ARES WEALTH MANAGEMENT SOLUTIONS

ARES REAL ESTATE INCOME TRUST

QUARTERLY UPDATE — 3Q 2022 (Class I Shares, as of September 30, 2022)

Dear Fellow Stockholders,

AREIT is proud to be celebrating its 10-year anniversary. Thank you for your continued support as we reach this milestone. We are delighted to reflect on the past decade and provide an update on AREIT for 3Q 2022.

8.07%
Since Inception Return[1]

4.22%
Distribution Rate

109 out of 120
months positive returns since inception

TRACK RECORD

For more than 25 years, Ares has been on a mission to broaden investors' access to private markets. After we launched AREIT 10 years ago, we helped revolutionize the private real estate investment landscape by offering enhanced transparency through regular valuations, monthly liquidity, an investor-aligned fee structure and a variety of share classes. As a trusted partner amongst investors of all sizes, the real estate community and wealth management professionals, Ares continues to be at the forefront of enhancing industry standards and making "alternative" investing less alternative.

As the longest-tenured net asset value (NAV) REIT, we are proud of AREIT's track record of providing reliable, income-focused returns. Since inception[2], AREIT has paid distributions[3] for 82 consecutive months/quarters and has delivered compelling risk-adjusted returns through market cycles, generating a 11.75% three-year annualized return and an 8.07% annualized since inception return, with respect to Class I Shares.[1] Our team is disciplined in our cycle-tested investment strategy and prudent approach, leveraging Ares' global scale to build a portfolio of high-quality, resilient real estate. Over time, we have maintained an attractive blend of diversification for all-weather performance.

ACTIVE MANAGER THROUGH CYCLES

Over the last decade, AREIT has dynamically repositioned to evolve with changing market conditions. Most recently, we introduced complementary sectors to our asset base whereby Ares has deep expertise, including real estate debt, student housing, life science and triple net lease assets, to create a highly differentiated portfolio that seeks to outperform through tactical diversification. AREIT also distinguishes itself by being an opportunistic seller with a strategic disposition process. We have experience recognizing when we have optimized value, harvesting gains and pivoting to other longer-term growth opportunities. Since Q4 2018, we have sold over $1.0B of assets, primarily in office and retail sectors, at pricing above 2% of carrying values prior to sale.

Using a thorough, 400-step due diligence process, we take a granular approach to asset selection. Our local teams with sourcing advantages have proven to be sophisticated enough to execute on portfolio transactions yet nimble enough to acquire individual assets, as acquisition size has ranged from $2.8 million to $225.0 million since inception. We also take a hands-on approach to asset management, creating value at the individual property level. Our asset management team has experienced various market environments and has been proactive to adapt and evolve. For example, during the height of the pandemic, we took a collaborative approach with our tenant relationships, resulting in rent collections that exceeded industry benchmarks and occupancy that remained high.

3Q 2022 PERFORMANCE OVERVIEW

AREIT has demonstrated a track record of consistency through market conditions, meeting investment objectives with low correlation to public markets. In 3Q 2022, AREIT continued to deliver resilient performance, generating a 1.37% total return[1] with respect to Class I Shares, resulting in a NAV of $8.89 per share[4]. This included a monthly distribution of $0.03 per share, which is equivalent to an annualized distribution rate of 4.22%[3]. Especially in the current environment, it is worth noting that private real estate has historically performed well during periods of rising interest rates and heightened inflation.

AREIT's positive performance during the quarter was predominately driven by rent growth within our residential and industrial properties, offset by some capital market expansion as interest rates widened during the quarter. We continue to see strong fundamentals drive exceptional revenue growth and leasing activity for our well-located assets, largely offsetting expense inflation and the impacts of rising interest rates. In 3Q 2022, AREIT's residential rent increases on new lease trade outs and renewals averaged 13.3% and 11.8%, respectively. That said, as part of our diversified portfolio allocation strategy of owning certain lower yielding, high growth asset classes to deliver stronger appreciation and others to deliver predominately income-oriented returns with more modest growth, each sector contributed positively to 3Q performance.

PORTFOLIO ACTIVITY AND OUTLOOK

We are confident in the long-term growth opportunity for AREIT as we continue to focus on expanding our residential and industrial holdings — our two highest conviction sectors — while opportunistically sourcing investments within complementary sectors. Year-to-date, we have acquired nearly $1.2B of assets, predominantly in the residential and industrial sectors. As a result of our strategic deployment, as of quarter-end, AREIT has 68% invested in these two sectors, which we believe will continue to benefit from robust rent growth, low vacancy rates, and demographic and consumer tailwinds driving demand. Additionally, to diversify capital deployment during a rising interest rate environment, we have been focused on expanding our direct debt investment portfolio by leveraging the broader Ares credit relationships and platform, originating floating rate loans collateralized by high quality assets that provide stability and higher-relative yields that can act as a natural hedge to interest rates.

We continue to closely monitor the impacts of rising interest rates, inflation and the economy and actively factor these conditions into our valuations. As these broader market challenges evolve, we expect to see future opportunities. We also believe our portfolio is defensively positioned with a leased rate of 95.7% and modest leverage at 31.7%[5] of which approximately 90% is hedged (excluding our line of credit). We remain disciplined in our conservative approach to leverage, underwriting and asset selection while continuing to execute on accretive opportunities to grow the portfolio. As always, we thank you for your continued partnership, and for giving us the opportunity to invest in the real estate sector on your behalf.

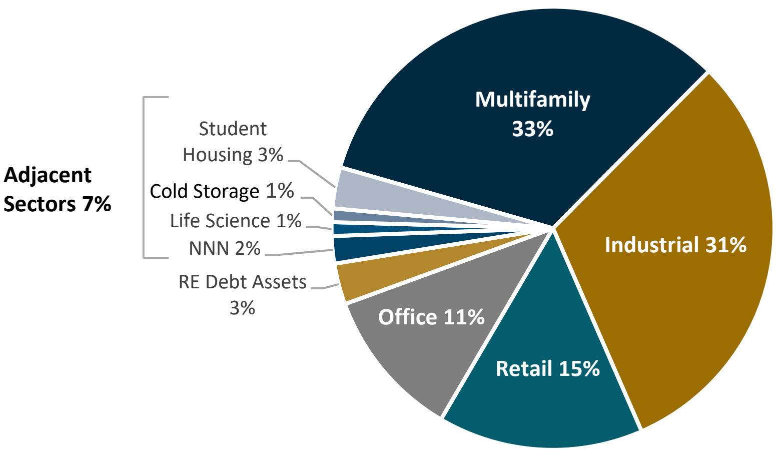
— The Ares Real Estate Team

PORTFOLIO AT-A-GLANCE

$4.9B	89	33	95.7%	395	4,562
Total Asset Value[6]	Properties	Markets	Leased[7]	Commercial Tenants	Residential Units

SECTOR ALLOCATION

Our diversified portfolio is anchored in the four most established property sectors, with strategic allocations to complementary sectors



68% Industrial and Residential

Growth & Appreciation Potential

Our highest conviction sectors — benefiting from e-commerce and demographics tailwinds, we believe these sectors have the largest appreciation potential

26% Retail and Office

Income Opportunities

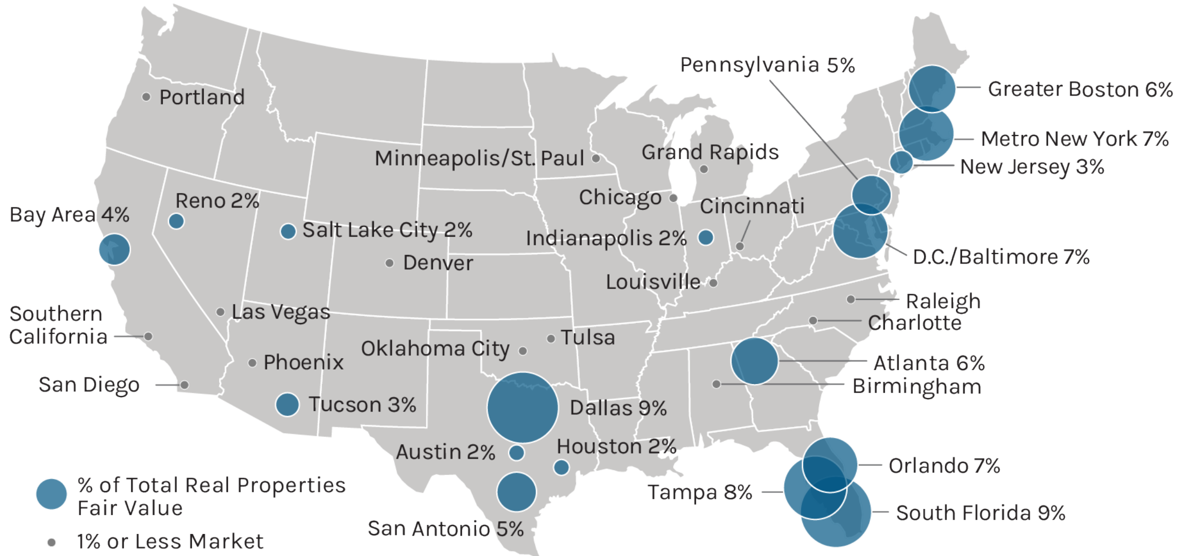
Necessity-based retail centers and boutique suburban office help support our monthly distributions to investors

6% Complementary Sectors

Diversified income & appreciation sources

Triple net lease, real estate debt and life science assets further diversify the portfolio's income and potential appreciation sources

GEOGRAPHIC DIVERSIFICATION



PERFORMANCE SUMMARY[1]

Share Class	Quarterly	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception Annualized	Annualized Distribution Rate[2]
Class I	1.37%	12.30%	18.58%	11.75%	8.76%	8.07%	8.07%	4.22%
Class D	1.31%	12.10%	18.29%	11.47%	8.49%	7.67%	7.67%	3.97%
Class T/S at NAV[8]	1.15%	11.60%	17.58%	10.81%	7.85%	7.36%	7.36%	3.37%
Class T/S with Sales Charge[8]	-2.27%	7.82%	13.61%	9.54%	7.11%	7.23%	7.23%	3.26%

Past performance is not a guarantee of future results.

[1] 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. NAV-based calculations involve significant professional judgments and the calculated value of our assets and liabilities may differ from our 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 your 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. We have recorded approximately $18,227,000 in net income for the 6 months ended June 30, 2022.

[2] 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 the presented returns of Class I, D, S and T shares reflect 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.

[3] 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.

[4] See AREIT's Current Report on Form 8-K, filed with the SEC on October 14, 2022 for important additional information concerning the calculation of our NAV as of September 30, 2022. NAV is calculated in accordance with valuation procedures adopted by AREIT's board and is not subject to accounting principles generally accepted in the United States (GAAP). NAV will likely differ from the GAAP value of our equity reflected in our financial statements. As of June 30, 2022, AREIT's total equity under GAAP was approximately $1,000,933,000 and AREIT's total GAAP equity per share was $4.38. GAAP total equity per share/unit is presented on a "blended" share class/unit basis and is calculated as total equity divided by the aggregate number of outstanding shares issued by AREIT and units issued by AREIT Operating Partnership LP. Please click here for a reconciliation of our GAAP total equity to our NAV.

[5] Calculated as outstanding principal balance of our borrowings less cash and cash equivalents, divided by the fair value of our real property and debt-related investments not associated with the DST Program (determined in accordance with our valuation procedures).

[6] 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, as applicable, plus cash and cash equivalents.

[7] Amount excludes our residential properties as the majority of leases at such properties expire within 12 months.

[8] 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.

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 amend, suspend or terminate 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 six months ended June 30, 2022 were 100% funded from cash flows from operations. Our cash distributions for the years 2012 to 2021 were fully funded from our operations on an annualized basis. 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.