

# Ares Real Estate Income Trust

**AREIT**

Differentiated Access to High-Quality, Income-Focused Private Real Estate

Fact Sheet (as of 3/31/24)

Ares Real Estate Income Trust (AREIT) is a diversified NAV REIT that seeks to deliver consistent monthly income and capture long-term value appreciation across a balanced portfolio of high-quality real estate assets.

## Investment Structure

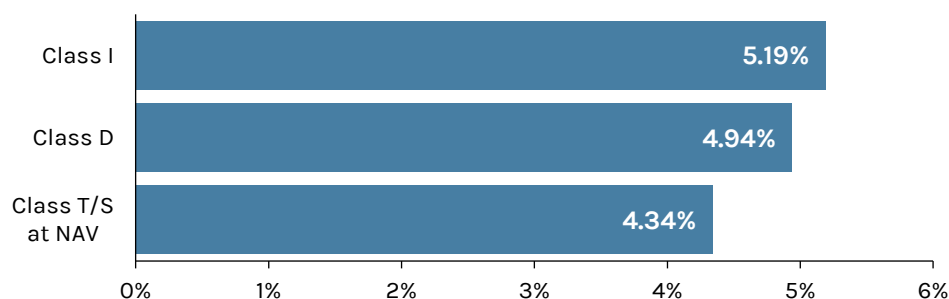
- **Monthly:** Valuation, Distributions, Purchases and Redemptions<sup>1,2</sup>
- **Liquidity:** Up to 2% per month or 5% per quarter of the REIT's aggregate NAV can be redeemed, net of capital raise, subject to certain limitations<sup>2</sup>
- **Tax Reporting:** 1099-DIV

## Performance Summary (Net)<sup>3</sup>

|   | Quarter | YTD    | 1-year  | 3-year | 5-year | 10-year | ITD <sup>4</sup> |
|---|---------|--------|---------|--------|--------|---------|------------------|
| <b>Class T/S</b><br>w/Sales Charge <sup>6</sup> | -6.29%  | -6.29% | -10.38% | 3.13%  | 4.35%  | 4.71%   | 5.57%            |
| <b>Class T/S</b><br>at NAV <sup>6</sup>         | -3.01%  | -3.01% | -7.25%  | 4.31%  | 5.07%  | 5.02%   | 5.69%            |
| <b>Class D</b>                                  | -2.86%  | -2.86% | -6.69%  | 4.94%  | 5.70%  | 5.61%   | 5.91%            |
| <b>Class I</b>                                  | -2.80%  | -2.80% | -6.46%  | 5.20%  | 5.96%  | 5.96%   | 6.29%            |

Past performance is not a guarantee of future results.

## Annualized Distribution Rate<sup>1</sup>



## At-A-Glance

**\$5.4B**

TOTAL ASSET VALUE<sup>5</sup>

**99**

PROPERTIES

**33**

GEOGRAPHIC MARKETS

**416**

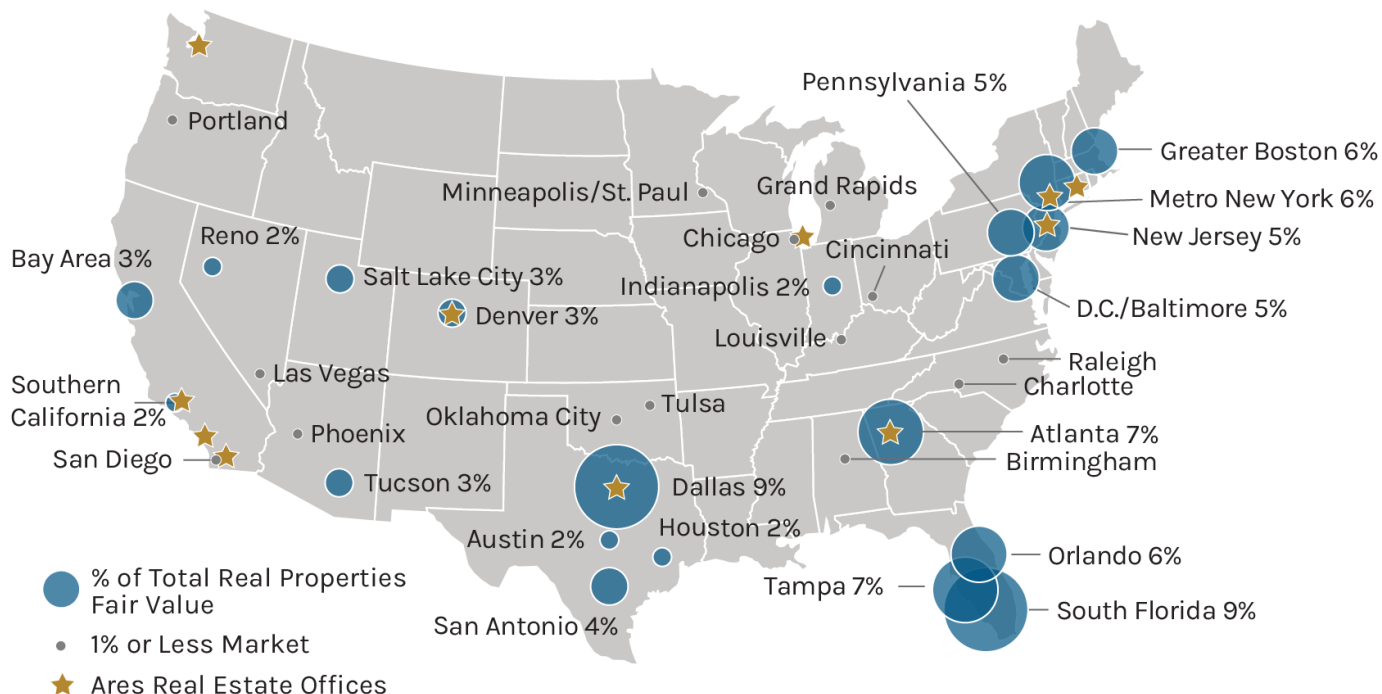
COMMERCIAL TENANTS

**95.3%**

LEASED

## Real Property Ownership

(Based on Fair Value)



**20.1M**

Net Rentable  
Square Feet

**95.3%**

Leased

**4.4 Years**

Weighted Average  
Remaining Lease Term

(Based on Annualized Base Rent,  
Commercial Properties Only)

**2.4%**

Average Annual  
Rent Escalation

(Commercial Properties Only)

**36.3%**

Leverage  
Ratio<sup>7</sup>

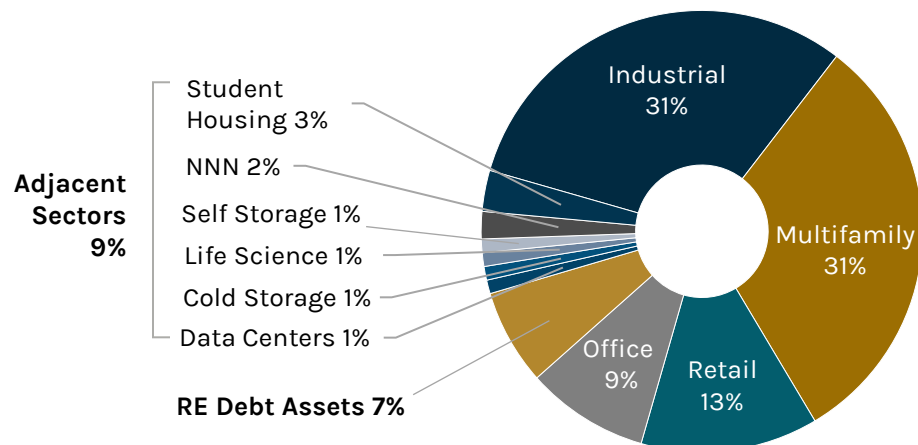
## Top Tenant Industries

(By Annualized Base Rent)

|                       |      |
|-----------------------|------|
| Storage/Warehousing   | 7.5% |
| Financial             | 5.0% |
| Supermarket           | 4.9% |
| Professional Services | 4.6% |
| Food & Beverage       | 3.5% |

## Sector Allocation

(Based on Fair Value)



## Summary of Offering Terms and Fees

|  | Class T (ZARETX)   | Class S (ZARESX) | Class D (ZAREDX)   | Class I (ZAREIX) |
|--|--|------------------|--|------------------|
| <b>Availability</b>                                    | Through transactional/brokerage accounts   |                  | Through fee-based (wrap) programs, registered investment advisors and other institutional and fiduciary accounts |                  |
| <b>Selling Commission</b>                              | Up to 3.00%  | Up to 3.50%      | None   | None             |
| <b>Dealer Manager Fee</b>                              | Up to 0.50%  | None             | None   | None             |
| <b>Annual Distribution Fee (Trailing Compensation)</b> | 0.85%  | 0.85%            | 0.25%  | None             |
| <b>Management Fee</b>                                  | 1.10% per annum of NAV, payable monthly  |                  |  |                  |
| <b>Performance Participation Allocation</b>            | 12.5% of the annual total return, subject to a 5% hurdle amount, catch-up and loss carryforward  |                  |  |                  |
| <b>Minimum Initial Investment</b>                      | <ul style="list-style-type: none"> <li>• \$2,500</li> <li>• \$1,000,000 for Class I (unless waived)</li> </ul>   |                  |  |                  |
| <b>Suitability Standards</b>                           | <ul style="list-style-type: none"> <li>• Either (1) a net worth of at least \$250,000 or (2) a gross annual income of at least \$70,000 and a net worth of at least \$70,000</li> <li>• Certain states have additional suitability standards. See the prospectus for more information</li> </ul> |                  |  |                  |

Terms summarized are for informational purposes and qualified in their entirety by the more detailed information set forth in the AREIT prospectus. You should read the prospectus carefully prior to making an investment.

1. The amount of distributions AREIT may make is uncertain, is not guaranteed, may be modified at the program's discretion, and is subject to board approval. Distribution rate represents the net annualized distribution rate which is calculated as the gross annualized distribution rate less annual distribution fees if applicable and divided by NAV. Net annualized distribution rate assumes the NAV per share at the end of each month remains the same. The actual net annualized distribution rate for an individual stockholder will vary based on the NAV and the actual amount of distribution fees payable. See Item vi. in the Risk Factors for important information on cashflow and distributions.
2. The terms of AREIT's share redemption program ("SRP") are presented for informational purposes and qualified in their entirety by the more detailed information set forth in the AREIT prospectus. AREIT's board of directors reserves the right to reject any request for redemption for any reason, or to modify or suspend the SRP at any time. Investors should not assume that their shares will be redeemed by AREIT pursuant to the SRP.
3. Performance is measured by total return, which includes income and appreciation. Total return represents the compound annual rate of return assuming reinvestment of all distributions. Past performance is not a guarantee of future results. Performance data quoted above is historical. Current performance may be higher or lower than the performance data quoted. All returns are net of all AREIT expenses, including general and administrative fees, management fees, and performance allocation fees, but exclude the impact of early redemption deductions for shares held less than one year.
4. NAV inception is September 30, 2012. The historical returns presented show share performance since September 30, 2012, which is when AREIT first sold Class A, W and I shares after converting to an NAV REIT on July 12, 2012. Subsequently, as a result of a share restructuring effective as of September 1, 2017, AREIT's outstanding Class A, W and I shares changed to Class T, Class D and a new version of Class I shares, respectively. AREIT also created a new Class S share, with the same NAV per share and class-specific expenses as Class T shares. Accordingly, in this table, the return of Class I, D, S and T shares reflects the performance of the Class I, W, A and A shares since NAV inception through the restructuring date, respectively. In connection with the restructuring, AREIT also revised its fee structure with its advisor and dealer manager and its NAV methodology, which will affect returns going forward. Please see AREIT's definitive proxy statement filed with the Securities and Exchange Commission on June 7, 2017, for more information about the fee changes and our pro forma estimates of how those fee changes would have affected returns on AREIT shares in the years 2013-2016. Investors in AREIT's fixed price offerings prior to NAV inception on September 30, 2012 are likely to have a lower return.
5. Total asset value is calculated as fair value of investments in real estate properties, fair value of debt-related investments not associated with the DST Program, fair value of investments in unconsolidated joint venture partnerships, fair value of investments in real estate-related securities, as applicable, plus cash and cash equivalents.
6. The Class T/S Share with Sales Charge returns shown are based on the maximum up-front sales commission and ongoing distribution/dealer manager fees that were in effect for the time period indicated. Performance shown at NAV does not include maximum up-front sales charge at initial subscription.
7. Leverage is calculated as outstanding principal balance of our borrowings less cash and cash equivalents, divided by the fair value of our real property, net investments in unconsolidated joint venture partnerships, investments in real estate-related securities and debt-related investments not associated with the DST Program, as determined in accordance with our valuation procedures.

**Risk Factors**

- **Past performance is not a guarantee of future results. Investing in shares of Ares Real Estate Income Trust (AREIT) common stock involves a high degree of risk.**
- Investing in real estate assets entails certain risks, including changes in: the economy, supply and demand, laws, tenant turnover, interest rates (including periods of high interest rates), availability of mortgage funds, operating expenses and cost of insurance. This investment will offer limited liquidity options to investors. There is no guarantee of any return on investment and stockholders may lose the amount they invest. Real estate investment trusts (REITs) are not suitable for all investors.
- An investment in AREIT is not a direct investment in commercial real estate, but rather an investment in a REIT that owns commercial real estate.
- Further, investing in AREIT stock involves additional and substantial risks specific to AREIT, including, among others, that:
  - i. There is no public trading market for shares of AREIT's common stock, and AREIT does not expect that there will ever be a public trading market for its shares, so redemption of shares by them will likely be the only way to dispose of your shares.
  - ii. AREIT's redemption program imposes limits on redemptions. AREIT may modify or suspend its share redemption program at any time. As a result, AREIT's shares have only limited liquidity and may become illiquid.
  - iii. The purchase and redemption price for shares of AREIT's common stock will be generally based on the NAV of each class of common stock and will not be based on any public trading market. AREIT's NAV will not represent AREIT's enterprise value and may not accurately reflect the actual prices at which AREIT's assets could be liquidated on any given day, the value a third party would pay for all or substantially all of AREIT's shares, or the price that AREIT's shares would trade at on a national stock exchange. The board of directors may amend AREIT's NAV procedures from time to time.
  - iv. Some of AREIT's executive officers and directors and other key personnel are also officers, directors, managers, key personnel and/or holders of an ownership interest in its advisor, its dealer manager and/or other entities related to its advisor. As a result, they face conflicts of interest, including but not limited to conflicts arising from time constraints, allocation of investment opportunities and the fact that the fees its advisor will receive for services rendered to AREIT will be based on AREIT's NAV, the procedures for which its advisor will assist its board of directors in developing, overseeing, implementing and coordinating.
  - v. If AREIT fails to maintain its status as a REIT, it would adversely affect its results of operations and its ability to make distributions to its stockholders.
    - vi. The amount of distributions AREIT may make is uncertain, is not guaranteed, may be modified at the program's discretion, and is subject to board approval. AREIT may pay distributions from sources other than cash flow from operations including, without limitation, the sale of assets, borrowings or offering proceeds (including the return of principal amounts invested). The use of these sources for distributions would decrease the amount of cash AREIT has available for new

investments, repayment of debt, share redemptions and other corporate purposes, and could reduce your overall return and dilute the value of your investment in shares of AREIT common stock. Our cash distributions for the year ended December 31, 2023 were 22.5% funded from cash flows from operations and 77.5% funded from cash flows from borrowings. Our cash distributions for the years ended December 31, 2022, 2021, 2020, 2019, and 2018, on an annualized basis, were fully funded from our operations. When looking at individual quarters within those periods, in certain cases our distributions were not fully funded from our operations for such quarters. In such cases, the shortfalls were funded from proceeds from our distribution reinvestment plan or borrowings. Cash flow from operations does not include a reduction to cash flow resulting from on-going capital expenditures as GAAP defines those cash outflows as part of investment activities. Nonetheless, capital expenditures are inherently a significant and material part of the on-going business of AREIT. Furthermore, cash flow from operations, after deducting capital expenditures, may not be sufficient to fund 100% of AREIT's distribution. For example, cash flow from operations, after deducting capital expenditures, for each of the years ended December 31, 2017 and 2016, would not have been sufficient to fund AREIT's entire distribution amounts. Furthermore, AREIT may continue to incur capital expenditures associated with in-place vacancies, which would continue to make funding distributions through cash flow from operations, after deducting capital expenditures, unlikely during higher periods of lease-up.

- vii. The payment of fees by AREIT to its advisor and its dealer manager will reduce the cash available for distribution and will increase the likelihood that investors are unable to recover the amount of their investment in AREIT.
- viii. In connection with AREIT's offering, it incurs fees and expenses. In particular, AREIT expects to incur a dealer manager and distribution fee which are expected to reduce the amount of distributions received by certain investors and as a result will lower the overall return to such investors. Also, AREIT has and expects to continue to incur organizational and offering related expenses which reduce the overall cash flow of AREIT and negatively impact its NAV and could negatively impact your overall return.

**This material must be read in conjunction with the AREIT prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates. This document must be preceded or be accompanied by a prospectus, which contains important information about AREIT. This is neither an offer to sell nor a solicitation of an offer to buy the securities described in the AREIT prospectus. The offering is being made only by the AREIT prospectus.**

Neither the Securities and Exchange Commission 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 unlawful. AREIT is not an investment company registered under the Investment Company Act of 1940.

**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

REF: RE-03425

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