

# Ares Private Markets Fund

2024 Year-End Update

(as of 12/31/24)

Reflecting on 2024, Ares Wealth Management Solutions ("AWMS," "we," "us," or "our") is pleased to provide an update on Ares Private Markets Fund's ("APMF" or the "Fund") performance, portfolio positioning, and outlook for 2025.

## Fund Overview

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

The Fund is managed by Ares Secondaries Group, which had \$29.2 billion in AUM (as of December 31, 2024) for secondary investment vehicles and has a strong cycle-tested track record over 30+ years across more than 805 transactions.

APMF seeks to offer investors enhanced diversification, attractive risk adjusted returns, and mitigated volatility relative to public equity markets. Upon investment, investors gain immediate diversified private equity exposure (no capital calls), have the ability to redeem quarterly and receive Form 1099 tax reporting<sup>1,2</sup>

## Performance<sup>3</sup>

APMF has continued to deliver on attractive, risk-adjusted returns, generating 14.48% annualized return since inception with respect to Class I Shares.

Inception-to-date ("ITD"), APMF's Class I has outperformed the MSCI World Index by 5.53% (ITD was 8.95%), the S&P 500 by 3.47% (ITD was 11.01%), and the Russell 2000 by 11.02% (ITD was 3.46%).<sup>4,5</sup>

We believe the Fund, which is comprised of 233 investments and 7,500+ underlying portfolio companies with exposure to a wide range of sectors, creates a strong foundation to offer immediate diversification and potential for differentiated overall returns through market cycles.

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

	NAV/Share	1 Month	3 Month	YTD	1 Year	ITD (A) <sup>4</sup>
<b>Class I</b>	\$34.13	1.48%	3.10%	16.54%	16.54%	14.48%
<b>Class D</b>	\$33.90	1.46%	3.04%	16.26%	16.26%	16.69%
<b>Class A</b>	\$33.63	1.41%	2.89%	15.57%	15.57%	20.76%
<b>Class A</b> with sales load <sup>6</sup>	\$33.63	-2.14%	-0.71%	11.53%	11.53%	17.76%

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

**\$2.5B**

ASSETS UNDER  
MANAGEMENT<sup>7</sup>

**233**

TOTAL INVESTMENTS

**\$34.13**

CLASS I NAV/SHARE

**14.48%**

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

## Fund Activity

The Fund continues to scale rapidly, having closed on 13 transactions during 4Q24, bringing the total transaction count in 2024 up to 48, a significant increase over the prior year's (24 in 2023). Despite consistently strong performance throughout the year, December represented an inflection point where the Fund deployed ~\$564M of capital into 10 new transactions. Throughout the year, the investment team executed on the Fund's investment strategy by allocating to diversified, North American-focused buyout managers that they believe have demonstrated the ability to produce consistent alpha. Buyout managers now account for 89.4% of the Fund, while 76.9% of the portfolio is North American-focused.

The team continues to opportunistically deploy capital into the Limited Partner ("LP") led secondaries market due to the attractive discounts resulting in a 72.6% allocation to such transactions. Consistent with the Fund's mandate, allocations to General Partner ("GP") led transactions now account for 22.5% of the Fund's asset base. The team believes as GP-led transaction volumes increase in the marketplace, there will be additional opportunities to add more such deals to the portfolio. As is commonplace with secondaries, the Fund remains sector agnostic but continues to demonstrate broad diversification by sector. Today, the Fund's largest sectors are financials (21.0%) and information technology (20.8%).

## Outlook<sup>8,9</sup>

Despite broader economic uncertainty heading into 2025, we expect momentum in the private equity secondaries market to continue. In the primary market, we see the rebound in M&A activity in the back half of 2024 alleviating some pressure for distributions to paid-in capital ("DPI") in private equity portfolios, reinvigorating investor appetite to redeploy distributions into new opportunities. However, we believe the secondary market remains undercapitalized and anticipate an abundant supply of assets coming to the secondary market in 2025. Amid this environment, we remain committed to our disciplined approach and focus on acquiring quality assets from alpha-generating GPs.

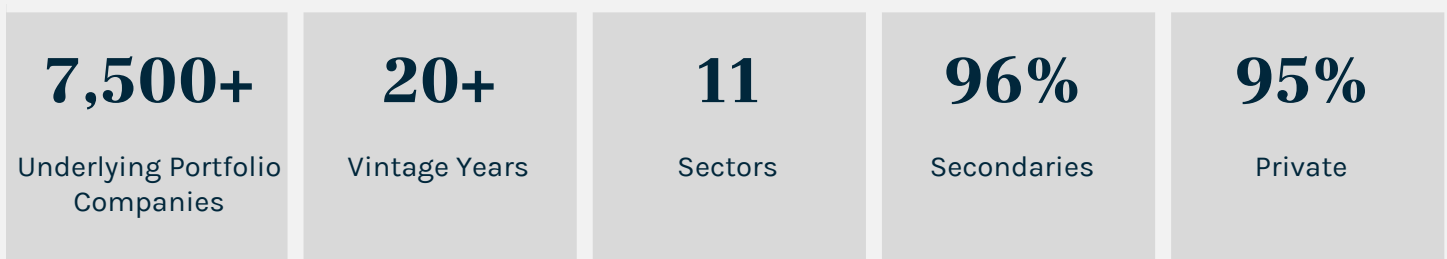
In the LP-led secondaries market, we expect the sizeable backlog of needed liquidity will continue to drive deal volume, despite the uptick in M&A activity, as LPs seek to facilitate additional distributions for investors. As the secondary market has grown in sophistication, the greater availability of both higher quality and less mature buyout funds has resulted in narrower discounts and a greater focus on future value appreciation as a performance driver. In 2024, this dynamic was reflected in the APMF portfolio with our commitment to quality resulting in 34% of overall portfolio gains coming from asset growth.

On the GP-led side of the market, strong activity levels have contributed to a robust pipeline of opportunities for APMF. Early continuation vehicle ("CV") performance reinforces our belief that GPs are leveraging CVs to hold and grow trophy assets until a more attractive point of sale, with single asset CVs performing largely in line with buyout funds, while exhibiting lower return dispersion. We expect to continue to integrate attractive GP-led opportunities into the APMF portfolio in 2025.

On the back of a strong finish to 2024 and our expectations for 2025, 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 through the year.

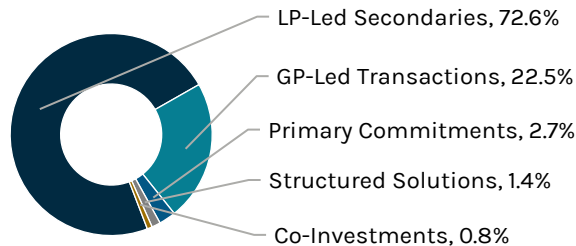
- Ares Secondaries Group

## Differentiated Access to Private Equity, Principally Through Secondaries

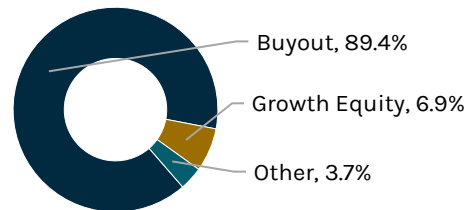


## Fund At-A-Glance<sup>10,11</sup>

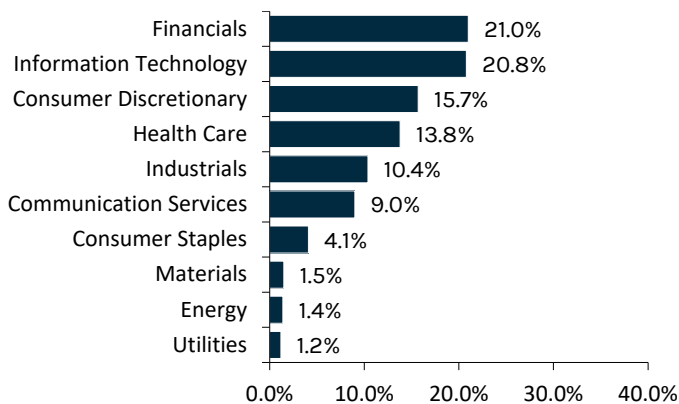
### Investment Type



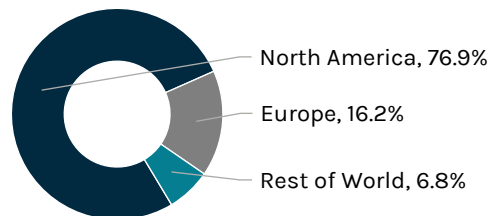
### Strategy



### Top 10 Sectors<sup>12</sup>



### Geography



### Top 10 Holdings

	Investment Type	Strategy	(%)
BSP Solstice Investors L.P. (AD)	Secondary	Buyout	12.5%
BSP Solstice Investors L.P. (BCE)	Secondary	Buyout	12.1%
AXA IM Prime Genesis PE Secondaries Fund	Secondary	Buyout	9.7%
SkyKnight Capital II CV B, L.P.	Secondary	Buyout	4.3%
FinEquity Holdings, LLC	Secondary	Buyout	4.2%
Hellman & Friedman Capital Partners IX, L.P.	Secondary	Buyout	3.7%
Alpine Investors VI, LP	Secondary	Buyout	2.3%
Blue Owl GP Stakes V US Investors LP	Secondary	Growth	2.3%
Hellman & Friedman Capital Partners X, L.P.	Secondary	Buyout	2.1%
Paddington Partners, L.P.	Secondary	Buyout	1.9%

**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.

**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 Fund 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.**

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 indices or targets for the fund. Rather, the indices shown are provided solely to illustrate the performance of well-known and widely recognized indices. 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 presented herein.
6. 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.
7. "Fund AUM" as used herein is calculated as the sum of (1) the Fund's "Managed Assets" as of December 31, 2024, 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 January 1, 2025 (\$130.5 million).
8. Pitchbook "Global M&A Report, Q3 2024", October 2024
9. Evercore Private Capital Advisory, "Q2 2024 Continuation Fund Performance Report", October 2024
10. Holdings calculated based on total portfolio value.
11. Percentages may not total 100% due to rounding.
12. Calculated as a percent of the total fair value of APMF's investments at the portfolio company level using the data available as of December 31, 2024

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