

Ares Strategic Income Fund

Quarterly Update Letter – 1Q24 (as of March 31, 2024)

Ares Wealth Management Solutions ("AWMS," "we," "us," or "our") is pleased to provide you a performance and portfolio positioning update on Ares Strategic Income Fund ("ASIF" or the "Fund") as of March 31, 2024.

ASIF Overview

ASIF is a credit solution that seeks to generate current income, the potential for capital appreciation and attractive risk-adjusted returns through market cycles.¹

ASIF is designed to leverage the power of the Ares Credit Group, which we believe has one of the most experienced direct lending capabilities, having invested across various market environments since 2004. As of March 31, 2024, the Ares Credit Group had \$308.6 billion in AUM and 575+ dedicated investment professionals.

Performance Overview

We believe ASIF is off to a strong start to the year driven primarily by net investment income generation with some realized and unrealized gains across the portfolio. In Q1 2024, ASIF returned 2.68% percent with respect to Class I shares, with a net asset value (NAV) of \$27.30 per Class I share.²

Performance Summary^{2,3,4}

	1 Month	3 Month	YTD	1 Year	ITD ⁵
Class S with Upfront Placement Fees and Brokerage Commissions ⁶	-2.42%	-1.12%	-1.12%	N/A	3.12%
Class S	1.12%	2.47%	2.47%	N/A	6.86%
Class D with Upfront Placement Fees and Brokerage Commissions ⁶	-0.35%	1.08%	1.08%	N/A	5.68%
Class D	1.17%	2.62%	2.62%	N/A	7.29%
Class I	1.19%	2.68%	2.68%	12.91%	11.97%

The performance data quoted represents past performance and is not a guarantee of future results. Inception date is December 5, 2022 for Class I shares and August 1, 2023 for Class D and Class S shares. Returns quoted less than one year are cumulative. Your returns and the principal value of your investment will fluctuate so that your shares, when repurchased, may be worth more or less than their original cost. Current performance may be higher or lower than the performance quoted above. For information current to the most recent month-end, go to <https://areswmsresources.com/investment-solutions/asif/>.

At-A-Glance

12/05/22

INCEPTION DATE⁵

\$3.7B

TOTAL ASSETS

Distribution Summary³

8.57%

CLASS S

9.17%

CLASS D

9.42%

CLASS I

Portfolio Activity

Investment activity to date has been driven by Ares Credit Group's origination and sourcing capabilities, scale, incumbency, flexibility and creative capital solutions, both in competitive markets and times of market dislocation. Throughout the Fund's life-to-date, we believe ASIF has been able to distinguish itself by providing a stable source of capital in new investments that can offer attractive risk-adjusted return profiles for its investors. Furthermore, the Fund has benefited from robust deal activity across our platform as scaled direct lenders continue to be in demand. This has translated into ASIF building a brand new, scaled and diversified \$3.7 billion portfolio with a focus on directly originated, senior secured, floating rate loans, underwritten in this environment. The weighted average EBITDA of companies in the portfolio is \$363 million, however, the Fund continues to provide broad based access to direct lending markets with a median EBITDA of existing portfolio companies of \$64 million.^{7,8,9} ASIF's Portfolio companies also have continued to perform well with year-on-year average EBITDA growth of ~17% with companies remaining well covered from an interest expense perspective.⁸

During the quarter, the Fund added a number of positions to the portfolio across multiple sectors including consumer services and insurance services. The Fund's largest sector exposure remains software and services, which we believe represents a sector that is resilient and diversified across various end markets. In addition, the portfolio remains highly diversified across position sizes and remains focused on identifying performing companies with leading and defensible market positions, strong management teams, and solid free cash flow generation. The Fund's portfolio also remains focused on being senior in the capital structure of its portfolio companies with 90.7% in first lien senior secured loans with ample equity cushion beneath the Fund's loans in the capital structure. We are encouraged by the building pipeline of investment opportunities and we anticipate continued steady deployment through 2024, but remain highly selective given the current market backdrop.

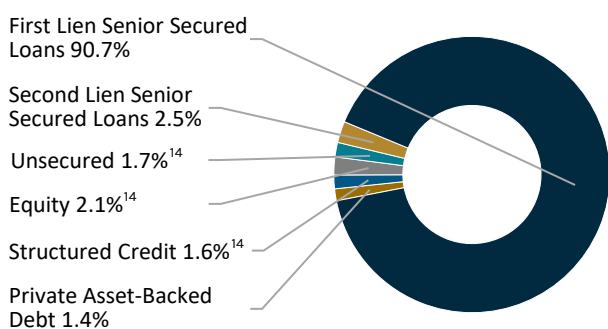
Outlook

Ares Credit Group, in addition to market participants, expect interest rates to remain elevated for the foreseeable future even if they are believed to have peaked, which should be a tailwind for income generated by floating rate assets.¹⁰ While the market has experienced a relatively muted M&A environment through the first quarter of the year, we expect strong transaction volume this year given the robust level of private equity capital available that has largely gone undeployed with mounting pressure from investors to receive distributions. Furthermore, we believe there is more clarity on the future path of interest rates, inflation and the economy which should create additional deal flow. Despite increasing competition from the banks to finance larger transactions, we believe the private credit space remains well positioned to generate attractive risk adjusted returns as transaction activity continues to increase. Today, we believe private lenders are finding more attractive value in the core middle market, benefitting managers who cover the entire market independent of company size. Private lenders' ability to provide speed, certainty, flexibility and partnership we believe will also support borrowers opting to go with a private credit solution. We also believe scaled, established managers with experience managing risk through difficult periods with vast sourcing capabilities across the company size spectrum to seek the best risk-adjusted returns, will outperform and capitalize on attractive deal terms.

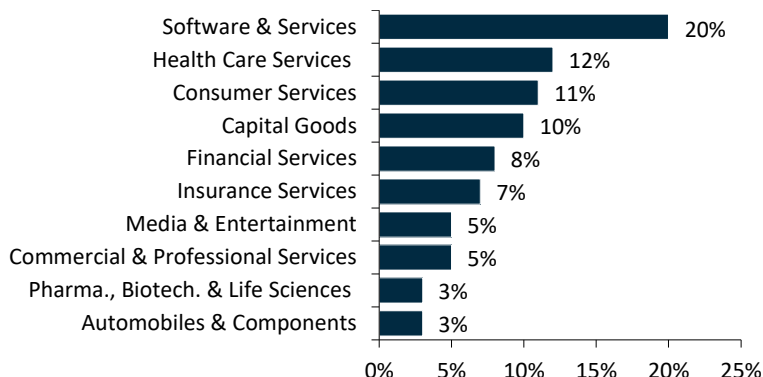
Differentiated Access to Private Credit, Powered by a Leading Credit Platform

323	93%	97%	0.38x	35%	0.3%
Number of Portfolio Companies	Senior Secured	Floating Rate Debt ¹¹	Fund Leverage	Average Loan-To-Value ^{9,12}	Average Position Size ¹³

Portfolio by Asset Class



Top 10 Industries



Top 10 Holdings¹⁵

Company Name	Investment Type	Sector	(%)
Cloud Software Group, Inc. and Picard Parent, Inc.	First lien	Software & Services	1.2%
Burgess Point Purchaser Corporation	First lien	Capital Goods	1.2%
Equinox Holdings, Inc.	First lien	Consumer Services	1.2%
RealPage, Inc.	Second lien	Software & Services	1.1%
Proofpoint, Inc.	First lien	Software & Services	1.0%
Netsmart, Inc. and Netsmart Technologies, Inc.	First lien	Software & Services	1.0%
Aptean, Inc. and Aptean Acquiror Inc.	First lien	Software & Services	1.0%
Truck-Lite Co., LLC, Ecco Holdings Corp. and Clariance Technologies, LLC	First lien	Automobiles & Components	1.0%
The Edelman Financial Center, LLC	Second lien	Financial Services	1.0%
athenahealth Group Inc.	First lien	Health Care Services	1.0%

1. ASIF seeks to invest primarily in first lien senior secured loans, second lien senior secured loans, subordinated secured and unsecured loans, subordinated debt, and other types of credit instruments made to or issued by U.S. middle-market companies. ASIF generally defines U.S. middle-market companies as companies with annual net income before net interest expense, income tax expense, depreciation and amortization ("EBITDA") between \$10 million and \$250 million.
2. Shares are offered monthly on the first day of the applicable month. All capital is funded upfront (no capital calls). Subscription requests must be received at least five business days before the first day of each month (unless waived by the intermediary manager) and net asset value ("NAV") will be available generally within 20 business days after the effective date of the purchase.
3. **Distributions are not guaranteed.** Distributions are calculated by annualizing the current month's declared distribution per share and dividing by the prior month's NAV. Distributions may be funded through cash flow from operations, as well as other sources including the sale of assets, borrowings, return of capital or offering proceeds. Distributions may be funded, directly or indirectly, from temporary waivers or expense reimbursements borne by the Fund's investment adviser ("investment adviser") that may be subject to reimbursement. The Fund has not established limits on the amounts it may distribute from such sources. As of March 31, 2024, 100% of inception to date distributions were funded from cash flows from operations.
4. Total return is calculated as the change in monthly NAV per share during the period plus distributions per share (assuming any distributions, net of distribution and/or shareholder servicing fees, are reinvested in accordance with the Fund's distribution reinvestment plan) divided by the beginning NAV per share, which is calculated after the deduction of ongoing expenses that are borne by investors, such as management fees, incentive fees, distribution and/or shareholder fees, interest expense, offering costs, professional fees, trustee fees and other general and administrative expenses. There can be no assurance that ASIF will achieve its investment objective or avoid substantial losses. The information presented is for a very limited amount of time and is not representative of the long-term performance of the Fund.
5. Inception date is December 5, 2022 for Class I shares and August 1, 2023 for Class D and Class S shares.
6. ASIF does not charge investors an upfront sales load with respect to Class S shares, Class D shares or Class I shares. However, if you buy Class S shares or Class D 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 S shares and 1.5% of NAV for Class D shares. Class D and Class S shares listed as With Upfront Placement Fees and Brokerage Commissions reflect the returns after the maximum upfront placement fees and brokerage commissions. Class S and Class D shares listed as 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. The portfolio weighted average EBITDA and median EBITDA for the underlying borrowers includes information solely in respect of each private debt investment in ASIF's portfolio for which fair value is determined in good faith by the investment adviser, subject to the ASIF board of trustees' ("Board") oversight. Excluded from the data above is information in respect of the following: (i) portfolio companies that do not report EBITDA and (ii) portfolio companies with negative or de minimis EBITDA. Weighted average EBITDA amounts are weighted based on the fair value of the portfolio company investments. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by the investment adviser or the Fund and may reflect a normalized or adjusted amount. Accordingly, neither the investment adviser nor the Fund makes any representation or warranty in respect of this information.
8. EBITDA is a non-GAAP financial measure. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by the investment adviser or the Fund, and may reflect a normalized or adjusted amount. Accordingly, neither the investment adviser nor the Fund makes any representation or warranty in respect of this information.
9. Fair value is determined in good faith by the investment adviser, subject to Board oversight, based on among other things, the input of ASIF's independent third-party valuation firms that have been engaged to support the valuation of such portfolio investments at least quarterly (with certain de minimis exceptions) and under a valuation policy and a consistently applied valuation process.
10. Based on Ares' observations of the current market. There are no guarantees that these current market trends will continue or that the Fund will be able to make investments based on these observed trends.
11. As a percentage of debt investments.
12. As of March 31, 2024. Includes all private debt investments for which fair value is determined in good faith by the investment adviser, subject to Board oversight and excludes quoted assets. Weighted average loan-to-value ("LTV") represents the net ratio of LTV for each portfolio company, weighted based on the fair value of total applicable ASIF private debt investments. LTV is calculated as the current total net debt through each respective loan tranche held by ASIF divided by the estimated enterprise value of the portfolio company as of the most recent quarter end.
13. Average of the amortized cost divided by total portfolio at amortized cost for each portfolio company.
14. "Unsecured" includes 1.4% of senior subordinated loans and 0.3% bonds. "Equity" includes 1.2% of preferred equity and 0.9% of other equity. "Structured Credit" includes 1.5% CLO debt and 0.1% CMBS.
15. Measured as the fair value of investments for each category against the total fair value of all investments.

Important Information and Risks

Summary of Risk Factors

Investing in the Fund's common shares of beneficial interest (Shares) involves a number of significant risks. The following information is a list of material risk factors associated with an investment in the Shares specifically, as well as those factors generally associated with an investment in the Fund. In addition to the other information contained in this letter and the Fund's prospectus (Prospectus), you should consider carefully the following information before making an investment in the Shares. If any of the following events occur, the Fund's business, financial condition and results of operations could be materially and adversely affected. In such cases, the NAV of the Shares could decline, and you may lose all or part of your investment. Along with the risks listed under the heading "Risk Factors" in the Prospectus, please also consider the following:

- The Fund has a limited operating history and there is no assurance that it will achieve its investment objective.
- There may be changes in laws or regulations (including interpretations thereof), including tax laws, governing the Fund's operations or the operations of its portfolio companies or the operations of its competitors.
- The Fund does not intend to list the Shares on any securities exchange and does not expect a secondary market in the Shares to develop. Because you may be unable to sell your Shares, you will be unable to reduce your exposure in any market downturn.
- You should consider that you may not have access to the money you invest for an extended period of time. An investment in the Shares is not suitable for you if you need access to the money you invest. See "Suitability Standards" and "Share Repurchase Program" in the Prospectus. An investment in the Shares is suitable only for investors with the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Shares.
- At the discretion of the Board, the Fund commenced a share repurchase program, but only a limited number of Shares will be eligible for repurchase and repurchases will be subject to available liquidity and other significant restrictions. The Board may amend, suspend or terminate the share repurchase program at any time. See "Share Repurchase Program" in the Prospectus.
- The Fund cannot guarantee that it will make distributions, and if it does, the Fund may fund such distributions from sources other than cash flow from operations, including the sale of assets, borrowings, return of capital or offering proceeds, and there are no limits on the amounts that the Fund may pay from such sources. Distributions may exceed the Fund's earnings and profits, especially during the period before the Fund has substantially invested the proceeds from the offering. As a result, a portion of the distributions that the Fund makes may represent a return of capital for tax purposes. A return of capital is a return of a portion of your original investment in the Shares.
- Distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by the investment adviser or its affiliates that may be subject to reimbursement to the investment adviser or its affiliates. The repayment of any amounts owed to the Fund's affiliates will reduce the Fund's NAV and may reduce future distributions to which you would otherwise be entitled.
- The Fund uses leverage, which will magnify the potential for loss on amounts invested in the Fund.
- The Fund qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act and cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make the Shares less attractive to investors.

- The Fund invests in instruments that are typically unrated or rated below investment grade. Generally, the Fund believes that if its unrated investments were rated, they would be rated below investment grade. Bonds that are rated below investment grade are sometimes referred to as "high yield bonds" or "junk bonds." These unrated and below investment grade instruments have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may also be illiquid and difficult to value. The Fund intends to invest significantly in the junk bonds. Certain Ares funds may have investment objectives that compete or overlap with, and may from time to time invest in asset classes similar to those targeted by, the Fund. As a result, the Fund, on the one hand, and these other entities, on the other hand, may from time to time pursue the same or similar capital and investment opportunities. Ares and the investment adviser endeavor to allocate investment opportunities in a fair and equitable manner, and in any event consistent with any fiduciary duties owed to the Fund, nevertheless, it is possible that the Fund may not be given the opportunity to participate in certain investments made by investment funds managed by investment managers affiliated with Ares (including the investment adviser and its affiliates).
- Economic recessions or downturns could impair the Fund's portfolio companies and harm its operating results.

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. No offering is made except by the Prospectus filed with the Securities and Exchange Commission (SEC) and the Department of Law of the State of New York. Neither the SEC, the Attorney-General of the State of New York nor any other state securities regulator has approved or disapproved of the securities or determined if the Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Forward-Looking Statement Disclosure

This letter may contain words such as "anticipates," "believes," "expects," "intends," "projects," "estimates," "will," "should," "could," "would," "likely," "may" and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should not place undue reliance on these forward-looking statements, which are based on information available to the Fund as of the date on the cover of this letter. Except as required by the federal securities laws, the Fund undertakes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements in this letter are excluded from the safe harbor protection provided by Section 27A of the Securities Act and Section 21E of the Exchange Act. The Fund's actual results and condition could differ materially from those implied or expressed in the forward-looking statements or from the Fund's historical performance for any reason, including the factors set forth in "Summary of Risk Factors" and the other information included in this content and in the Prospectus, including the documents incorporated by reference into the Prospectus.

Additional Important Disclosures

This content, developed by AWMS, distributor of the Fund, should not be used as a primary basis for investment decisions and is not intended to serve as investment or fiduciary advice. These materials also contain information about Ares and certain of its personnel and affiliates whose portfolios are managed by Ares or its affiliates. Information about the Fund or its investment strategy is not and should not be interpreted as a guarantee of future performance. Future results are subject to any number of risks and factors, many of which are beyond the control of the Fund, its investment adviser, or its distributor. In addition, an investment in the Fund will be discrete from an investment in any other fund or account managed by Ares (an Ares Fund) and will not be an investment in Ares. As such, neither the realized returns nor the unrealized values attributable to one Ares Fund are directly applicable to an investment in any other Ares Fund. Funds may engage in speculative investment practices such as leverage, short-selling, arbitrage, hedging, derivatives, and other strategies that may increase investment loss. Investors may suffer the loss of their entire investment. In addition, in light of the various investment strategies of such other Ares Funds, it is noted that such other investment programs may have portfolio investments inconsistent with those of the Fund. Ares Capital Management LLC serves as the Fund's investment adviser. The investment adviser's ASIF Investment Committee is responsible for making investment decisions for the Fund's portfolio. AWMS is the distributor for the Fund.

This material was not created by any third-party registered broker-dealers or investment advisers who are distributing shares of the Fund (each, a "Dealer"). The Dealers are not affiliated with the Fund and have not prepared the material or the information herein.

Investments mentioned in this material may not be in the best interest of, or suitable for, all investors. Any product discussed herein may be purchased only after an investor has carefully reviewed the Prospectus and executed the subscription documents.

Alternative investments often are speculative, typically have higher fees than traditional investments, often include a high degree of risk and are in the best interest of, or suitable for, eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase volatility and risk of loss. Opinions expressed herein reflect the current opinions of Ares as of the date appearing in the materials only and are based on Ares' opinions of the current market environment, which is subject to change.

Shareholders, financial professionals and prospective investors should not rely solely upon the information presented in this letter when making an investment decision and should review the most recent prospectus, as supplemented, available at <https://www.areswms.com/ares-wealth-management-solutions/investors/asif>.

Certain information contained in this material discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. Further, opinions expressed herein may differ from the opinions expressed by a Dealer and/or other businesses or affiliates of a Dealer. This is not a "research report" as defined by FINRA Rule 2241 and was not prepared by the research departments of a Dealer or its affiliates.

AWMS, an affiliate of the investment adviser, is a member of FINRA and is a broker-dealer whose purpose is to distribute Ares' managed or affiliated products. AWMS provides services to its Ares affiliates, not to investors in its funds, strategies or other products. AWMS does not make any recommendation regarding, and will not monitor, any investment. As such, when AWMS presents an investment strategy or product to an investor, AWMS does not collect the information necessary to determine, and AWMS does not engage in a determination regarding, whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with a professional advisor to determine whether it is advisable for you to invest in any Ares strategy or product. Please note that AWMS may not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account.

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.

This is neither an offer to sell nor a solicitation to purchase the securities described herein. An offering is made only by the Prospectus to individuals who meet minimum suitability requirements. This material is authorized only when it is accompanied or preceded by the Prospectus and must be read in conjunction with the Prospectus in order to fully understand all of the implications and risk of the offering to which the Prospectus relates. 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 <https://www.areswms.com/ares-wealth-management-solutions/investors/asif>. Investors should consult with their financial advisor about the suitability of the Fund for their portfolio.



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