

# Ares Private Markets Fund

Quarterly Update Letter – 2Q 2025

(as of 6/30/2025)

We are pleased to provide you a performance and portfolio positioning update on Ares Private Markets Fund (APMF) for 2Q 2025.

## Fund Overview

Ares Private Markets Fund (“APMF” or the “Fund”) is a private equity investment solution, anchored in secondary investments, that seeks to deliver attractive, long-term capital appreciation through market cycles.

The Fund operates within the Ares Secondaries Group, which had \$33.9 billion in AUM (as of June 30, 2025) for secondary investment vehicles and has a strong cycle-tested track record over 30+ years across 840+ transactions.

APMF seeks to offer investors enhanced diversification with exposure to 7,500+ underlying portfolio companies, a significantly mitigated J-curve and reduced blind pool risk. Upon investment, investors gain diversified private equity exposure (no capital calls), expected quarterly liquidity and Form 1099 tax reporting.<sup>1,2</sup>

## Performance<sup>3</sup>

The Fund has continued to deliver attractive risk-adjusted returns through cycles, returning 3.11% in 2Q25 and 12.15% on a trailing 12-month basis. Since inception, the Fund has delivered an annualized 14.67%, outperforming public equity markets during this time (MSCI World Index was 10.57%; S&P 500 was 11.23%; Russell 2000 was 2.29%).<sup>4,5</sup>

We believe this success, combined with Ares’ ability to identify and source differentiated opportunities, has driven APMF to become one of the fastest growing solutions for diversified equity exposure in the market today.<sup>6</sup>

## Performance Summary<sup>2</sup>

	NAV/Share	1 Month	3 Month	YTD	1 Year	ITD (A) <sup>4</sup>
<b>Class I</b>	\$36.70	2.10%	3.11%	7.51%	12.15%	14.67%
<b>Class D</b>	\$36.40	2.08%	3.05%	7.39%	11.88%	16.47%
<b>Class A</b>	\$36.01	2.03%	2.90%	7.08%	11.22%	19.15%
<b>Class A with sales load<sup>7</sup></b>	\$36.01	-1.54%	-0.70%	3.33%	7.33%	16.96%
<b>MSCI World Index<sup>5</sup></b>	N/A	4.32%	11.47%	9.47%	16.26%	10.57%

**Expense Ratios (Gross/Net):** Class I: 2.58% / 2.40%, Class D: 2.83% / 2.65%, Class A: 3.43% / 3.25%. The performance data quoted represents past performance and is no guarantee of future results. Returns quoted less than one year are cumulative. Your returns and the principal value of your investment will fluctuate so that your accumulation units or shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted above. For information current to the most recent month end go to [areswms.com](https://areswms.com).

## At-A-Glance

# \$3.7bn

ASSETS UNDER MANAGEMENT<sup>8</sup>

# 302

TOTAL INVESTMENTS

# \$36.70

CLASS I NAV/SHARE

# 14.67%

CLASS I SHARE ANNUALIZED RETURN SINCE INCEPTION<sup>4</sup>

## Fund Activity

In 2Q25, the investment team was able to capitalize on continued momentum in the secondaries market, closing on 26 investments (after closing on 43 in 1Q25). The Fund maintains a robust pipeline of attractive, high-quality opportunities, amplified by the increasing recognition of secondaries as an alternative exit strategy and viable source of liquidity. In line with the Fund's strategy, the team continues to allocate to diversified, North American-focused buyout managers that they believe have demonstrated the ability to produce consistent alpha. Buyout investments now account for 92.3% of the Fund, while 76.0% of the portfolio is North American-focused.

The team continues to opportunistically deploy capital into the Limited Partner ("LP") led secondaries market to expand the Fund's exposure across managers, vintage years, sectors and geographies, resulting in a 69.5% allocation to such transactions. With General Partners ("GPs") increasingly utilizing continuation vehicles ("CVs") to extend the runway of some of their best performing assets, the team continues to see attractive growth opportunities and increased deal volume in GP-led transactions, which now account for 25.1% of the Fund's asset base. The Fund maintains broad sector diversification with the largest exposures being information technology (26%) and consumer discretionary (16%).

## Outlook<sup>9</sup>

Fueled by an ongoing liquidity backlog, momentum in the private equity secondaries market has continued through the first half of 2025. Although an uptick in M&A activity briefly alleviated distribution pressures in 2H 2024, exit markets quickly dried up in the wake of April's tariff announcements. We expect these market conditions will drive elevated transaction volumes through 2H 2025, resulting in another year of strong growth for the secondary market.

In the LP-led secondaries market, we expect that the ever-increasing desire for investor liquidity will continue to underpin portfolio sales. As it stands, 61% of private equity assets – equivalent to more than 18,000 companies – are six years or older, and well behind historical distribution curves. We have already seen several noteworthy institutions come to the table as sellers to fund obligations across their organizations and expect this trend may continue.

On the GP-led side of the market, CVs remain a reliable tool for sponsors to generate liquidity for some existing LPs, while also maintaining interest in "trophy assets" with runway for future growth. As with the LP-led side of the market, we expect robust transaction activity to continue as liquidity constraints persist, and GPs are pressured to monetize assets.

APMF continues to evaluate the abundance of opportunities created by these elevated transactions volumes. With a pipeline of attractive, high-quality deals from reputable sponsors, we believe there is opportunity to grow the portfolio's allocation to GP-led deals through the end of the year, while adding incremental exposure to LP-led deals.

We maintain deep conviction in the current portfolio and believe that the Fund is well-positioned to continue to meet its investment and performance objectives.

- Ares Secondaries Group

## APMF Offers Core, Diversified Equity Exposure

**7,500+**

Underlying Portfolio  
Companies

**20+**

Vintage  
Years

**11**

Sectors

**96%**

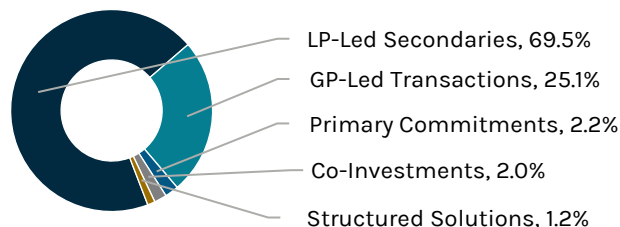
Secondaries

**94%**

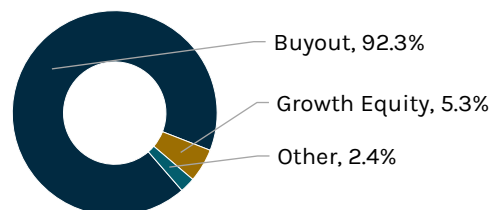
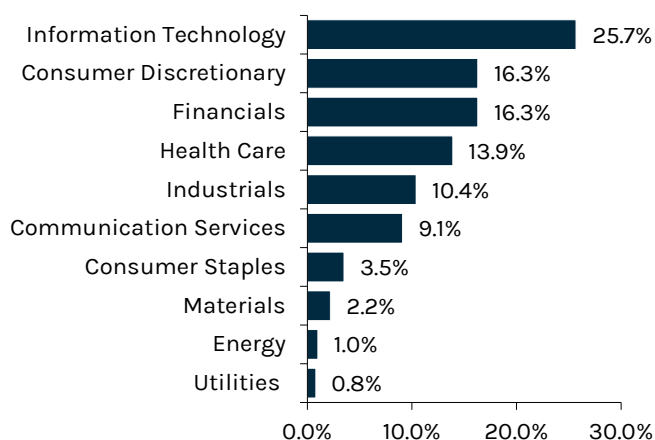
Private

Fund At-A-Glance<sup>10,11,12</sup>

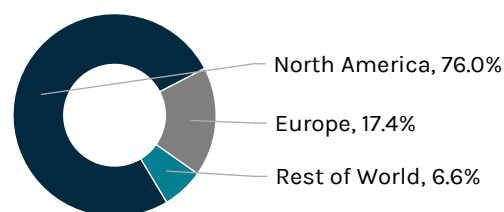
## Investment Type



## Strategy

Top 10 Sectors<sup>13</sup>

## Geography

Top 10 Holdings<sup>10</sup>

	Investment Type	Strategy	(%)
BSP Solstice Investors L.P. (BCE)	Secondary	Buyout	7.3%
BSP Solstice Investors L.P. (AD)	Secondary	Buyout	7.1%
AXA IM Prime Genesis PE Secondaries Fund	Secondary	Buyout	7.1%
Hellman & Friedman Capital Partners IX, L.P.	Secondary	Buyout	4.2%
SkyKnight Capital II CV B, L.P.	Secondary	Buyout	3.4%
FinEquity Holdings, LLC	Secondary	Buyout	2.8%
APH Extended Value Fund H LP	Secondary	Buyout	2.5%
Hellman & Friedman Capital Partners VIII, L.P.	Secondary	Buyout	2.3%
Hellman & Friedman Capital Partners X, L.P.	Secondary	Buyout	2.2%
Silver Lake Partners IV, L.P.	Secondary	Buyout	1.8%

**AD and BCE** reflect two partnerships formed as part of an acquisition of a portfolio consisting of ~400 sponsors, ~1,000 LP interests and ~3,600 companies.

**AXA IM Prime Genesis** represents exposure to 12 funds with a 2019 weighted-average vintage, 11 managers and 226 companies.

1. The Fund expects to offer investors limited quarterly liquidity through a tender offer process. Under normal market conditions, the Fund's investment adviser, Ares Capital Management II LLC (the "Adviser") expects to recommend that the Fund repurchase 5% of its outstanding shares of beneficial interest of the Fund ("Shares") at their net asset value (NAV). No assurance can be given that such tender offers will be approved by the Fund's Board of Trustees. If a tender offer is oversubscribed, investors may be subject to a pro rata reduction in the Shares ultimately repurchased by the Fund unless the Fund increases the size of the tender offer. All terms of each tender offer will be publicly disclosed.
2. Although the Shares will be registered under the Securities Act, the Shares will be 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. The qualifications required to invest in the Fund will appear in subscription documents that must be completed by each prospective investor.
3. Performance is measured by total return, which represents the change in net asset value over the indicated time period plus any income distributions.
4. Inception is the date APMF commenced operations. The inception date for Class I shares was April 1, 2022. The inception date for Class D shares was September 1, 2022. The inception date for Class A shares was August 1, 2023. Since inception return shown for the MSCI, S&P 500 and Russell 2000 is as of the Fund's Class I inception date for comparison purposes. A=Annualized.
5. Indices shown are provided for illustrative purposes only and not indicative of any investment. They have not been selected to represent appropriate benchmarks or targets for the Fund. Rather, the indices shown are provided solely to illustrate the performance of well-known and widely recognized indices. Please see index definitions below. Any comparisons herein of the investment performance of the Fund to an index are qualified as follows: (i) the volatility of such index will likely be materially different from that of the Fund; (ii) such index will, in many cases, employ different investment guidelines and criteria than the Fund and, therefore, holdings in the Fund will differ significantly from holdings of the securities that comprise such index and the Fund may invest in different asset classes altogether from the illustrative index, which may materially impact the performance of the Fund relative to the index; and (iii) the performance of such index is disclosed solely to allow for comparison on the Fund's performance to that of a well known index. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that will differ from the Fund. The indices do not reflect the deduction of fees or expenses. You cannot invest directly in an index. No representation is being made as to the risk profile of any benchmark or index relative to the risk profile of the Fund. There can be no assurance that the future performance of any specific investment, or product will be profitable, equal any corresponding indicated historical performance, or be suitable for a portfolio.
6. Diversification does not assure profit or protection against market loss.
7. APMF does not charge investors an upfront sales load with respect to Class A share. However, if you buy Class A shares through certain selling agents, they may directly charge you transaction or other fees, including upfront placement fees or brokerage commissions, in such amount as they may determine, provided that selling agents limit such charges to a maximum of 3.5% of NAV for Class A shares. Class A shares listed as With Upfront Placement Fees and Brokerage Commissions reflect the returns after the maximum upfront placement fees and brokerage commissions. Class A shares listed without Upfront Placement Fees and Brokerage Commissions exclude upfront placement fees and brokerage commissions. Selling agents do not charge such fees on Class I shares.
8. "Fund AUM" as used herein is calculated as the sum of (1) the Fund's "Managed Assets" as of June 30, 2025, which is defined as the total assets of the Fund (including any assets attributable to any borrowings or other indebtedness) minus the Fund's liabilities other than liabilities relating to borrowings or other indebtedness, and (2) the amount of capital received from subscriptions effective July 1, 2025 (\$119.9 million).
9. Jefferies H1 2025 Global Secondary Market Review, July 2025.
10. Holdings calculated based on total portfolio value.
11. Although Ares Private Markets Fund shares are 1933 Act-registered, Shares of the Fund are subject to significant transfer restrictions. In addition, no secondary market for such Shares is expected to exist.
12. Percentages may not total 100% due to rounding.
13. Calculated as a percent of the total fair value of APMF's investments at the portfolio company level using the data available as of June 30, 2025.

#### Index Definitions

- The **S&P 500 Index** measures the performance of the large-cap segment of the market. The S&P 500 is considered to be a proxy of the U.S. equity market and is composed of 500 constituent companies.
- The **MSCI World index** is a widely followed global stock market index that tracks the performance of around 1500 large and mid-cap companies across 23 developed countries.
- The **Russell 2000 Index** is a small-cap stock market index of the smallest 2,000 stocks in the Russell 3000 Index.

### Important Information and Risks

**Past performance is not a guarantee of future results.** 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 Fund and Ares 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.

An investment in the Fund should be considered illiquid. An investment in the Fund is not suitable for investors who need access to the money they invest. Although the Fund may offer to repurchase a limited amount of its shares via quarterly tender offers, the Fund's shares will not be redeemable, transferable or otherwise exchangeable at an investor's option. As a result, an investor may not be able to sell or otherwise liquidate its shares. There can be no assurance that the Fund will conduct tender offers in any particular period and investors may be unable to tender their shares for repurchase for an indefinite period of time. Additional Fund risks include, but are not limited to: the fund has no operating history, shares are subject to substantial restrictions on transferability and may not be transferred or resold except as summarized in the Prospectus and permitted under the Fund's agreement and declaration of trust, dependence on the Adviser and key personnel that could impact the Fund if changes occur, restrictions on transfers, non-diversification of investments, valuation risks, strategy-specific risks, and portfolio investment risks.

**This is neither an offer to sell nor a solicitation to purchase the securities described herein. Please read the Prospectus prior to making any investment decisions and consider the risks, charges, and expenses and other information described therein. Additional copies of the Prospectus may be obtained by contacting your financial advisor or by visiting [areswms.com](http://areswms.com). Investors should consult with their financial advisor about the suitability of the Fund for their portfolio.**

#### Fund Risks

An investment in shares of beneficial interest of the Fund ("Shares") 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 along with all the other information contained in the Prospectus before deciding to invest in the Fund.

- The Fund has a limited operating history.
- An investment in the Fund may not be suitable for investors who may need the money they invested in a specified timeframe.
- 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 its Shares. The Adviser intends to recommend that, in normal market circumstances, the Fund's board of trustees (the "Board") conduct quarterly tender offers of no more than 5% of the Fund's net assets.
- Shares are subject to substantial restrictions on transferability and resale and may not be transferred or resold except as summarized in the Prospectus and permitted under the Fund's agreement and declaration of trust.

In addition to the risks above, the Fund's risks and limitations also include, but are not limited to the following:

- **Dependence on the Adviser and Key Personnel:** The Fund will depend on the Adviser's ability to perform its functions and the key personnel who are employed by the Adviser. There is no assurance that these key personnel will continue to be associated with the Adviser which can have an impact on the management and performance of the Fund.

- **Non-Diversification of Investments:** The Fund is a "non-diversified" investment company for purposes of the Investment Company Act which means the Fund may be more susceptible to the risk that one single event or occurrence can have a significant adverse impact on the Fund.
- **Valuation Risks:** The Fund is subject to valuation risk, which is the risk that one or more of the securities in the Fund are valued at prices the Fund is unable to obtain upon sale due to factors such as incomplete data, market instability, human error, or no readily available market quotations, and other factors. Therefore, the variance in the valuation of the investments can impact fees and expenses and the price a Shareholder will receive when purchasing or selling shares of the Fund.
- **Private Equity Strategy-Specific Risks:** Direct Investments in private companies and investments in Portfolio Funds, involve a high degree of business and financial risk that can result in substantial losses.
- **Private Company Investment Risks:** Private companies are generally not subject to SEC reporting requirements, are not required to maintain 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 the risk that the Fund may invest based on incomplete or inaccurate information, which can adversely affect the Fund's performance. Private companies may also have limited financial resources, shorter operating histories, more asset concentration risk, narrower product lines and smaller market shares that can make such private companies more vulnerable to competitors' actions and market conditions. Private companies are generally in restricted securities that are not traded in public markets, and are subject to holding periods, and the Fund may not be able to realize the value of such investments in a timely manner. There may also be significant competition for these types of assets which can affect the Fund's ability to achieve the desired allocation and investment returns.
- **Portfolio Fund Investment Risks:** Portfolio Fund interests are expected to be illiquid; their marketability may be restricted and the realization of investments from them make take considerable time and/or be costly. In addition, Portfolio Funds may have little or no near-term cash flow available to distribute to investors including the Fund. 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, and these valuations may be impossible to confirm. The investments made by Portfolio Funds will entail a high degree of risk and in most cases be highly illiquid and difficult to value.
- **Secondary Investment Risks:** There is no assurance that Secondary Investments made by the Fund will be made at attractive discounts to net asset value or at all. There is no assurance that the Fund will be able to identify Secondary Investments that satisfy the Fund's investment objectives.
- **Direct Investment 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 Adviser may have little or no opportunity to conduct due diligence or negotiate the terms of such investments. The Fund's ability to dispose of Direct Investments may be severely limited.

See the Prospectus for more detailed risk information. The list above is not a complete list of Fund risks. You should rely only on the information contained in the Prospectus. The Fund has not authorized anyone to provide you with different information. You should assume that the information provided by the Prospectus is accurate as of its date. Neither the Securities and Exchange Commission's ("SEC") nor any state securities commission has approved or disapproved of these securities or determined if the Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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