

ARES INDUSTRIAL REAL ESTATE INCOME TRUST

AI
REIT

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



Harvill Business Center — Southern California

ARES

RISK FACTORS

An investment in Ares Industrial Real Estate Income Trust Inc. (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.

- **Past performance is not a guarantee of future results. Investing in shares of AIREIT's common stock involves a high degree of risk.**
- **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. AIREIT is not an investment company registered under the Investment Company Act of 1940.**
- 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 is not 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.
 - 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 AIREIT'S PROSPECTUS. THE OFFERING IS MADE ONLY BY THE AIREIT PROSPECTUS. THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY AN AIREIT PROSPECTUS, WHICH CONTAINS IMPORTANT INFORMATION ABOUT AIREIT.

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.



ARES INDUSTRIAL REAL ESTATE INCOME TRUST

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Ares Management Corporation

FOUNDED 1997

\$306

BILLION AUM

760+

INVESTMENT
PROFESSIONALS

~2,110

EMPLOYEES

30+

GLOBAL OFFICES

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager providing clients complementary primary and secondary investment solutions across the credit, private equity, real estate and infrastructure asset classes.

Note: As of December 31, 2021.

Ares is the parent company of the advisor to AIREIT. Investors in AIREIT are not acquiring an interest in Ares.

TRACK RECORD

With a current portfolio of \$20.4 billion invested across 275+ industrial investments, Ares has extensive experience sourcing, acquiring, developing and operating industrial real estate. Key differentiators include:

- Vertically integrated industrial team with regional market officers and dedicated investment professionals
- Established in-house industrial development experience (\$2.9+ billion developed over our history)
- In-market asset management teams with deep, real-time market knowledge of tenant demands
- Proprietary sourcing capabilities with repeat industry partners

We have a proven track record of investing in industrial real estate — see below for a summary of three of our past industrial offerings.

A TRACK RECORD IN INDUSTRIAL REAL ESTATE



Prior closed offerings are for informational purposes only and are not indicative of characteristics of AIREIT.

Note: As of December 31, 2021.

¹ DCT Industrial Trust Inc. ("Industrial REIT I"), Industrial Income Trust Inc. ("Industrial REIT II"), and Industrial Property Trust Inc. ("Industrial REIT III") 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.

WHAT IS

INDUSTRIAL REAL ESTATE?

Industrial real estate is a type of commercial real estate that is used for the manufacturing, storage and distribution of goods that is essential to trade, e-commerce and the global supply chain.

VARIOUS BUILDING TYPES

The industrial property sector is comprised of various building types with bulk distribution warehouses being the largest and fastest-growing segment, and last-mile warehouses being the most common building type.

WHAT DO DISTRIBUTION WAREHOUSES LOOK LIKE?

While there are many important elements of a distribution warehouse, and all buildings are unique, there are some common physical characteristics.

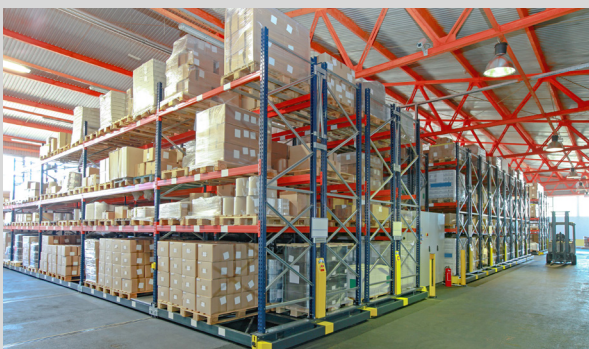
Distribution warehouses are typically large rectangular buildings.



The buildings feature truck dock doors and a deep truck court to move inventory in and out.



The shelving and inventory systems used in the buildings are provided by tenants.



Smaller industrial buildings often called “last-mile warehouses” are located near dense population centers.



DEMAND DRIVERS

There are a number of factors that drive the demand for distribution warehouses. Represented below are just a few of these factors. The demand continues to evolve, driven by consumption and the essential movement of goods through the supply chain.



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

DISTRIBUTION WAREHOUSES

E-COMMERCE REVOLUTION

At the center of the e-commerce revolution are distribution warehouses, one of the key types of industrial real estate. Distribution warehouses link product manufacturers with consumers by providing essential manufacturing, storage and fulfillment space for goods.

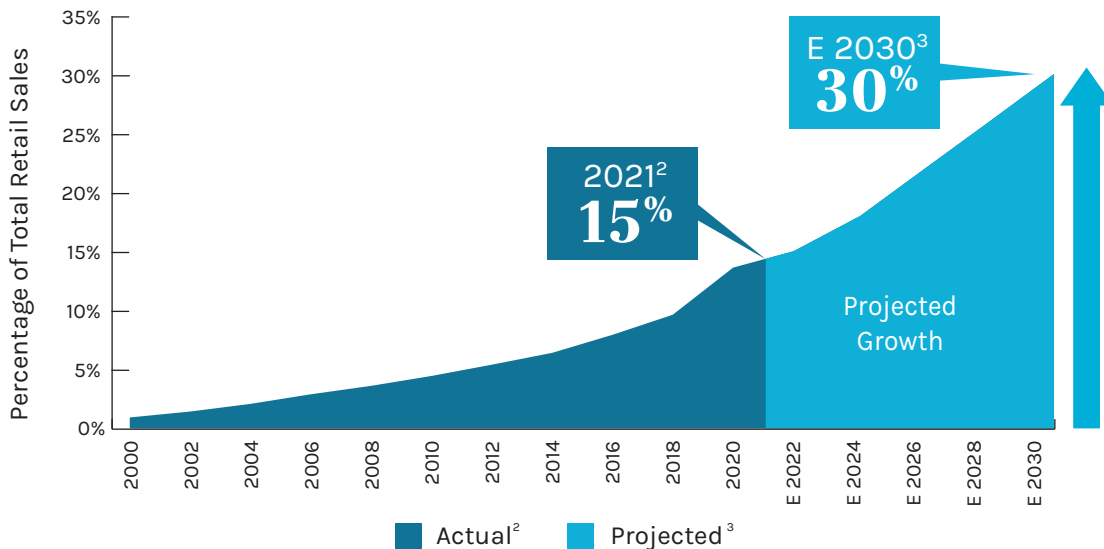
Rather than being stored on retail store shelves, products purchased online are stored on shelves in distribution warehouses and shipped through multiple warehouses from initial order to customer delivery. In fact, e-commerce requires three times the warehouse space as traditional brick-and-mortar retail.³

E-COMMERCE TRENDS: GAINING MARKET SHARE OVER BRICK-AND-MORTAR

\$871B ONLINE SALES

15% ↑ INCREASE YEAR-OVER-YEAR²

E-COMMERCE % OF TOTAL RETAIL SALES^{2,3}



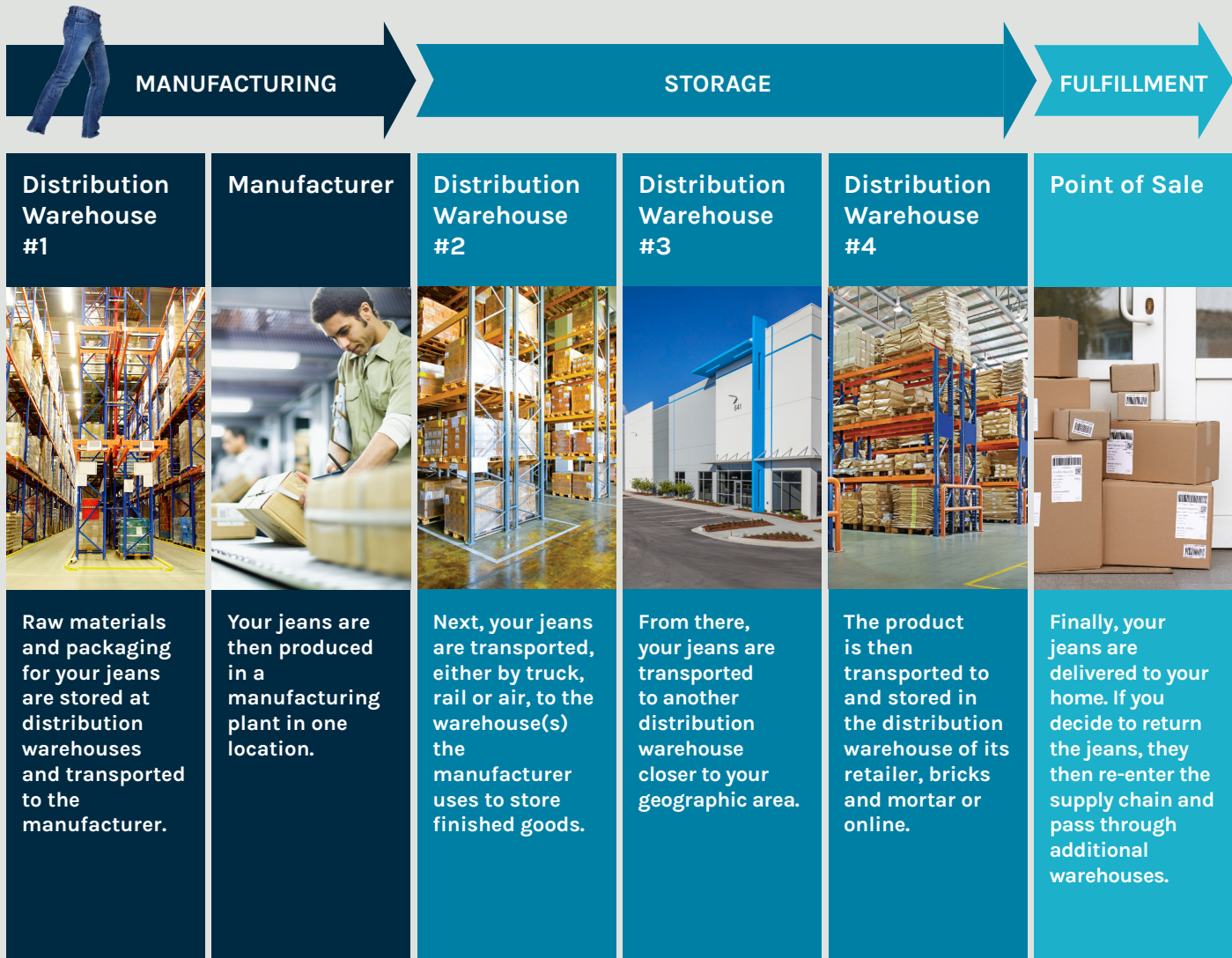
WAREHOUSE DEMAND FROM
ONLINE SALES⁴

\$1B = **1.25M**
SALES SQUARE FEET

E-COMMERCE

PRODUCT JOURNEY

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.



² Source: U.S. Census Bureau, February 18, 2022. 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.

³ Green Street, 1Q 2022.

⁴ Source: CBRE Research, Q4 2020.

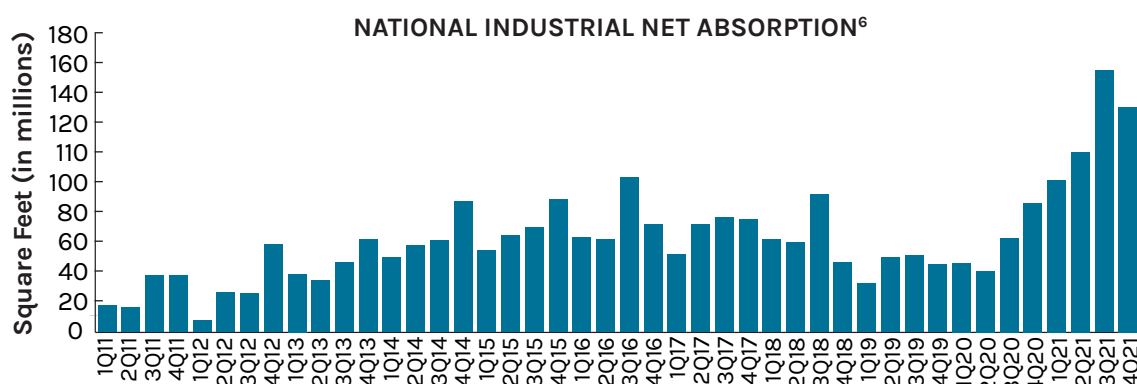
U.S. INDUSTRIAL OPERATING FUNDAMENTALS

SUPPLY & DEMAND DYNAMICS

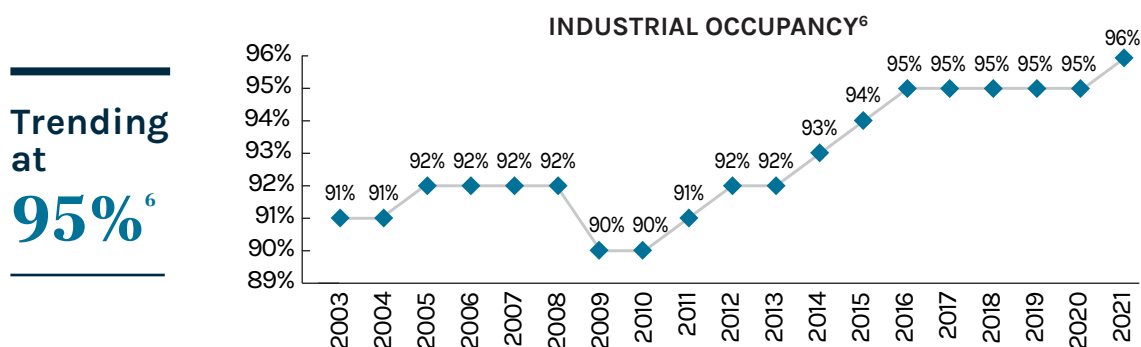
ROBUST DEMAND

The demand for industrial real estate is growing. Driven by the e-commerce boom, demand for distribution warehouse space is expected to increase by 1.3 billion square feet over the next decade.⁵

When evaluating distribution warehouses from a supply and demand perspective, two key measures to consider are net absorption and occupancy rates. Net absorption is the difference between the sum of square feet leased during a fixed period of time, and the sum of square feet vacated during that same period. Strong positive net absorption is a sign of healthy demand, which can also be indicated by high occupancy rates.



46 consecutive quarters of positive net absorption⁶



U.S. INDUSTRIAL OPERATING FUNDAMENTALS

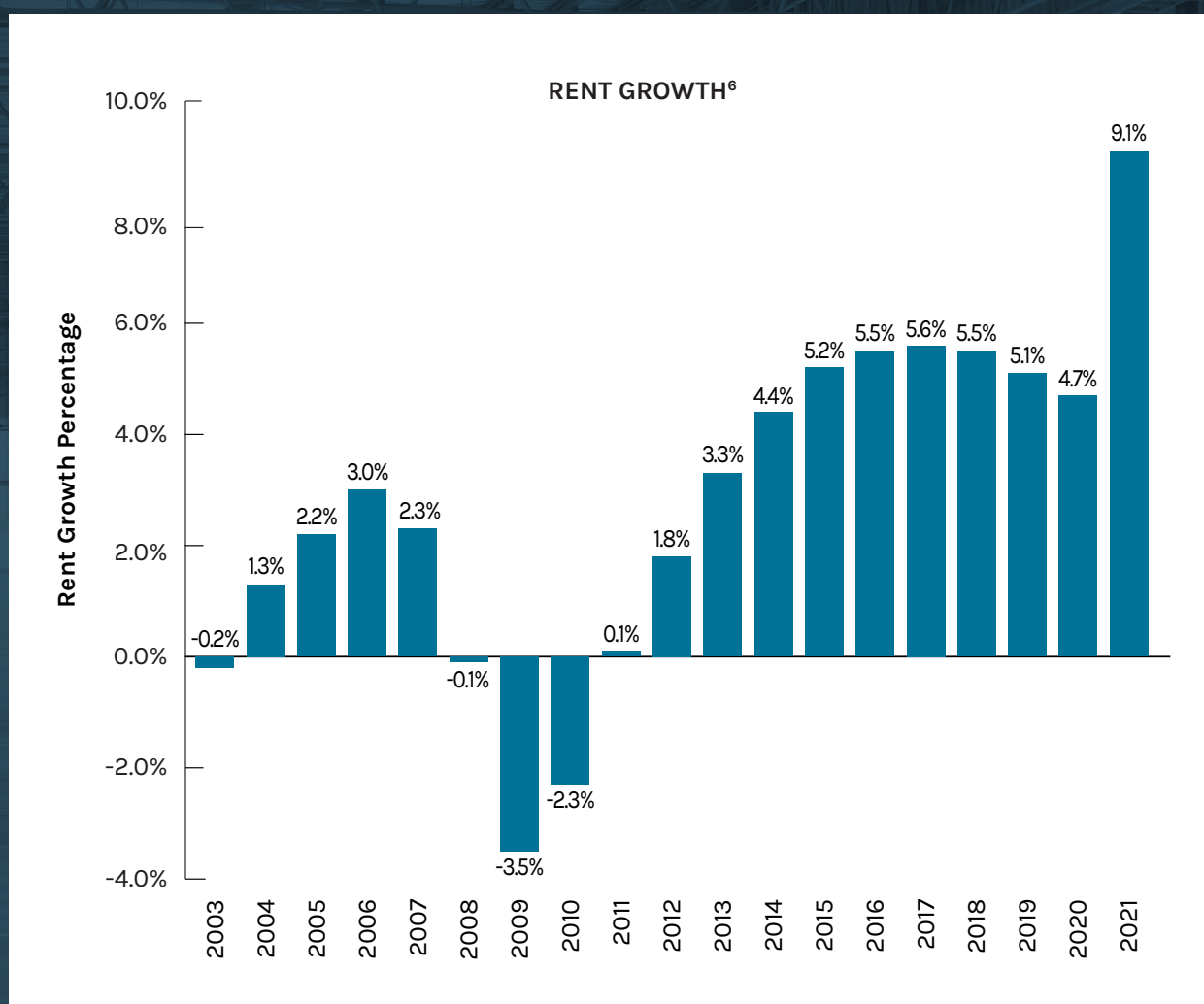
RENT GROWTH DYNAMICS

RENT GROWTH SIGNALS LIMITED SUPPLY

An additional key factor in the operational fundamentals of distribution warehouses is rent growth, which reflects the percentage increase or decrease of rents in a 12-month period.

The rent growth change for the 12-month period ending December 31, 2021 for U.S. distribution warehouse markets averaged 9.1%.⁶

Average
rental
growth rate
9.1%⁶



⁵ Source: Green Street Analytics, January 2021.

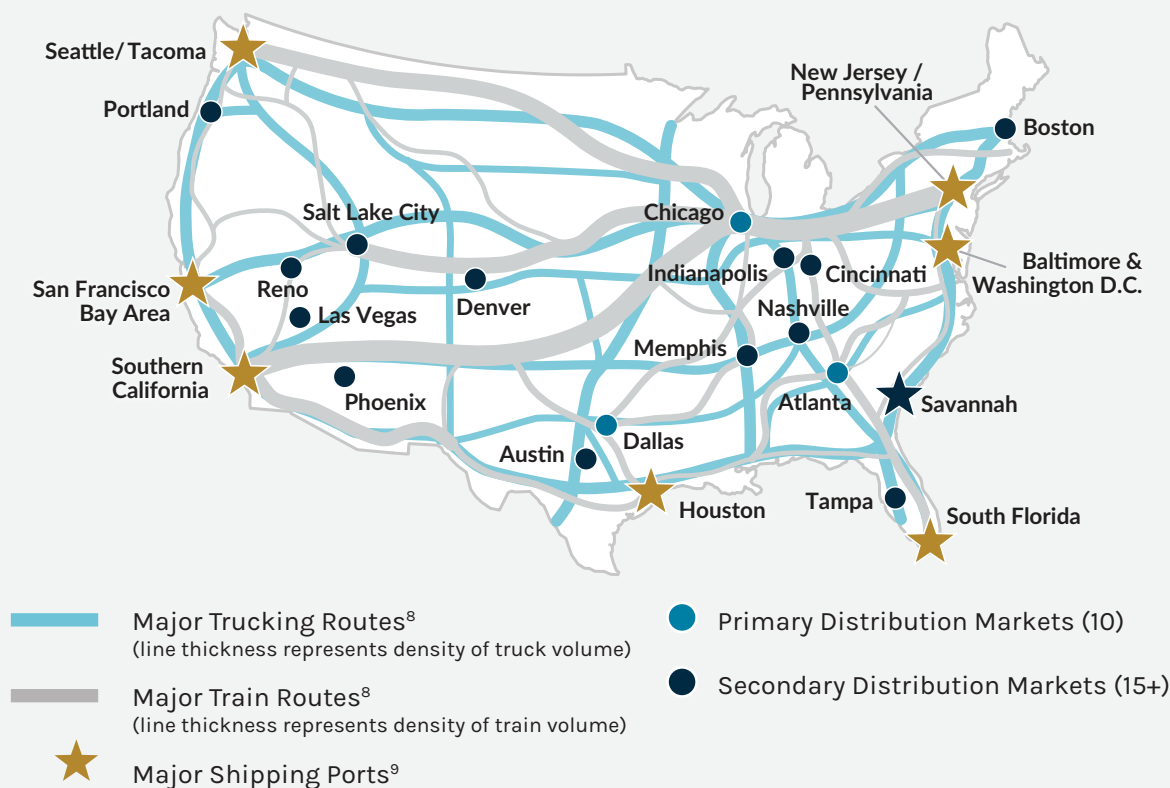
⁶ Source: CoStar Portfolio Strategy, 4Q21.

INDUSTRIAL TARGET MARKETS

LOCATION, LOCATION, LOCATION

Location and logistics matter. Industrial real estate in markets with high barriers-to-entry, proximity to a large demographic base and/or access to major distribution hubs are typically in high demand, along with other markets with easy access to interstate, airport and seaport infrastructure. With regional offices across the U.S., our local footprint allows us to act quickly and nimbly to source and seek to acquire high-quality bulk and last-mile distribution warehouses in top-tier, high barrier-to-entry markets, and secondary markets with long-term income growth potential.

TARGETING HIGHLY LIQUID AND INSTITUTIONAL MARKETS⁷



⁷ As defined by Ares using CoStar data as of 4Q 2021. Target markets include the top 50 U.S. industrial markets by sales volume where a majority of buyers are institutions.

⁸ Source: Federal Highway Administration, March 2021.

⁹ Source: U.S. Department of Transportation Maritime Administration, 2021.

¹⁰ 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.

¹¹ There are no guarantees these objectives will be met.

INVESTMENT OVERVIEW

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.^{10, 12}

INVESTMENT OBJECTIVES¹¹

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.¹²

Capital Preservation

Preserving and protecting stockholders' capital contributions.¹²



INVESTMENT STRATEGY

Disciplined 4-Step Process

1

Target Markets

- Research-driven
- Transportation & logistics hubs
- Submarket selection
- On-the-ground senior management teams

2

Property Identification

- Function-driven
- Potential for cash flow growth
- Submarket supply and demand dynamics

3

Portfolio Construction

- Diversify by property type, geography and tenant
- Credit focus
- Risk management
- Opportunistic development properties

4

Asset Management

- National operating platform
- Hands-on, entrepreneurial approach
- Deep-rooted local relationships

¹² 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. Share value will fluctuate such that when redeemed, shares may be worth more or less than their original cost.

IMPORTANT INFORMATION

NAV-based calculations involve significant professional judgments and the calculated value of AIREIT's assets and liabilities may differ from AIREIT's actual realizable value or future value. An incorrect judgment will affect the NAV as well as any returns derived from that NAV, and ultimately the value of the investment. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be incorrect.

Non-listed REITs do not trade on a national securities exchange, and therefore, are generally illiquid. Early redemption of non-listed 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-listed 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.

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. Ares Wealth Management Solutions and its affiliates do not provide tax advice. Investors should speak with a tax advisor regarding their specific situation.

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.

PROPERTY PREVIEW¹³



Legacy Logistics Center

Location: Salt Lake City, UT

Market: Salt Lake

Size: 384,000 sq. ft.

Key Customer at Acquisition:
Amazon



Eaglepoint Logistics Center

Location: Indianapolis, IN

Market: Indianapolis

Size: 691,000 sq. ft.

Key Customer at Acquisition:
Radial Inc.



Park 429 Logistics Center

Location: Ocoee, FL

Market: Orlando

Size: 441,000 sq. ft. (2 buildings)

Key Customers at Acquisition:
City Furniture, Inc., Kramer America, Inc. and Lowe's Companies, Inc.



Pescadero Distribution Center

Location: Tracy, CA

Market: Central Valley

Size: 382,000 sq. ft.

Key Customers at Acquisition:
Exel Inc. and Pactra USA, Inc.



Princess Logistics Center

Location: Lawrenceville, NJ

Market: New Jersey

Size: 340,000 sq. ft.

Key Customer at Acquisition:
Amazon

**IF YOU ARE INTERESTED IN
AIREIT, PLEASE CONTACT YOUR
FINANCIAL PROFESSIONAL**

¹³ Tenants listed are included for informational purposes only and are not an endorsement of AIREIT.



Not a Deposit | Not FDIC Insured | Not Guaranteed by the Bank | May Lose Value | Not Insured by any Federal Government Agency

Ares Wealth Management Solutions, LLC, Distributor | Member FINRA