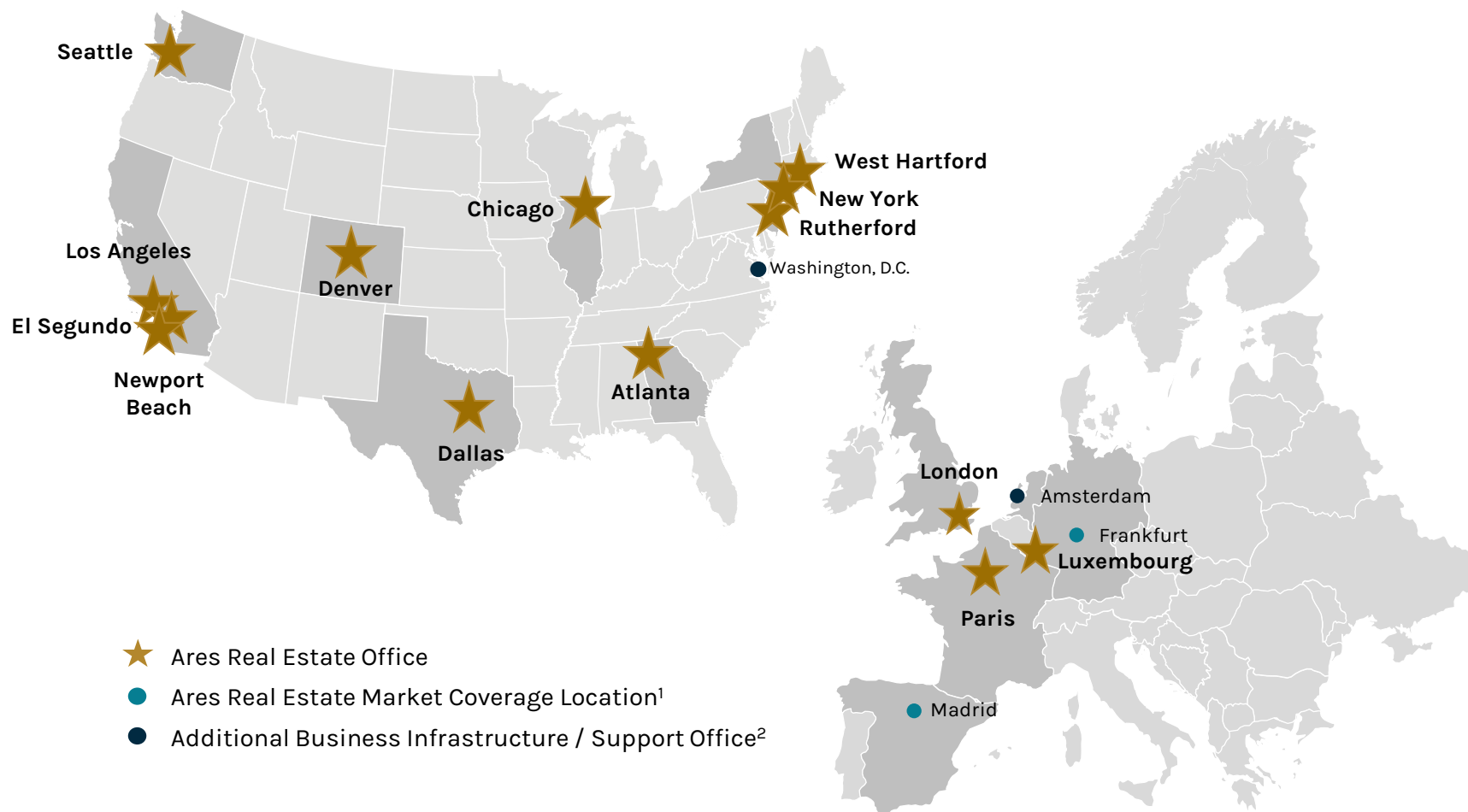
2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.

3. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares' investment groups or invested in Ares funds and investment vehicles.

4. AUM includes Ares Acquisition Corporation ("AAC") and Ares Acquisition Corporation II ("AACT").

# Global Real Estate Platform with Local Expertise

» Strong global presence with an established “boots-on-the-ground” model of real estate professionals located across 17 offices throughout the U.S. and Europe



Note: As of December 31, 2023.

In Madrid and Frankfurt, Ares Real Estate Group does not maintain a physical office but has an investment professional located in this market.

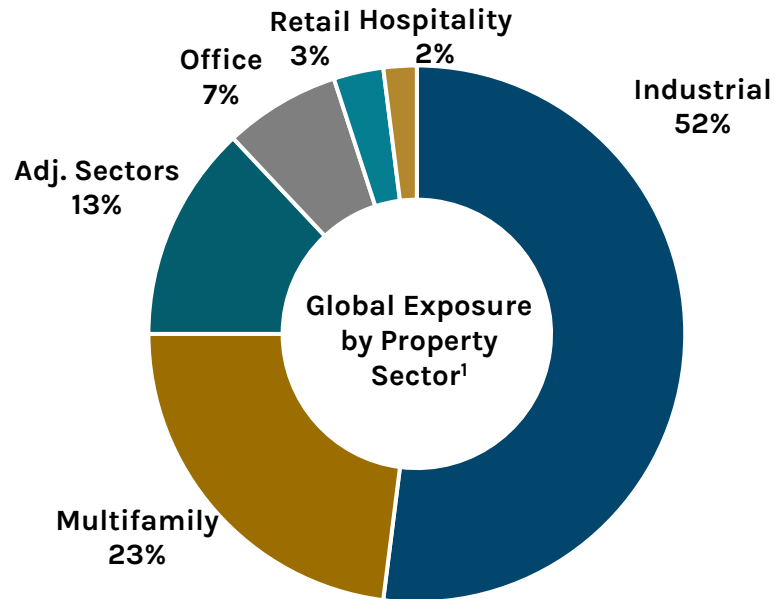
Non-Ares location providing administrative and support functions to the Ares Real Estate Group.



# Ares Real Estate Group Overview

» Our global real estate platform combines longstanding relationships, local market intelligence, and deep property-level experience to seek to drive differentiated results

Global Exposure by Property Sector<sup>1</sup>



**\$49 BN**

Real Estate  
AUM

**~255**

Investment  
Professionals

**16**

Offices and Market  
Coverage Locations

**~516**

Real Estate  
Investments Globally

## Key Differentiators & Advantages

**Scaled Equity and Debt Platform with Investment Vehicles Across the Risk Spectrum**

**Cycle-Tested Team with Collaborative Culture, Local Market Presence, and Extensive Relationship Network**

**Deep Experience Across Property Types with Specialized Industrial Capabilities**

**Distinctive Deal Flow with Consistent and Compelling Performance**

Note: As of September 30, 2023 unless otherwise noted

1. Based on Gross Asset Value of all active real estate investments in the Ares Real Estate Group portfolio.

# Specialized Capabilities in High Conviction Industrial Sector<sup>1</sup>

» Ares is a leader in industrial real estate with a current portfolio of \$22.9 billion across over 275 investments in major U.S. highway, rail, sea, and air transportation hubs

**Top 4**

Owner and Operator  
of Industrial Real Estate  
in the U.S.

**170+**

Industrial-Focused  
Operating Professionals

**276**

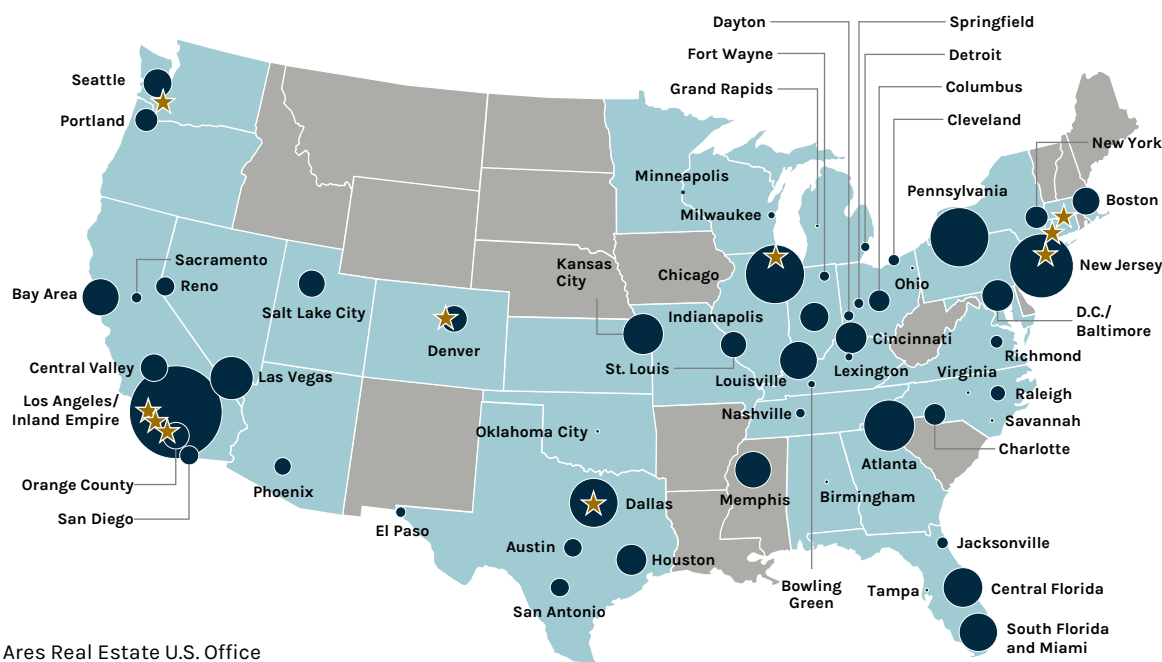
Total Current  
Industrial Investments<sup>2</sup>

**815+**

Total Current  
Industrial Properties<sup>2</sup>

**~175m**

Total Current Industrial  
Square Feet<sup>3</sup>



- Vertically integrated industrial team with regional market officers and dedicated investment professionals
- Established in-house industrial development experience
- In-market asset management teams with deep, real-time market knowledge of tenant demands
- Proprietary sourcing capabilities with repeat industry partners

1. Map represents Gross Asset Value as of September 30, 2023.

2. Includes properties owned, under development, under control, and/or committed capital as of September 30, 2023.

3. Includes properties owned, developed, controlled, and/or committed capital as of September 30, 2023.

4. Industrial Outlook 2023, Green Street

# A Track Record in Industrial Real Estate<sup>1</sup>

» As a leading owner and operator in the industrial sector, Ares has extensive experience sourcing, acquiring, developing and operating industrial real estate.

INDUSTRIAL REIT I	INDUSTRIAL REIT II	INDUSTRIAL REIT III
2003   2006	2010   2015	2013   2017
 <b>DCT INDUSTRIAL</b> (NYSE: DCT)	 <b>INDUSTRIAL</b> INCOME TRUST™	 <b>INDUSTRIAL</b> PROPERTY TRUST

Prior closed offerings are for informational purposes only and are not indicative of characteristics of Ares Industrial REIT.

1. DCT Industrial Trust Inc., Industrial Income Trust Inc. and Industrial Property Trust Inc. were REITs formerly affiliated with Black Creek Group, which was acquired by a subsidiary of Ares Management Corporation on July 1, 2021. The Black Creek Group senior management team has become a part of Ares Management Corporation.

# Why We Love Industrial

» Merging a foundational global supply chain with an evolving technology frontier

**We believe what worked yesterday continues to work today...with adaptation and innovation for tomorrow**

## What worked for us yesterday

- Hard to disintermediate: every single tangible product we use needs to be transported and stored
- Continued population growth & increased product selections
- Global trade growth of imports and exports
- Generic and functional buildings that are less capital-intensive to re-tenant
- Fragmented markets enable our owner/operator platform to aggregate institutional-quality portfolios
- Active boots-on-the ground management unlocks value



## Continues to work today

- U.S. industrial real estate is at the forefront of technological advancement and evolution
- Data, technology and analytics are becoming an increasingly integral part of investment, asset management and due diligence activity
- How businesses utilize warehouse space is evolving, allowing us to reimagine the future role, functionality and location of traditional space
- Resilience through the pandemic: accelerating e-commerce activity, nearshoring/onshoring, and inventory building are driving industrial demand

Note: Contains Ares' observations/opinions of market conditions.

## Investing in Distribution Warehouses

# What Drives the Demand for Distribution Warehouses?

» Driven by the e-commerce boom and other factors, demand for distribution warehouse space is expected to increase by 1.3 billion square feet over the next decade<sup>1</sup>



## Population Growth

More people consume more products



## Growth in Product Selection

Increased consumer demand for new products



## Global Manufacturing

At the center of the flow of imports and exports



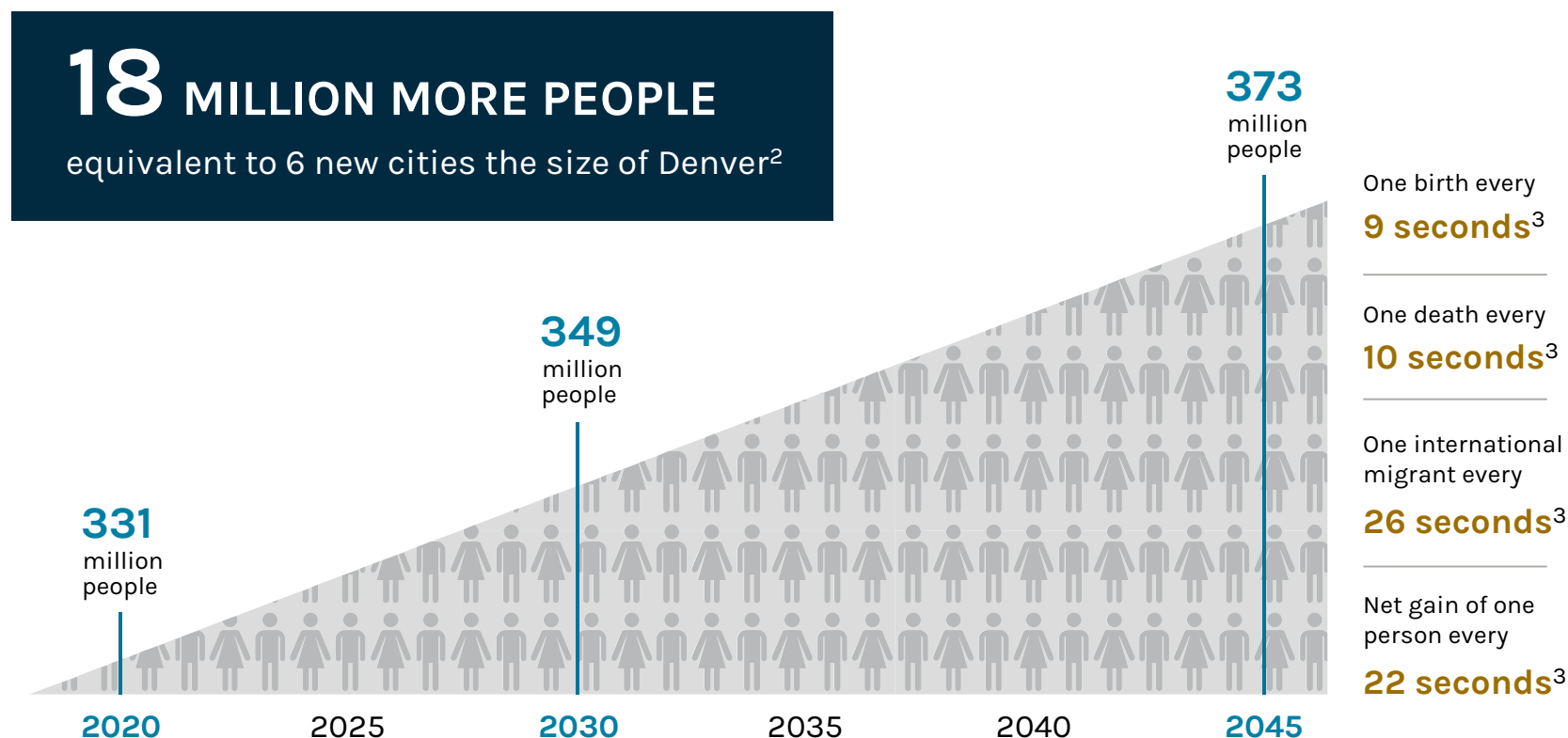
## E-Commerce Revolution

Growth of online consumer purchases

1. Source: Green Street Analytics, January 2021.

# Population Growth

» With a current population of more than 334 million, the U.S. population grew by 0.5% year-over-year in 2023. There could be up to 18 million more people by 2030 and 41 million more people by 2050.<sup>1</sup>



1. World Population Review, February 2024.

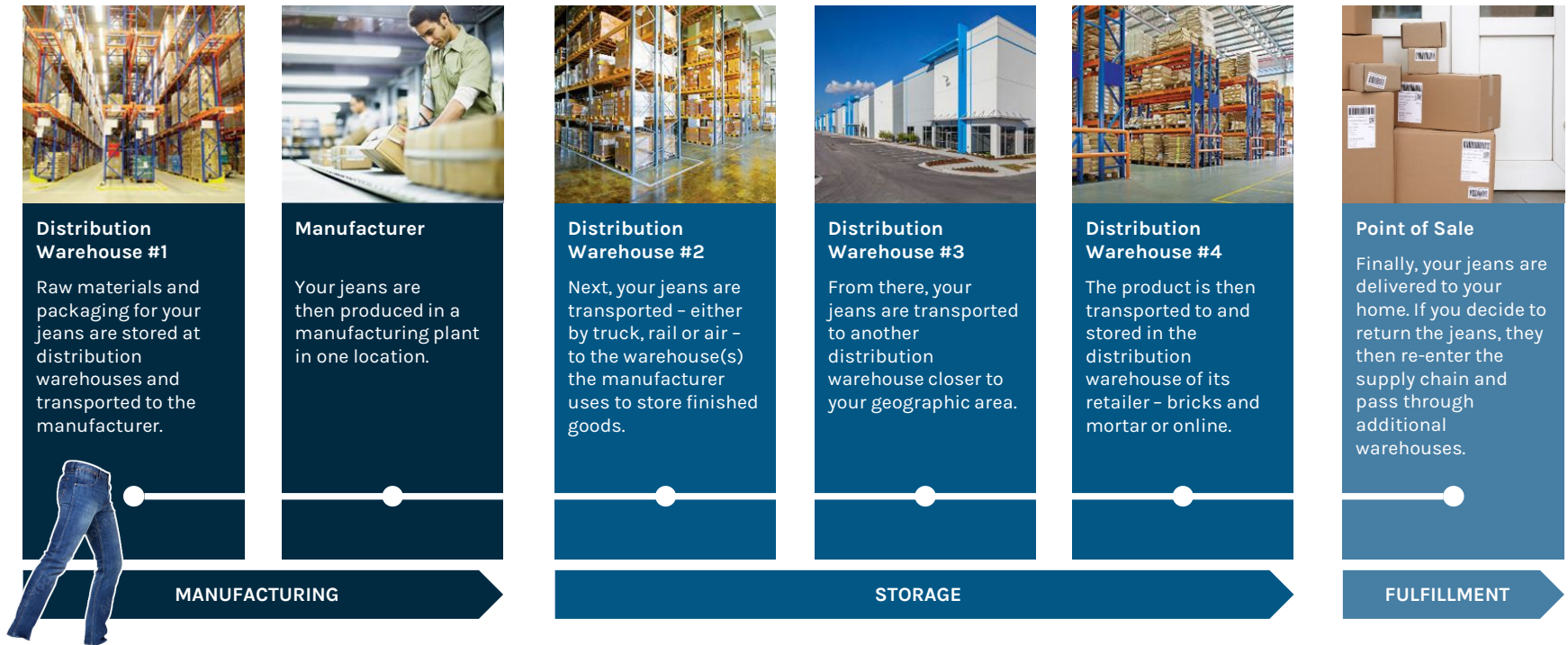
2. CensusReporter.org, April 2022.

3. Census.gov, World Population Clock, February 2024.

# A Key Link in Supply Chain Logistics

- Once manufactured, products are rarely shipped directly to where consumers purchase them<sup>1</sup>
- Most retailers cannot store enough inventory on site to fulfill long-term product needs due to space and cost issues<sup>1</sup>
- The typical consumer product is stored in four or more distribution warehouses from point of manufacture to point of retail consumption<sup>2</sup>

**Consider the journey of a pair of jeans – from raw material to manufacturing, through multiple distribution warehouses, to point of sale in a retail location or online.**



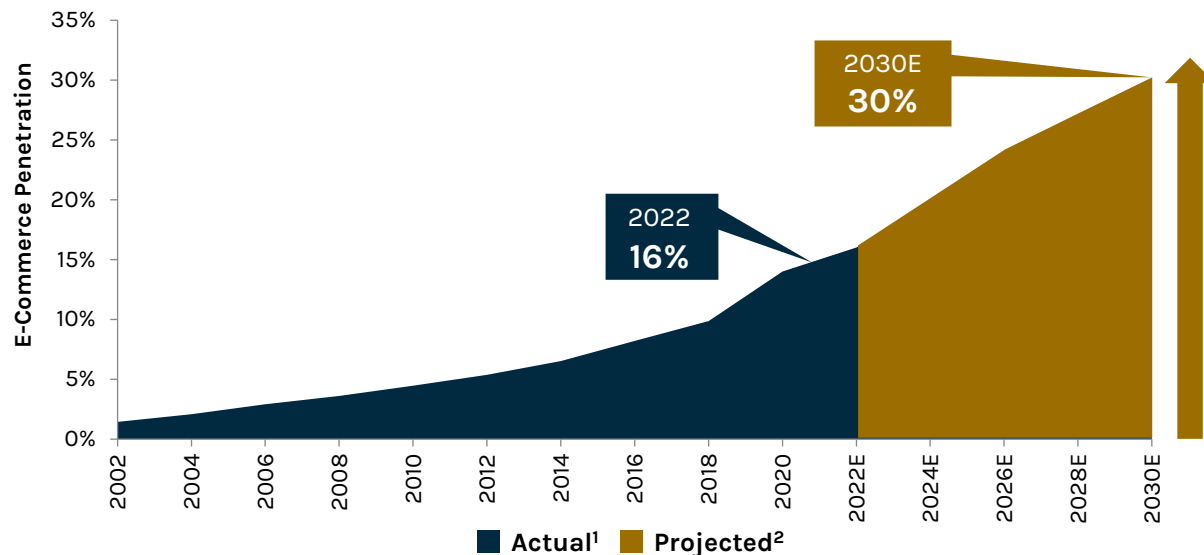
1. Source: Green Street Analytics, 4Q 2020.

2. Source: Council of Supply Chain Management Professionals, 2018.



# E-Commerce Driving Demand for Industrial Warehouses

E-Commerce % of Total Retail Sales<sup>1,2</sup>



COVID-19 has accelerated e-commerce

**7%**

Year-over-Year Increase<sup>1</sup>

**\$1.04T**

Online Sales<sup>1</sup>

For 12 Months Ended December 31, 2022

**3X More**

Warehouse Space

Needed for E-Commerce<sup>2</sup>

Warehouse Demand from  
**Online Sales<sup>3</sup>** **\$1B = 1.25M**  
Sales Square feet

1. Source: U.S. Census Bureau, as of May 18, 2023. The percentages presented for future periods are projections and there is no guarantee that these projections will accurately reflect future performance. E-commerce sales are sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over the Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online. Online travel services, financial brokers and dealers, and ticket sales agencies are not classified as retail and are not included in either the total retail or retail e-commerce sales estimates.

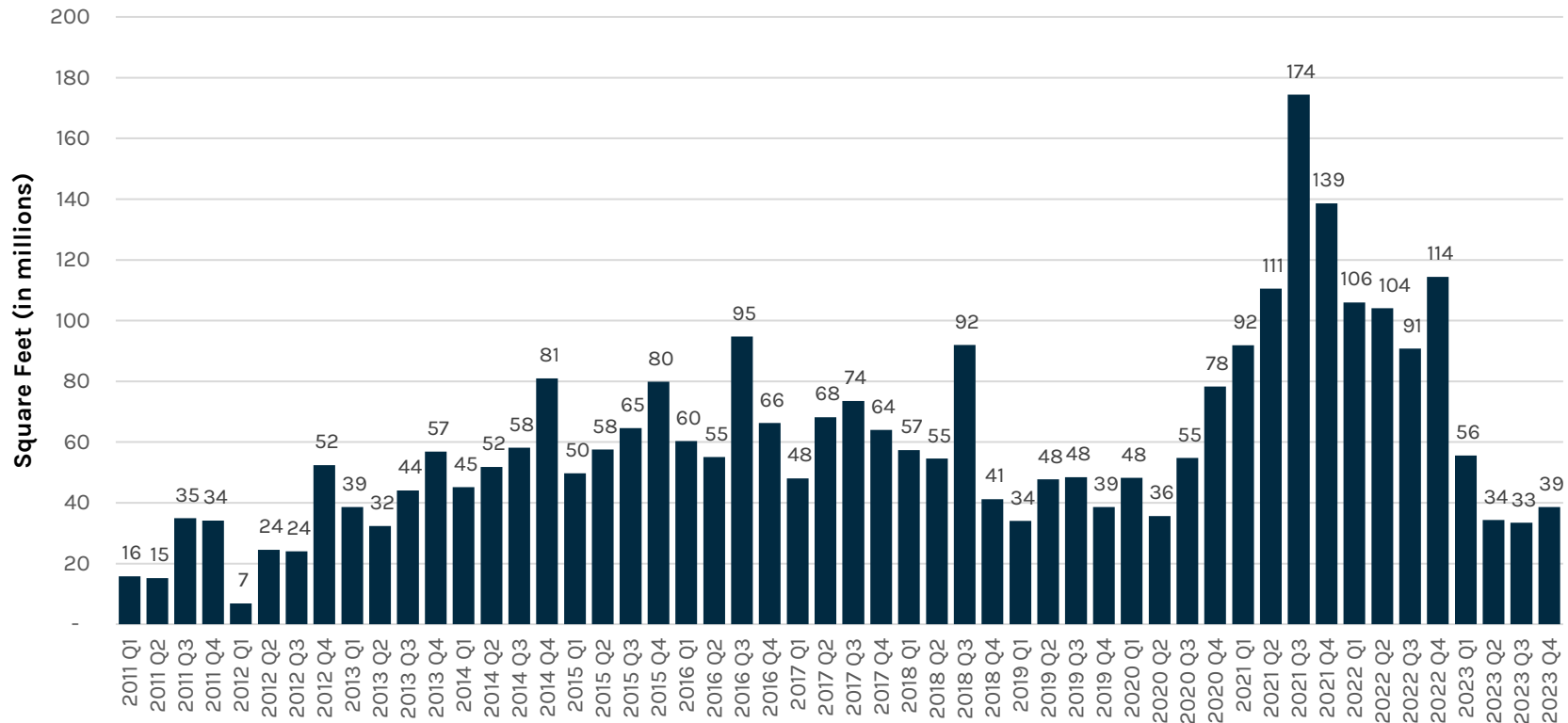
2. Green Street, 4Q 2022.

3. Source: CBRE Research, 4Q 2020.

# U.S. Industrial Operating Fundamentals

» Strong positive net absorption is a sign of healthy demand, which can also be indicated by high occupancy rates.

National Industrial Net Absorption<sup>1</sup>



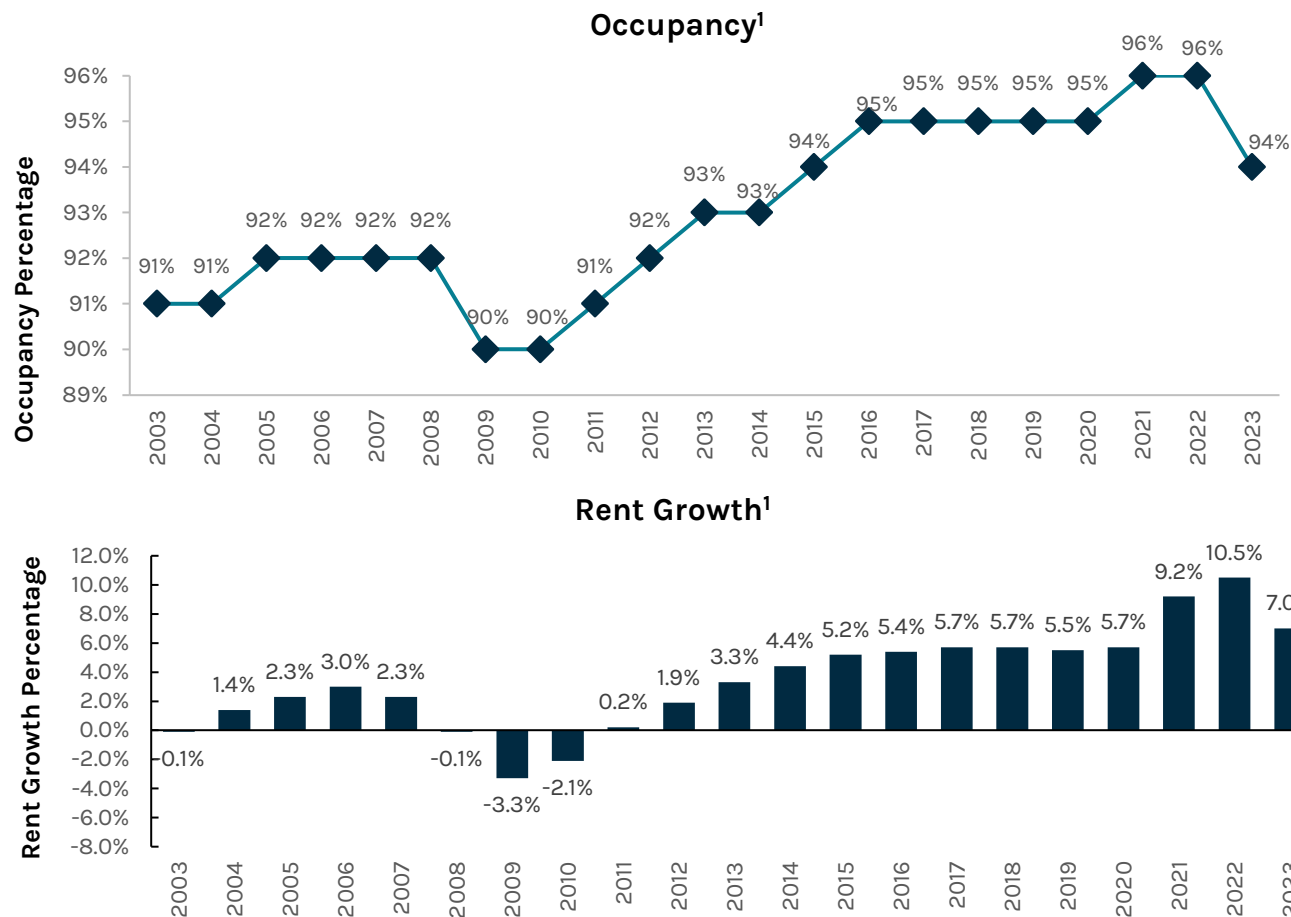
**54** Consecutive quarters  
of positive net absorption<sup>1</sup>

1. Source: CoStar Portfolio Strategy, 4Q 2023.

Net Absorption is the net change in physically occupied space between the current measurement period and the last measurement period taking into consideration office space vacated and newly constructed office space in the same area during the same period.

# U.S. Industrial Operating Fundamentals

» Industrial real estate continues to experience high occupancy and positive rent growth<sup>1</sup> signaling low supply.



Above  
Historical  
Average<sup>1</sup> at  
**94%**

Avg Rent  
Growth<sup>1, 2, 3</sup>  
**7.0%**

<sup>1</sup> Source: CoStar Portfolio Strategy, 4Q 2023.

<sup>2</sup> 12-month ending 12/31/2023 for U.S. distribution warehouses.

<sup>3</sup> Past performance does not guarantee future results.

## Overview of Ares Industrial Real Estate Income Trust Inc.

# Investment Objectives and Structure

» A pure-play industrial real estate solution that seeks to deliver capital appreciation and consistent monthly income by investing primarily in high-quality bulk and last-mile distribution warehouses.<sup>1,2</sup>

## Investment Objectives

- **Capital Appreciation:** Realizing capital appreciation from active investment management and asset management
- **Current Income:** Providing current income to stockholders in the form of regular cash distributions<sup>2,3</sup>
- **Capital Preservation:** Preserving and protecting stockholders' capital contributions<sup>3</sup>

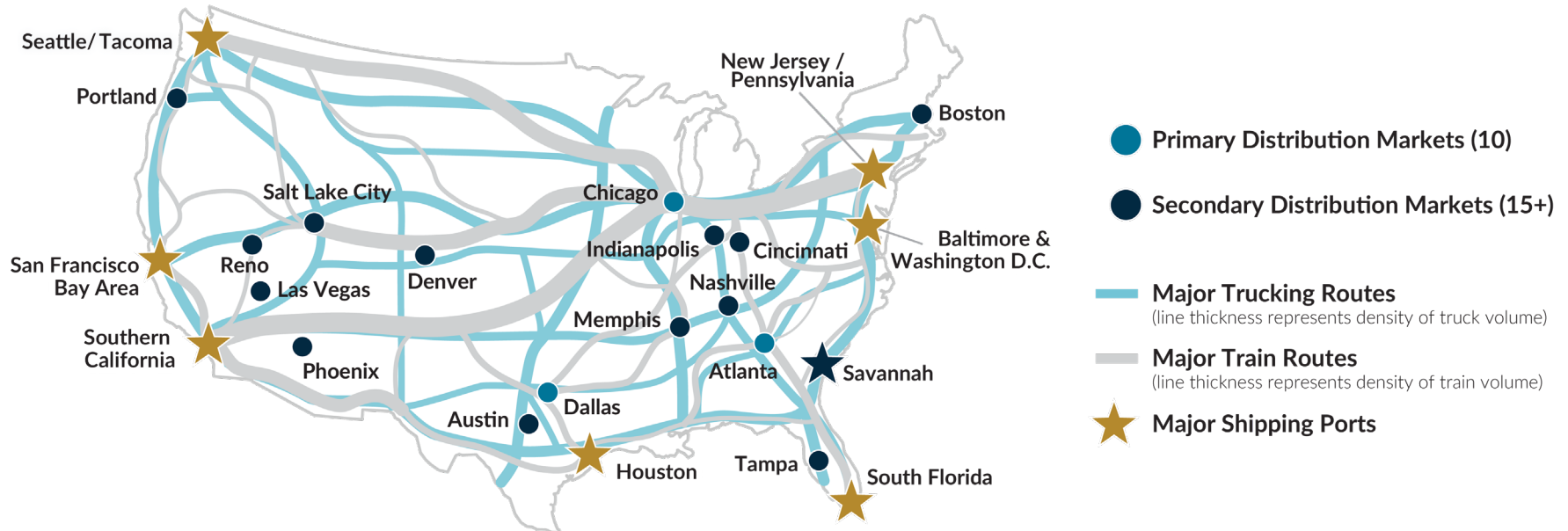
## Investment Structure

- **Offering Type:** Continuous offering
- **NAV Frequency:** Monthly
- **Purchases:** Monthly
- **Shareholder Distributions:** Monthly<sup>2</sup>
- **Liquidity:** Monthly<sup>4</sup>
- **Tax Reporting:** 1099-DIV

1. Although AIREIT intends to focus its investment activities primarily on distribution warehouses and other industrial properties, its charter and bylaws do not preclude it from investing in other types of commercial property or real estate-related debt. Share value will fluctuate so that when redeemed, shares may be worth more or less than their original cost. Redemption requests can be submitted monthly at the prior month's NAV.
2. There can be no assurances that AIREIT will attain its investment objectives. Distributions are not guaranteed. AIREIT may pay distributions from sources other than cash flows from operations.
3. Substantial fees and expenses will be paid to AIREIT's advisor, dealer manager and other affiliates of AIREIT's advisor for services they provide to AIREIT in connection with the offering and the operation of AIREIT's business and the acquisition, management and disposition of AIREIT's investments. Distributions to stockholders may represent a return of capital. Share value will fluctuate so that when redeemed, shares may be worth more or less than their original cost.
4. Under AIREIT's share redemption program, AIREIT may redeem during any calendar month shares whose aggregate value (based on the price at which the shares are redeemed) is 2% of AIREIT's aggregate NAV as of the last calendar day of the previous quarter and during any calendar quarter whose aggregate value (based on the price at which the shares are redeemed) is up to 5% of AIREIT's aggregate NAV as of the last calendar day of the prior calendar quarter. AIREIT's board of directors reserves the right to reject any request for redemption of common stock for any reason, or to modify or suspend the share redemption program at any time. Therefore, investors should not assume that any or all of their shares will be redeemed by AIREIT pursuant to this program.

# Target Markets

» Targets investment properties in high barrier-to-entry locations in the most liquid and institutional logistics markets<sup>1</sup> with access to major distribution hubs and dense population centers

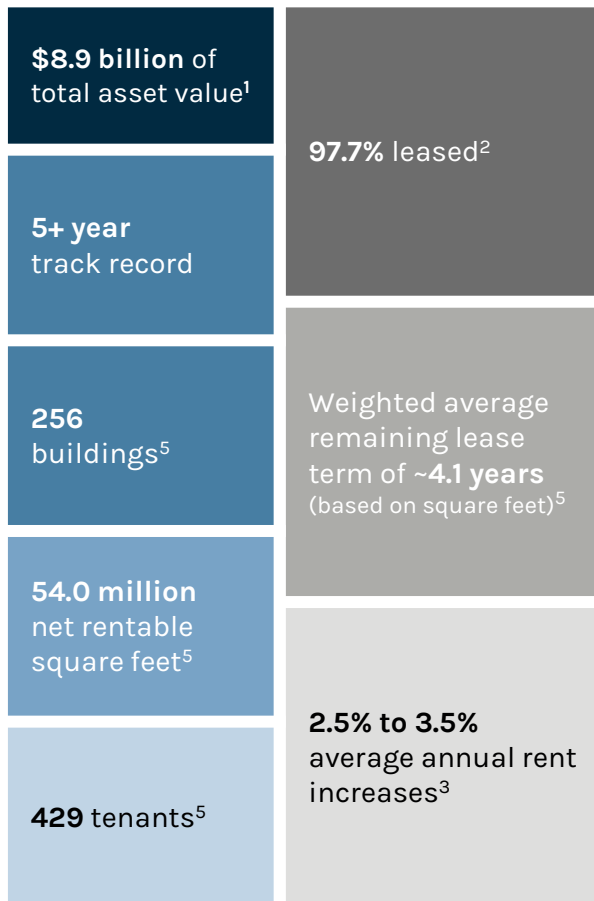


1. As defined by Ares using CoStar data as of 2Q 2022. Target markets include the top 50 U.S. industrial markets by sales volume where a majority of buyers are institutions.

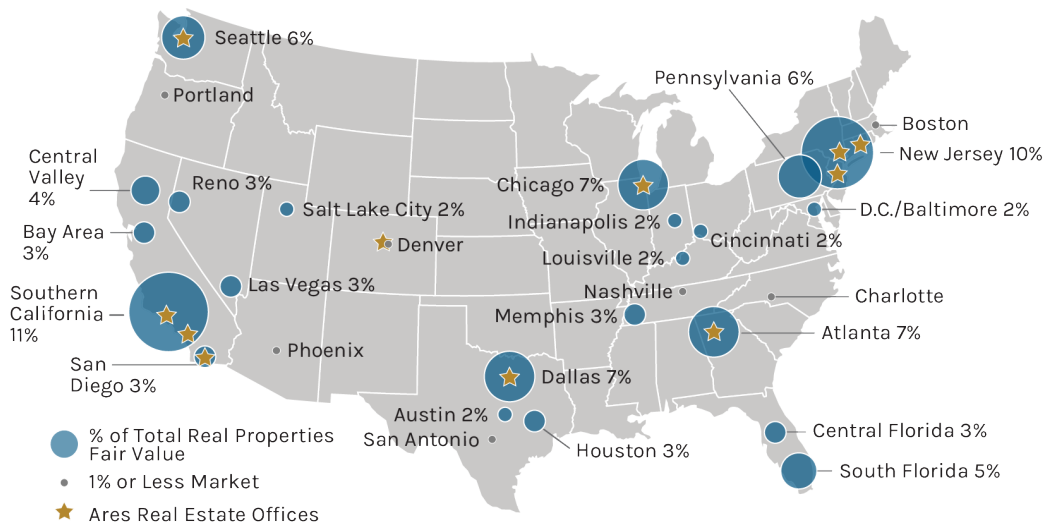
2. Source: Federal Highway Administration, 2021.

3. Source: U.S. Department of Transportation Maritime Administration, 2021.

# Portfolio Highlights (as of December 31, 2023)



## Property Locations<sup>4,5</sup>



1. Fair value of real properties and investment in an unconsolidated joint venture partnership plus cash.

2. Percent leased represents AIREIT's wholly owned Operating Portfolio, which include properties that are more than 90% leased or have been owned for more than a year.

3. Average annual rent increases represent the average of contractual rent increases across AIREIT's in-place leases. There is no guarantee that such rent increases will be achieved on every lease.

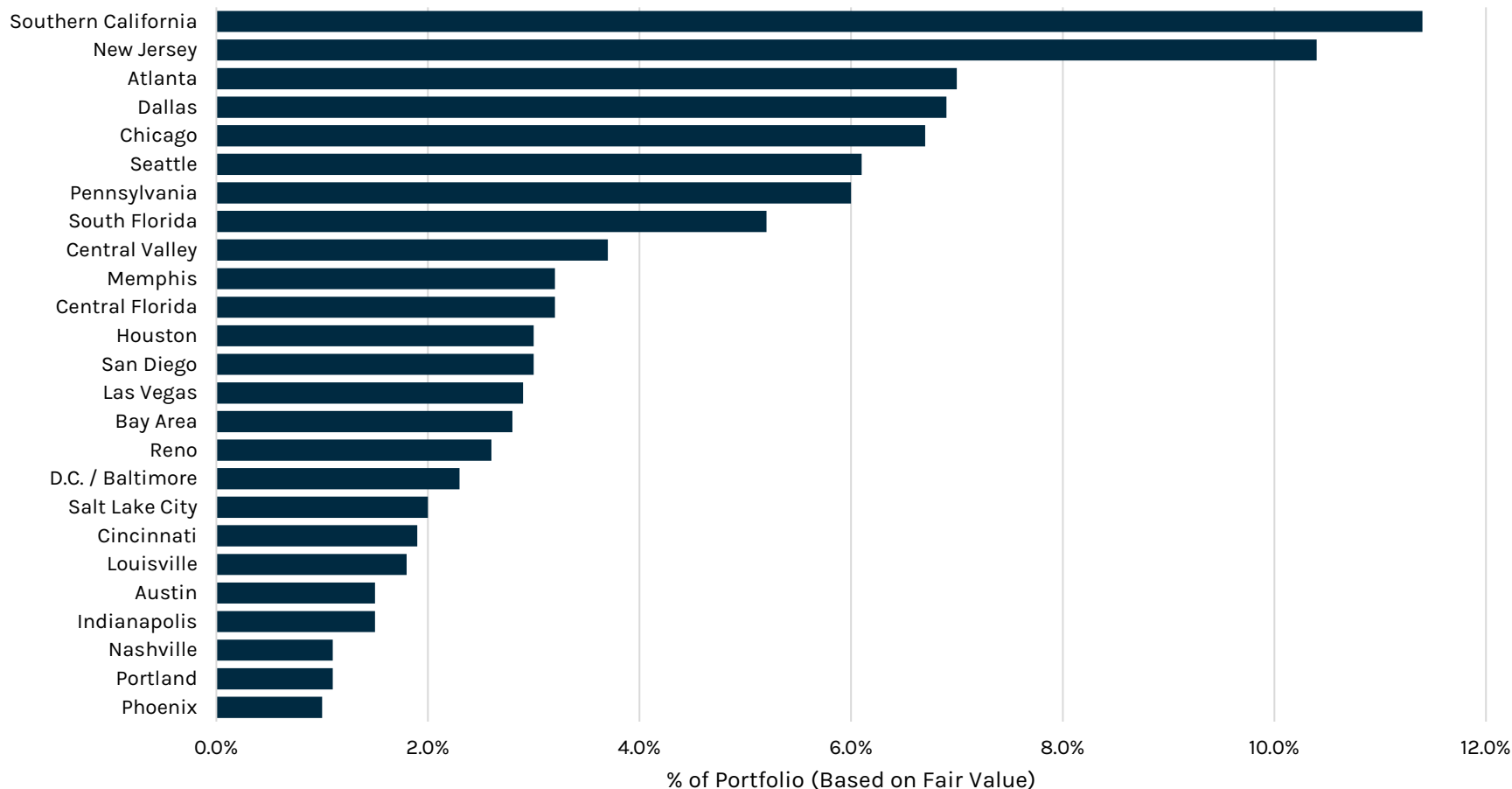
4. Southern California market consists of Inland Empire, Orange County, and Los Angeles markets.

5. Represents portfolio information for AIREIT's wholly owned properties.

# Portfolio Diversification (as of December 31, 2023)

» Ares Industrial REIT is diversified across 29 geographic markets, with over 68% of investments in top-tier primary U.S. industrial markets.<sup>1</sup>

## Portfolio by Geographic Market<sup>2</sup>



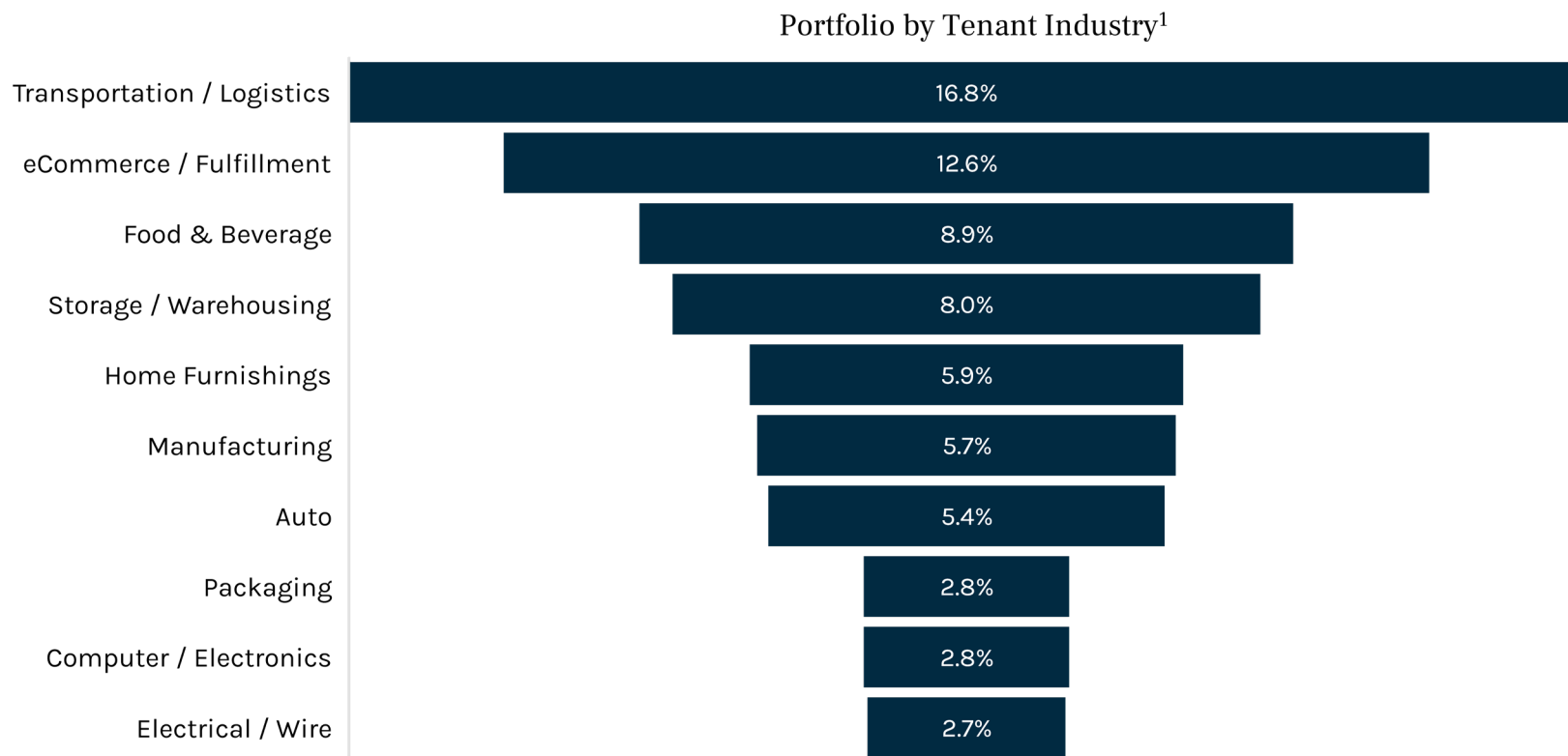
1. Top-tier markets as defined by Ares using CoStar data as of 4Q 2023.

2. Markets shown comprise 1% or more of AIREIT's wholly owned real property portfolio as measured by fair value.



# Portfolio Diversification (as of December 31, 2023)

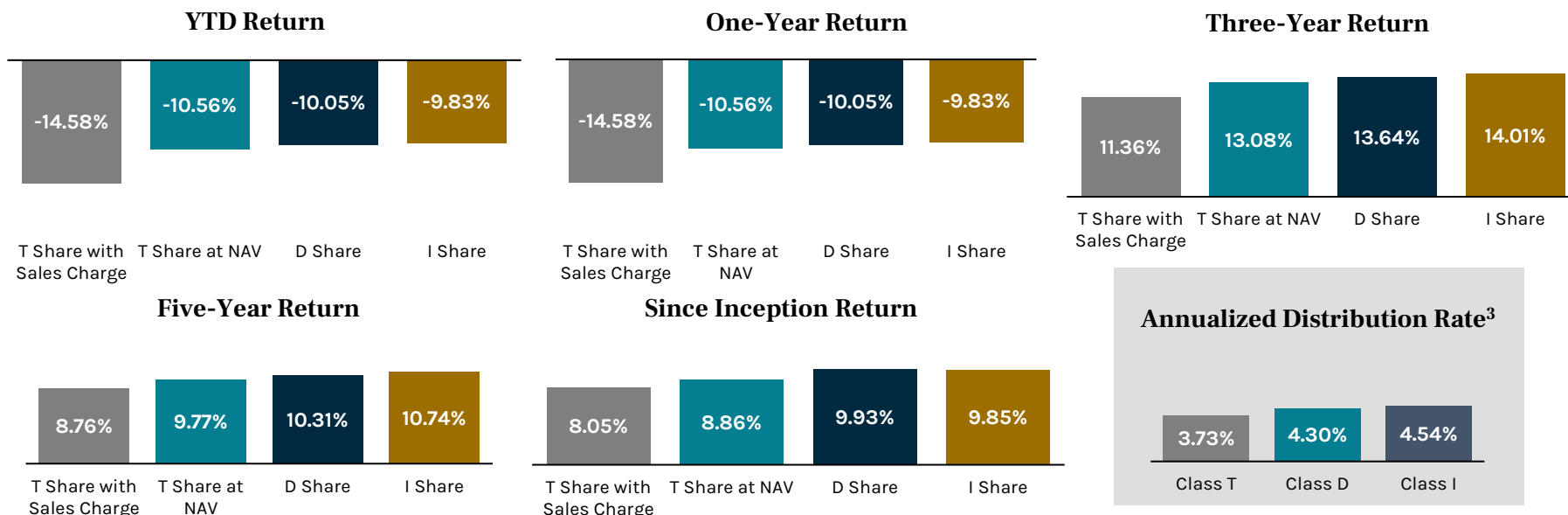
» Ares Industrial REIT's portfolio is occupied by quality tenants diversified across industries.



1. Percentages based on annual base rent. Industries shown comprise 1% or more of AIREIT's wholly owned portfolio.

# Performance

» Performance and distributions as of December 31, 2023<sup>1,2</sup>



## Past performance is not a guarantee of future results.

- Past performance is no guarantee of future results. Performance is measured by total return, which includes income and appreciation (i.e., distributions paid and changes in NAV through the end of the applicable period). Total return represents the compound rate of return assuming reinvestment of all distributions pursuant to AIREIT's distribution reinvestment plan. Performance would be lower if calculated assuming that distributions are not reinvested. Actual individual investor returns will vary. The returns have been prepared using unaudited data and valuations of the underlying investments in AIREIT's portfolio, which are estimates of fair value and form the basis for AIREIT's NAV. Valuations based upon unaudited or estimated reports from the underlying investments may be subject to later adjustments or revisions, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated on any given day. The year-to-date return reflects the cumulative return through the end of the quarter for the current year and the one-year return reflects the trailing 12 months. Performance data quoted is historical. Current performance may be higher or lower than the performance data quoted. All returns are net of all AIREIT expenses, including general and administrative fees, management fees, performance allocation fees, and development fees but exclude the impact of early redemption deductions for shares held less than one year. Inception is the date shares of AIREIT's common stock were first issued to third-party investors in its initial public offering. Class T and Class I Shares inception date is November 1, 2017. Class D Shares inception date is July 2, 2018.
- The Class T Share with Sales Charge performance was calculated assuming the maximum up-front selling commission, dealer manager fees and ongoing distribution fees in effect during the time period indicated. Performance shown at NAV does not include maximum up-front sales charge at initial subscription.
- The amount of distributions AIREIT may make is uncertain, is not guaranteed, may be modified at AIREIT's discretion, and is subject to board approval. Substantial fees and expenses will be paid to AIREIT's advisor, dealer manager and other affiliates of AIREIT's sponsor for services they provide to AIREIT in connection with the offering and the operation of AIREIT's business and the acquisition, management and disposition of AIREIT's investments. Distributions may be paid from sources other than cash flow from operations. Distributions to stockholders may represent a return of capital. For the nine months ended September 30, 2023, no portion of our total gross distributions were paid from cash flows from operating activities, as determined in accordance with generally accepted accounting principles (GAAP), and 100% of our total gross distributions were funded from sources other than cash flows from operating activities, as determined on a GAAP basis; specifically, 47.6% were funded with proceeds from shares issued pursuant to our distribution reinvestment plan and 52.4% were funded with proceeds from financing activities. For the year ended December 31, 2022, approximately 52.6% of our total gross distributions were paid from cash flows from operating activities, as determined on a GAAP basis, and 47.4% of our total gross distributions were funded from sources other than cash flows from operating activities; specifically, with proceeds from shares issued pursuant to our distribution reinvestment plan. With respect to the Class I Share, AIREIT pays no up-front selling commission, no up-front dealer manager fee and no ongoing distribution fee. Annualized rate is based on the gross monthly distribution rate. The actual net annualized distribution rate for a particular stockholder will vary based on the NAV and the actual amount of distribution fees payable, as applicable, at any point in time.

## Case Studies

The case studies presented herein include summaries of certain investments of AIREIT and are not representative of all investments made by the REIT, some of which had differing performance results. The Manager believes that the case studies showcase a diverse set of asset classes, markets, and themes; however, it should not be assumed that investments made in the future will be profitable or will equal the performance of the investments discussed herein. These selected case studies are not necessarily representative of all transactions of a given type and are intended to be illustrative of some of the types of investments that Ares would make. There can be no assurance that the REIT will achieve its investment objectives. Projections and forward looking statements are not reliable indicators of future events and no guarantee or assurance is given that such activities will occur as expected or at all. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed.

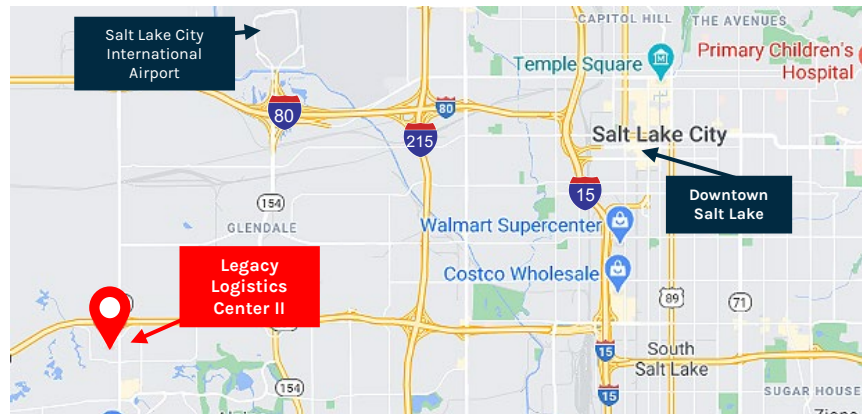
# Legacy Logistics Center<sup>1</sup>

» Salt Lake City Market – Acquired June 2020



## Building Features

- Class A industrial building built in 2019
- 384,000 square feet
- 35' clear height
- 195' building depth
- 230' truck court depth
- 23.3 acres
- Percent leased (at time of purchase): 100%
- Select Tenant<sup>1</sup>: Amazon



## Investment Highlights

- Acquisition Cost: \$41.6 million
- Approximately 5 years remaining of lease term at time of acquisition
- The property offers excellent access to numerous major thoroughfares, including I-80 (1.0 miles), Bangerter Highway (2.0 miles), and I-215 (4.5 miles). Additionally, the property is 7.0 miles from Downtown Salt Lake City and 4.0 miles from Salt Lake City International Airport.

1. Tenants listed in these case studies are included for informational purposes only and inclusion of these tenants is not an endorsement of AIREIT.

Past performance is not indicative of future results. This transaction represents a recent investment. Investments shown are for illustrative purposes only and are not representative of all REIT investments made by AIREIT. It should not be assumed that investments made in the future will be profitable or will equal performance of the investments discussed herein. These selected case studies are not necessarily representative of all transactions of a given type and are intended to be illustrative of some of the types of investments that AIREIT would make. There can be no assurance that the REIT will achieve its investment objectives. Forward looking statements are not reliable indicators of future events and no guarantee or assurance is given that such activities will occur as expected or at all.

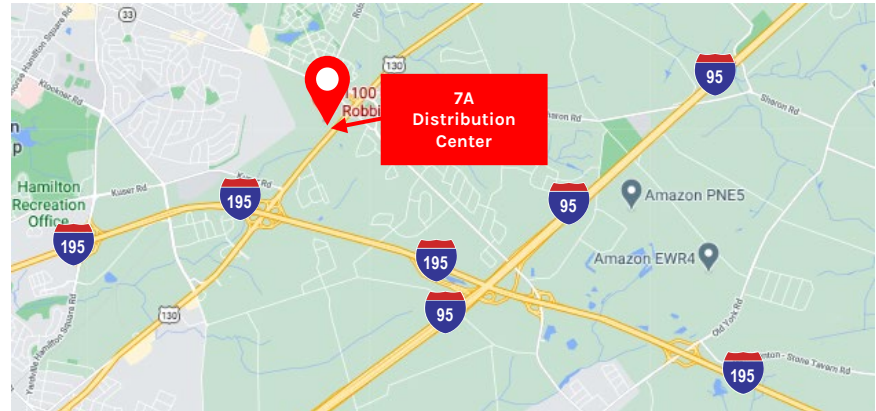
# 7A Distribution Center<sup>1</sup>

» New Jersey Market — Acquired February 2019



## Building Features

- Class B Industrial warehouse built in 1986
- 177,000 square feet
- 24' clear height
- 100' truck court depth
- 18.6 acres
- Percent leased (at time of purchase): 100%
- Select Tenant<sup>1</sup>: The Hibbert Company, Inc.



## Investment Highlights

- Acquisition cost: \$12.1 million
- Well located asset located within the Exit 7A submarket of Central New Jersey
- The property is located along Route 130 with an existing dedicated left turn lane into the Property and is less than 2 miles from Interstate 195 which provides direct access (4 miles) to the New Jersey Turnpike

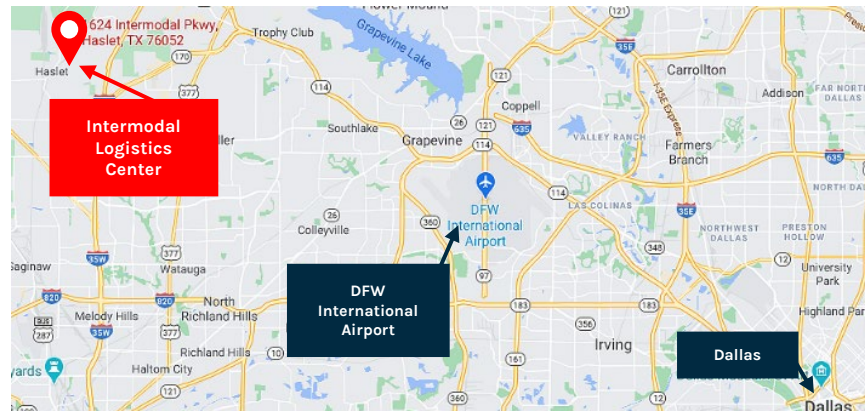
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# Intermodal Logistics Center<sup>1</sup>

» Dallas Market — Acquired June 2020



## Building Features

- Class A cross dock facility built in 2017
- 360,000 square feet
- 30' clear height
- 135' - 185' truck court depths
- 28.6 acres
- Percent leased (at time of purchase): 100%
- Select Tenant<sup>1</sup>: Motivating Graphics

## Investment Highlights

- Acquisition cost: \$28.3 million
- Located in the Alliance submarket of Dallas/Fort Worth
- Approximately 10 years remaining of lease term at time of acquisition
- The property is well-positioned less than 1 mile from both the entrance to DFW's largest intermodal and Amazon's Prime Air terminal at Alliance Airport

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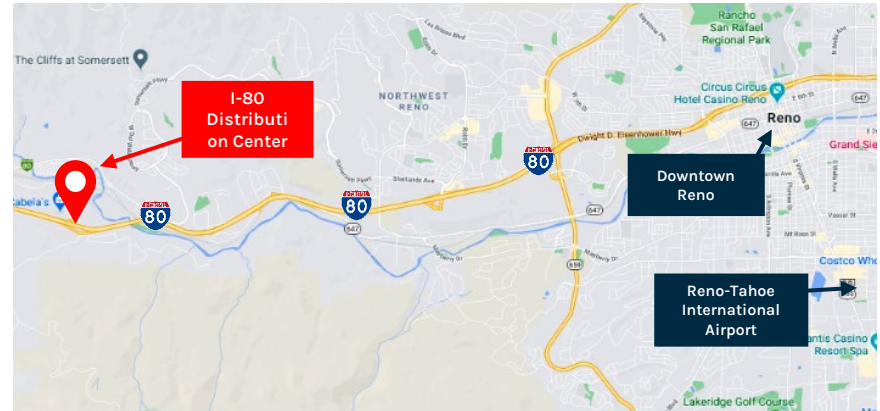
# I-80 Distribution Center<sup>1</sup>

» Reno Market — Acquired September 2019



## Building Features

- Bulk distribution warehouses built in 2017-2019
- 795,000 square feet (four buildings)
- 32' clear height
- 260' building depths
- 210' truck court depths (all shared)
- 51.7 acres
- Percent leased (at time of purchase): 87%
- Select Tenants<sup>1</sup>: Power-Sonic Corporation, Masonite Corporation



## Investment Highlights

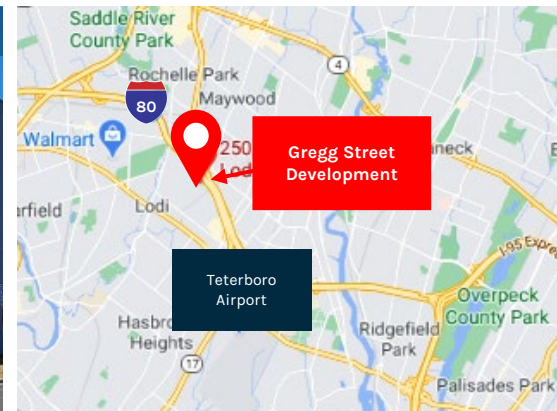
- Purchase Price: \$72.3 million
- Four Class A industrial buildings in Reno, NV
- Property located in West Reno, approximately 0.5 miles from I-80 and five miles east of California/Nevada state line
- Approximately 6.1 years of remaining lease term at time of acquisition

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# Gregg Street Development / Lodi Distribution Center<sup>1</sup>

» New Jersey Market — Acquired March 2019



## Site Features

- Acquired 19.8 acres of industrial-zoned land and recently completed construction on two buildings totaling approximately 290,000 square feet
- Excellent in-fill location within the land-constrained Northern NJ market, the third-largest industrial market in the nation
- Situated at the intersection of Route 17 and Interstate 80 which provides direct access to the NJ Turnpike and Manhattan. Located 2 miles west of Teterboro Airport
- Select Tenant<sup>1</sup>: Amazon

## Investment Highlights

- Purchase Price: \$13.75 million
- The site is located in the Meadowlands submarket and benefits from proximity to the Ports of Newark/Elizabeth and NYC.
- The growing need for last-mile locations continues to push demand in the Meadowlands among e-commerce, logistics and last-mile delivery companies.
- As a result, rental rates have increased 28% year-over-year, making the Meadowlands one of the priciest warehouse rental rate submarkets in the state

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## Ares Industrial REIT Real Estate Holdings

# Real Estate Holdings

Property Name	Market	Acquisition Date	Square Footage	Percent Leased
Ontario Industrial Center	Southern California	2/26/2018	86,000	100.0%
Medley Industrial Center	South Florida	4/11/2018	57,000	100.0%
Ontario Distribution Center	Southern California	5/17/2018	247,000	100.0%
Park 429 Logistics Center	Orlando	6/7/2018	441,000	75.8%
Pescadero Distribution Center	Central Valley	6/20/2018	382,000	100.0%
Gothard Industrial Center	Southern California	6/25/2018	59,000	100.0%
Midway Industrial Center	D.C. / Baltimore	10/22/2018	126,000	100.0%
Executive Airport Distribution Center	Las Vegas	11/20/2018	482,000	100.0%
Iron Run Distribution Center	Pennsylvania	12/4/2018	154,000	100.0%
Elgin Distribution Center	Chicago	12/11/2018	257,000	100.0%
Addison Distribution Center II	Chicago	12/21/2018	129,000	100.0%
Fontana Distribution Center	Southern California	12/28/2018	318,000	100.0%
Airport Industrial Center	Southern California	1/8/2019	53,000	63.0%
Kelly Trade Center	Austin	1/31/2019	119,000	100.0%
7A Distribution Center	New Jersey	2/11/2019	177,000	100.0%
Quakerbridge Distribution Center	New Jersey	3/11/2019	76,000	100.0%
Las Vegas Light Industrial Portfolio	Las Vegas	5/30/2019	369,000	100.0%
Hebron Airpark Logistics Center	Cincinnati	5/30/2019	152,000	100.0%
Monte Vista Industrial Center	Southern California	6/7/2019	89,000	84.2%
King of Prussia Core Infill Portfolio	Pennsylvania	6/21/2019	292,000	93.1%
Dallas Infill Industrial Portfolio	Dallas	6/28/2019	1,433,000	100.0%
Edison Distribution Center	New Jersey	6/28/2019	180,000	100.0%
395 Distribution Center	Reno	8/5/2019	627,000	100.0%
I-80 Distribution Center	Reno	9/4/2019	795,000	100.0%
Avenue B Industrial Center	Pennsylvania	9/11/2019	86,000	100.0%

Note: As of December 31, 2023

## Real Estate Holdings (cont'd)

Property Name	Market	Acquisition Date	Square Footage	Percent Leased
485 Distribution Center	Pennsylvania	9/13/2019	457,000	69.8%
Weston Business Center	South Florida	12/10/2019	225,000	100.0%
Marigold Distribution Center	Southern California	12/20/2019	328,000	100.0%
Bishops Gate Distribution Center	New Jersey	12/31/2019	292,000	100.0%
Norcross Industrial Center	Atlanta	3/23/2020	138,000	100.0%
Port 146 Distribution Center	Houston	4/14/2020	140,000	100.0%
Lima Distribution Center	Denver	4/15/2020	152,000	100.0%
Valwood Crossroads	Dallas	5/11/2020	618,000	100.0%
Eaglepoint Logistics Center	Indianapolis	5/26/2020	691,000	100.0%
7A Distribution Center II	New Jersey	5/27/2020	172,000	100.0%
Legacy Logistics Center	Salt Lake City	6/3/2020	384,000	100.0%
Logistics Center at 33	Pennsylvania	6/4/2020	476,000	100.0%
Intermodal Logistics Center	Dallas	6/29/2020	360,000	100.0%
Executive Airport II & III	Las Vegas	9/3/2020	267,000	100.0%
Airpark International Logistics Center I & II	Cincinnati	10/9/2020	303,000	100.0%
Carlstadt Industrial Center	New Jersey	11/10/2020	209,000	68.3%
Nelson Industrial Center	Southern California	12/7/2020	39,000	100.0%
Miraloma Industrial Center	Southern California	12/10/2020	38,000	100.0%
Pennsy Logistics Center	D.C. / Baltimore	12/18/2020	337,000	100.0%
Gerwig Distribution Center	D.C. / Baltimore	1/8/2021	187,000	100.0%
Harvill Business Center	Southern California	3/10/2021	424,000	100.0%
Princess Logistics Center	New Jersey	4/12/2021	340,000	100.0%
Rancho Cucamonga Business Cener	Southern California	5/28/2021	103,000	100.0%
Norton Distribution Center	Boston	6/1/2021	210,000	100.0%
Build to Core Logistics Portfolio	Various	6/15/2021	5,445,000	98.4%

Note: As of December 31, 2023

## Real Estate Holdings (cont'd)

Property Name	Market	Acquisition Date	Square Footage	Percent Leased
Benchmark Distribution Center	Houston	6/18/2021	158,000	100.0%
Key Logistics Portfolio	Various	7/14/2021	8,282,000	93.8%
Stonewood Logistics Center	Pennsylvania	7/16/2021	222,000	100.0%
Heron Industrial Center	New Jersey	7/21/2021	254,000	100.0%
Colony Crossing Logistics Portfolio	Houston	8/17/2021	151,000	82.3%
Commerce Farms Logistics Center	Nashville	8/25/2021	651,000	100.0%
North County Commerce Center	San Diego	8/30/2021	494,000	92.4%
Performance Distribution Center	Central Valley	9/7/2021	164,000	100.0%
Madison Distribution Center	Tampa	9/17/2021	78,000	100.0%
355 Logistics Center	Chicago	10/1/2021	612,000	100.0%
1 Stanley Drive	Pennsylvania	10/6/2021	147,000	100.0%
Gilbert Gateway Commerce Park	Phoenix	10/6/2021	417,000	100.0%
California Business Center	Salt Lake City	10/21/2021	213,000	100.0%
Molto Portfolio	Various	11/17/2021	1,540,000	100.0%
Walker Mill IC	Baltimore / DC	11/18/2021	76,000	100.0%
Greater Boston Portfolio	Boston	11/22/2021	205,000	100.0%
McDonald Portfolio	Atlanta	12/16/2021	2,652,000	92.1%
Valwood Industrial Center	Dallas	12/17/2021	320,000	100.0%
Riggs Hill Industrial Center	Baltimore / DC	12/17/2021	45,000	100.0%
Port Crossing Logistics Center	Houston	12/21/2021	250,000	100.0%
Hainesport Commerce Center	New Jersey	12/21/2021	479,000	100.0%
Beltway Logistics Center	Charlotte	12/22/2021	210,000	100.0%
Clackamas Industrial Center	Portland	12/23/2021	446,000	100.0%
Build to Core Logistics Portfolio II	Various	2/15/2022	1,704,000	89.1%

Note: As of December 31, 2023

# Real Estate Holdings (cont'd)

Property Name	Market	Acquisition Date	Square Footage	Percent Leased
Medley 104 Industrial Center	South Florida	4/18/2022	263,188	100.0%
IDI U.S. Logistics Portfolio (First Closing)	Various	4/28/2022	2,850,832	100.0%
Chicago Growth Portfolio	Chicago	5/9/2022	1,691,743	100.0%
4 Studebaker	Southern California	5/12/2022	94,078	100.0%
Southeast Orlando Portfolio	Central Florida	5/19/2022	997,861	100.0%
I-465 East LC	Indianapolis	5/26/2022	127,609	100.0%
Industry CC	Southern California	6/7/2022	120,030	0.0%
Innovation I & II Corporate Park	Cincinnati	6/17/2022	487,400	100.0%
IDI 2022 National Portfolio	Various	6/22/2022	2,592,630	100.0%
I-80 Logistics Park	New Jersey	6/29/2022	556,675	100.0%
IDI Logistics Portfolio - 2 <sup>nd</sup> Closing (Bluff Road Logistics Center)	Chicago	7/6/2022	752,734	100.0%
Countyline Corporate Park Portfolio - Buildings 21 and 22	South Florida	12/28/2022	344,127	100.0%
Bayport 146 DC	Houston	2/21/2023	454,600	100.0%
Northlake Logistics Center I and II	Dallas	4/12/2023	1,392,000	29.2%
County Line Corporate Park - Building 19	South Florida	5/19/2023	213,905	100.0%
County Line Corporate Park - Building 20	South Florida	5/19/2023	213,905	100.0%
Tampa Corporate Center	Central Florida	5/25/2023	175,500	0.0%
Runway Distribution Center	San Diego	7/12/2023	199,997	30.0%
Brittmoore Industrial Center	Houston	8/16/2023	192,400	0.00%
Newark Airport Logistics Center Urban Renewal	New Jersey	9/28/2023	100,337	0.00%
Commonwealth Logistics Center I & II	Central Florida	10/20/2023	502,000	0.00%
County Line Corporate Park 18	South Florida	11/7/2023	361,000	100.0%

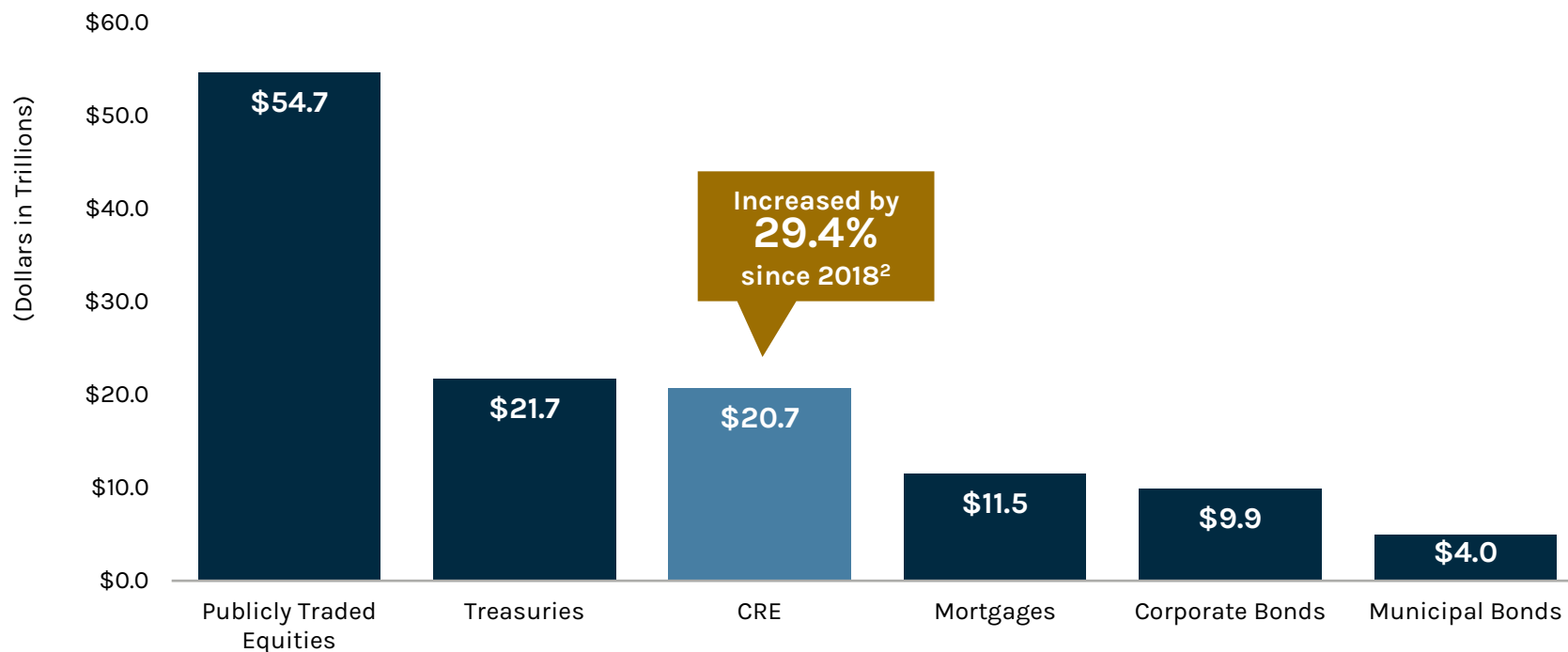
Note: As of December 31, 2023

## **Appendix:** Commercial Real Estate Fundamentals

# Real Estate Asset Class Continues to Grow

» Commercial Real Estate (CRE) is the third largest U.S. asset class<sup>1</sup>

U.S. Market Capitalization by Asset Class<sup>1</sup>



1. Sources: Bloomberg, Federal Reserve Economic data, CoStar Portfolio Strategy. As of 2Q21.

2. CRE includes multifamily, office, industrial, flex, retail, and hotel properties. As of 4Q18.

The data presented reflects a common time period of 2Q 2021, as that is the most recent time period for which all data is available



# GDP & Consumer Spending Growth

» Industrial real estate demand is often highly correlated with GDP growth and consumer spending, since most consumer goods spend time at a warehouse.<sup>1</sup>

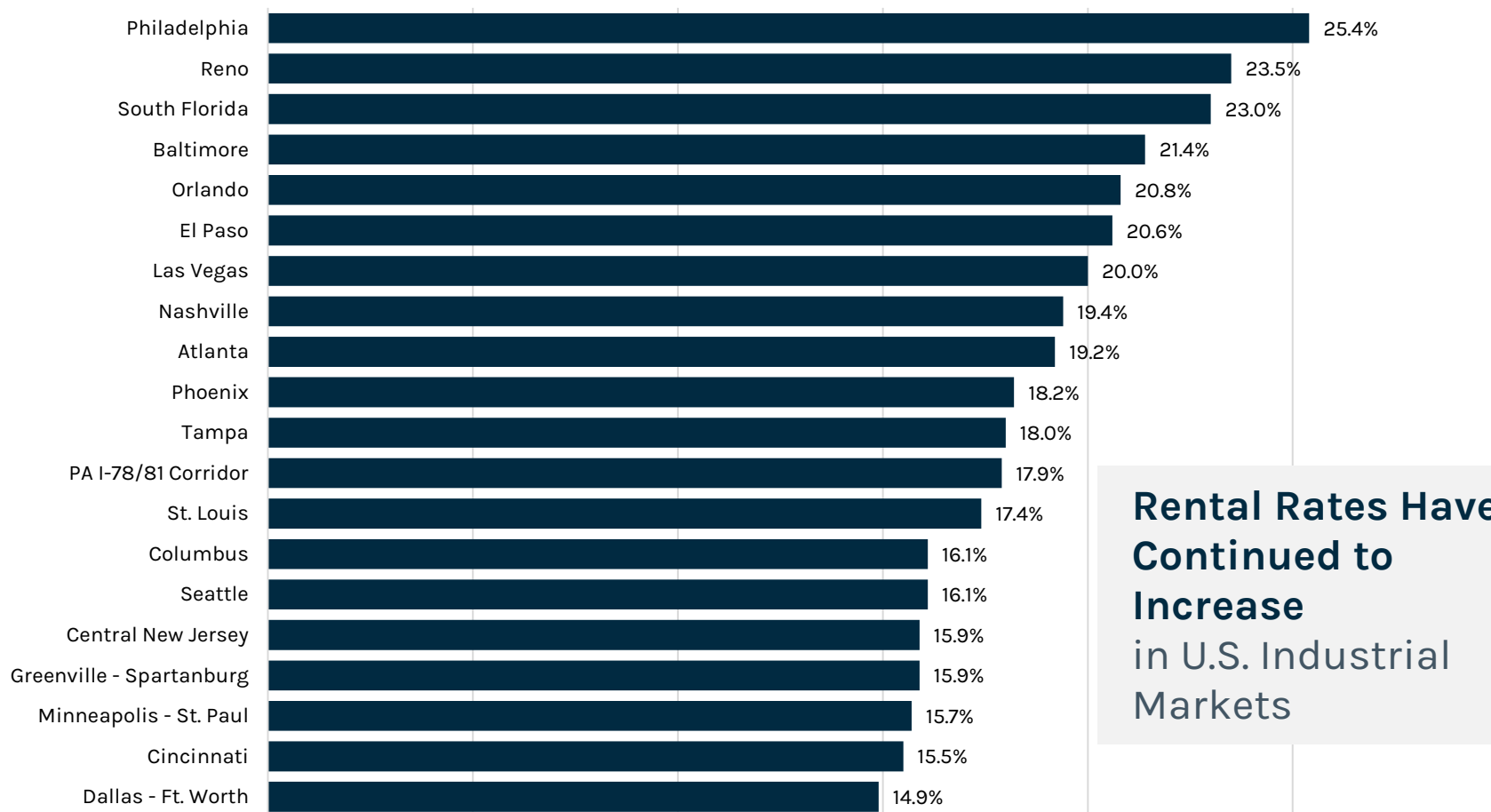
The pandemic greatly distorted the relationship to GDP in 2020 and is expected to be less correlated for the next two years before normalizing in 2023.<sup>1</sup>



1. Green Street Real Estate Analytics as of December 31, 2021.

# Rental Rates Continue to Grow

12-Month Change in Industrial Rental Rates<sup>1</sup>

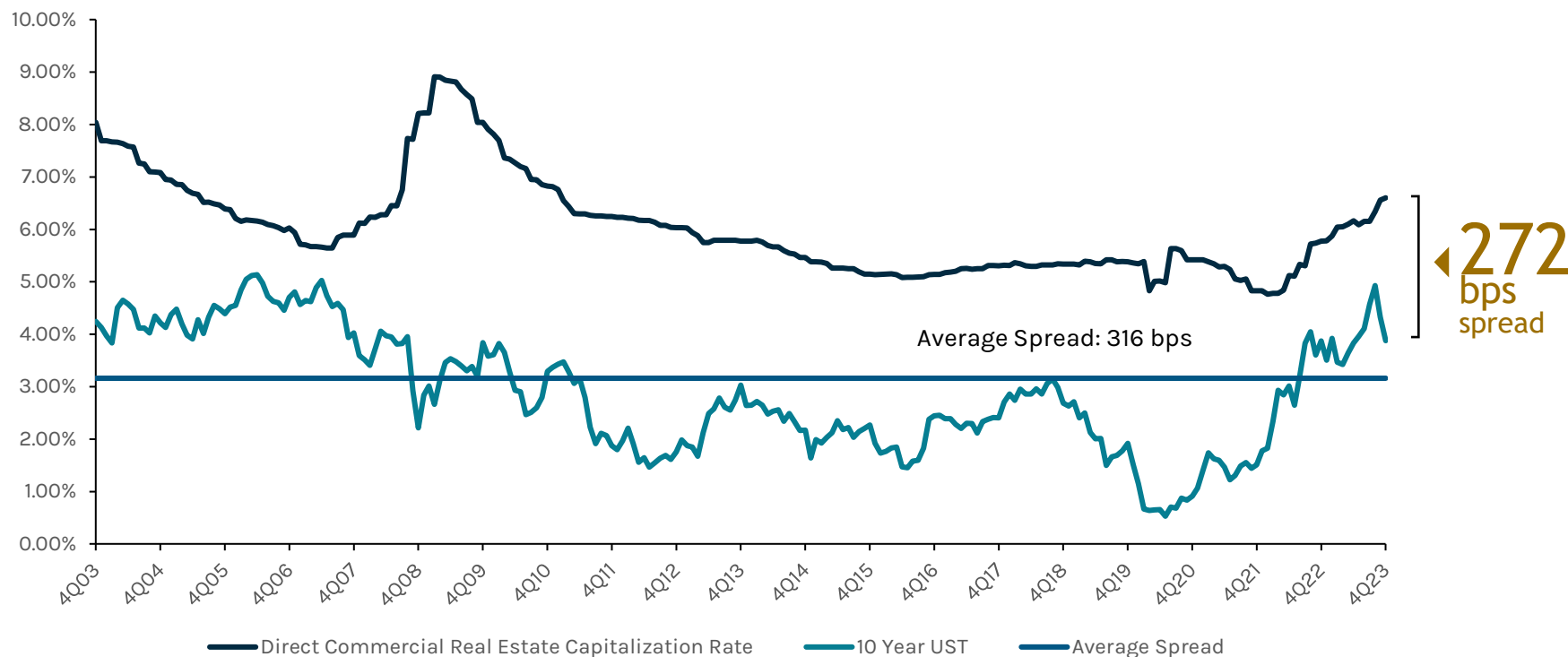


1. Source: CBRE Research as of January 2024.

# Positive Spreads vs. 10-Year Treasury

» Despite short-term compression, direct commercial real estate capitalization rates (yield) maintains a premium to the 10-year treasury<sup>1</sup>

## Cap Rates<sup>2, 3</sup> vs 10-Year Treasury<sup>4</sup>



Past performance is not indicative of future results.

1. There are material differences between these asset classes, including differences in fees and expenses, liquidity, safety, and tax features.

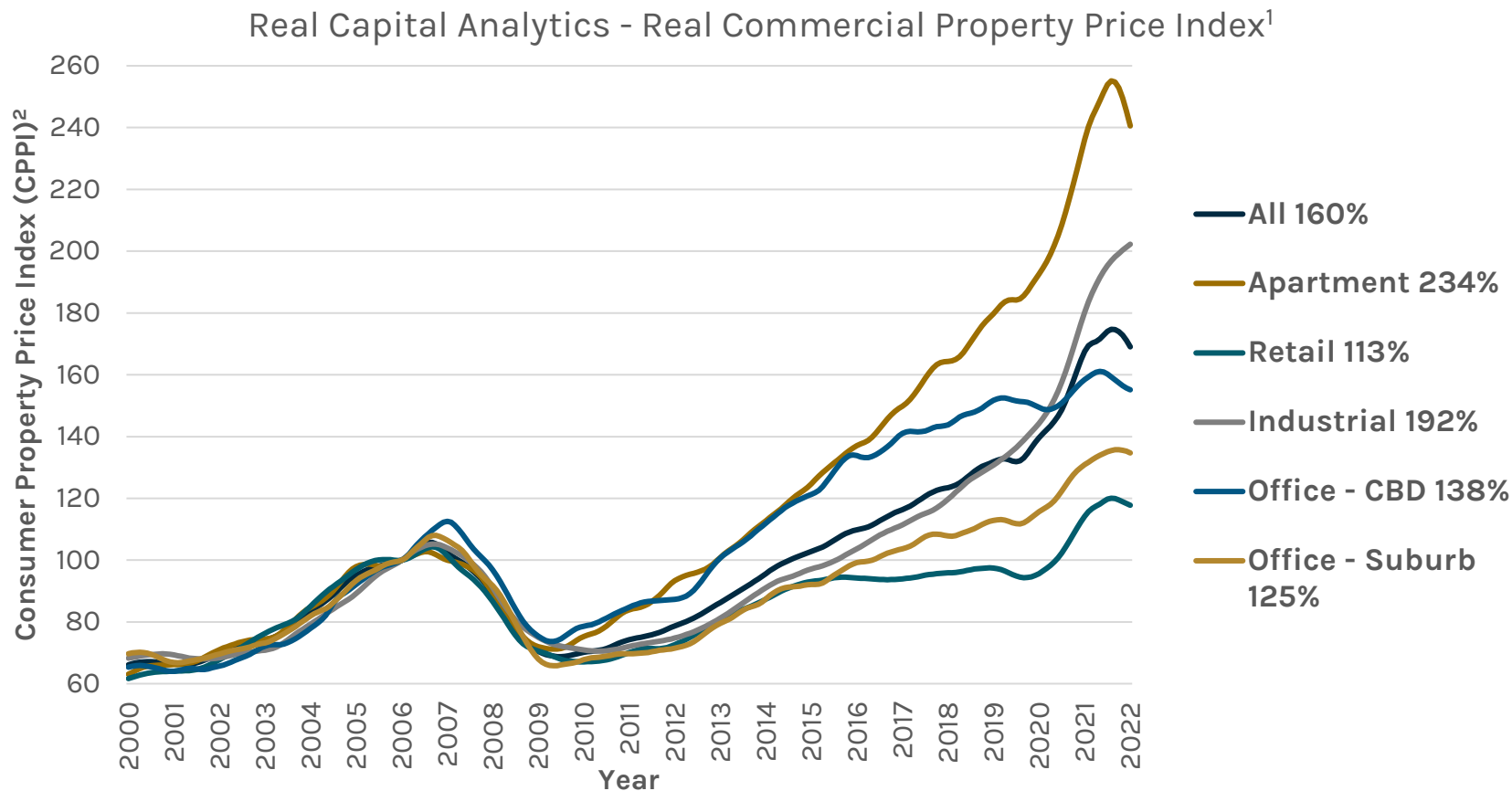
2. Source: Green Street Advisors. December 31, 2023. Data represents cap rates equally weighted across office, industrial, malls, strip centers and apartments.

3. The capitalization rate ("cap rate") is the rate of return on a real estate investment property based on the income that the property is expected to generate. The capitalization rate can be calculated by dividing the property's net operating income by the current market value or acquisition cost of a property.

4. Source: Bloomberg. December 31, 2023.

5. Ares confirms that, to the best of its knowledge, more updated information is not available and that the above information remains materially accurate.

# Property Price Cycle – Growth

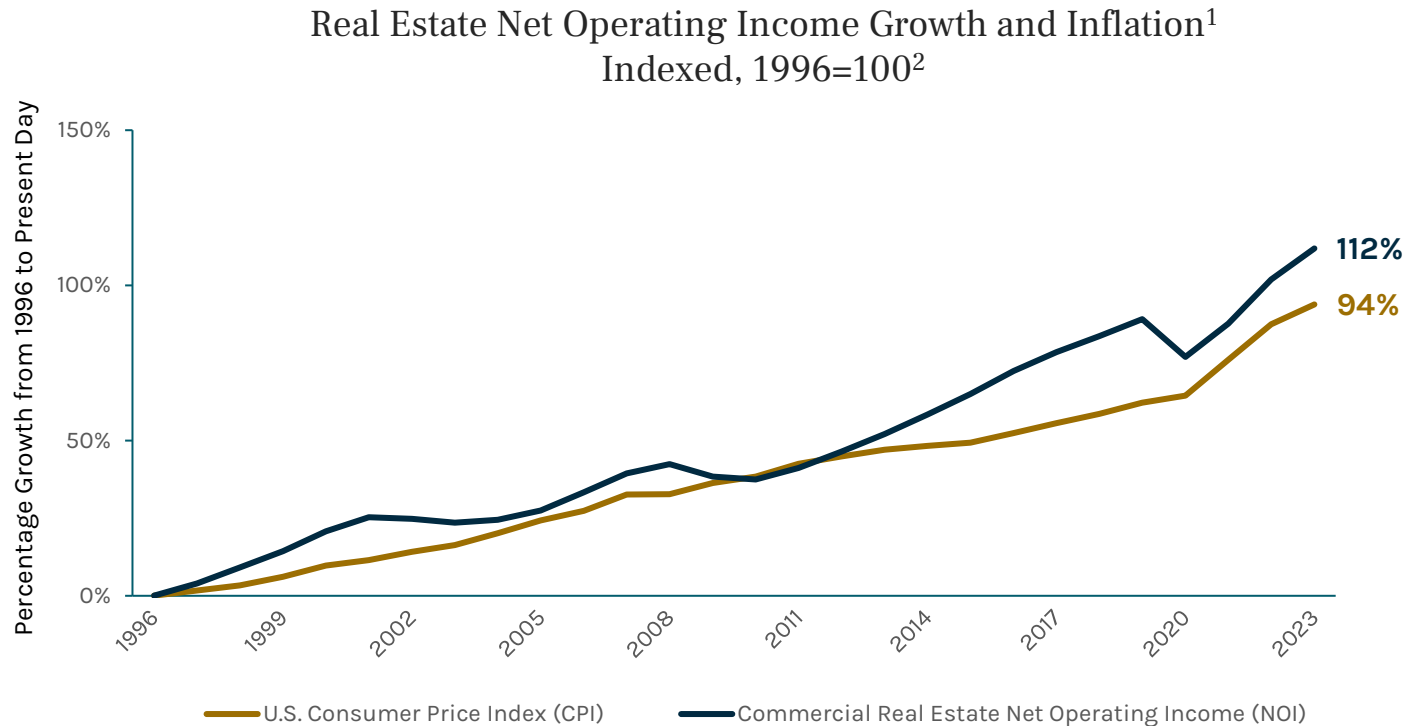


Source: Real Capital Analytics, Inc., February 2022.

CPPI represents the Consumer Property Price Index of all major properties on a national level.

# Potential Inflation Hedge

- Ares believes rent escalation clauses and organic market rent growth can provide a strong inflation hedge
- Real estate income growth has historically exceeded inflation, and real assets have tended to outperform during periods of high inflation



1. Source: Green Street Advisors as of December 31, 2023. Net operating income (NOI) growth represents the average NOI growth by year across the apartment, industrial, mall, office and strip retail sectors. NOI may not be correlated to or continue to keep pace with inflation. The Consumer Price Index (CPI) is an indicator of inflation that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food and transportation. Typically, if the overall returns of an asset class exceed inflation, the asset class is considered an inflation hedge. Commercial real estate net operating income (NOI) has historically provided overall returns that have exceeded inflation. There is no guarantee, however, that AIREIT can generate the overall returns needed to outpace inflation.

2. Values adjusted to 100 in 1996 to have a common starting point.

Ares confirms that, to the best of its knowledge, more updated information is not available, and that the above information remains materially accurate.

# Important Information

- Properties depicted are owned by AIREIT. They are intended to be educational in nature and are a representation of building types within the AIREIT portfolio. Any customers listed are included for informational purposes only and are not an endorsement of AIREIT.
- Distributions for all REITS that are from current or accumulated earnings and profits are taxed as ordinary income, as opposed to the tax rate on qualified distributions, which generally carries a tax rate of 15%. But that rate can be 20% for people in the highest tax bracket or 0% for those in the lowest two tax brackets. If a portion of a non-traded REIT distribution constitutes a return of capital, that portion is not taxed until the investment is sold or liquidated, at which time investors will be taxed at capital gains rates. Investors should speak with a tax advisor regarding their specific situation.
- Non-traded REITs do not trade on a national securities exchange, and therefore, are generally illiquid. Early redemption of non-traded REIT shares is often very limited, and fees associated with the sale of these products can be higher than other asset classes. In some cases, periodic distributions may be subsidized by borrowed funds and include a return of investor principal. This is in contrast to the distributions investors receive from large corporate stocks that trade on national exchanges, which are typically derived solely from earnings. Investors typically seek income from non-traded REIT distributions over a period of years. Upon liquidation, return of capital may be more or less than the original investment depending on the value of assets.
- An investment in AIREIT is not a direct investment in commercial real estate, but rather an investment in a REIT that owns commercial real estate.

## **Appendix:** Environmental, Social and Governance (ESG) Integration



# Driving Investment & Organizational Excellence Through ESG Integration

» Ares strives to achieve better investment outcomes and leave a lasting positive impact on our companies and communities

## Differentiated ESG Approach

### Long-Standing Commitment to ESG Principles

Hired first dedicated resource in 2012 to lead firm-wide ESG program

### Broad Organizational Buy-In & Partnership

Head of ESG partners with designated ESG Champions across Ares to co-author approach, drive implementation and monitor progress

### Direct Reporting Line Given Executive Priority

Head of ESG reports directly to Ares Management's CEO & President

### PRI Signatory Leadership

One of the few publicly-traded alternative investment managers to sign UN's Principles for Responsible Investment

### Systematic & Tailored Efforts

Our approach is bespoke to the unique dynamics of a given strategy and focuses on materiality through leading frameworks (e.g., SASB)

## Significant Investment & Organizational Impact

### Our Beliefs

### Scale of Impact

#### Responsible Investment

We believe integrating ESG factors into the investment process across strategies **generates superior returns** and **drives positive change** in our local communities and the world at large

**\$419bn<sup>1</sup>**  
of AUM

#### Corporate Sustainability

Ares' own corporate sustainability initiatives on material topics such as **Inclusion & Diversity, Climate Change** and **Volunteerism & Philanthropy** reflect our view that they are **good for business**

**~2,850**  
Ares employees

**30+**  
Ares offices

1. As of December 31, 2023, AUM amounts include funds managed by Ivy Hill Asset Management, LP., a wholly owned portfolio company of Ares Capital Corporation and a registered investment adviser

