Risk Factors Comparison 2024-02-27 to 2023-02-24 Form: 10-K

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Risk Factor Summary Our businesses are subject to a number of inherent risks. We believe that the primary risks affecting our businesses and an investment in shares of our Class A common stock are: **• difficult market and political conditions may adversely affect our businesses in many ways, including by reducing the value or hampering the performance of the investments made by our funds or reducing the ability of our funds to raise or deploy capital;** • we operate in a complex regulatory and tax environment involving rules and regulations (both domestic and foreign), some of which are outdated relative to today' s global financial activities and some of which are subject to political influence, which could restrict or require us to adjust our operations or the operations of our funds or portfolio companies and subject us to increased compliance costs and administrative burdens, as well as restrictions on our business activities; • inflation has adversely affected and may continue to adversely affect our business, results of operations and financial condition of our funds and their portfolio companies ~~; • challenging market and political conditions in the U. S. and globally, including risks in respect of a failure to increase the U. S. debt ceiling and the conflict between Russia and Ukraine, may reduce the value or hamper the performance of the investments made by us and our funds or impair the ability of our funds to raise or deploy capital; • we are subject to risks related to COVID-19, which have affected and may continue to affect various aspects of our and our funds' businesses~~ ; • if we are unable to raise capital from investors or deploy capital into investments, or if any of our management fees are waived or reduced, or if we fail to realize investments and generate carried interest or incentive fees, our revenues and cash flows would be materially reduced; • we are subject to risks related to our ~~dependency~~ **dependence** on ~~our~~ members of the Executive Management Committee, senior professionals and other key personnel as well as attracting, retaining and developing human capital in a highly competitive talent market; • we may experience reputational harm if we fail to appropriately address conflicts of interest or if we, our employees, our funds or ~~our~~ **their** portfolio companies fail (or are alleged to have failed) to comply with applicable regulations in an increasingly complex political and regulatory environment; • we face intense competition in the investment management business for investment opportunities; • our growth strategy contemplates acquisitions and entering new lines of business and expanding into new investment strategies, geographic markets and businesses, which subject us to numerous risks, expenses and uncertainties, including related to the integration of development opportunities, acquisitions or joint ventures; • we derive a significant portion of our management fees from ARCC; • economic U. S. and foreign sanction laws may prohibit us and our affiliates from transacting with certain countries, individuals and companies; • our international operations subject us to numerous regulatory, operational and reputational risks and expenses; • we are subject to operational risks and risks in using prime brokers, custodians, counterparties, administrators and other agents; • the increasing demands of fund investors, including the potential for fee compression and changes to other terms, could materially adversely affect our future revenues; • we and our third- party service providers may be subject to cybersecurity risks and our business could be adversely affected by changes to data protection laws and regulations; • we may be subject to litigation and reputational risks and related liabilities or risks related to employee misconduct, fraud and other deceptive practices; • **increases in interest rates could negatively impact the values of certain assets or investments and the ability of our funds and their portfolio companies to access the debt markets on attractive terms, which could adversely impact investment and realization opportunities; •** the use of leverage by us and our funds exposes us to substantial risks, including related to the selection of a replacement for **London Interbank Offered Rate ("** LIBOR **")** ; • asset valuation methodologies can be highly subjective and the value of assets may not be realized; • our funds may perform poorly due to market conditions, political actions or environments, monetary and fiscal policy or other conditions beyond our control; • third- party investors in our funds may not satisfy their contractual obligation to fund capital calls **or may exercise redemption, termination or dissolution rights** ; • we are subject to risks relating to our contractual rights and obligations under our funds' governing documents and investment management agreements; • a downturn in the global credit markets could adversely affect our CLO investments; • due to our and our funds' investments in certain market sectors, such as power, infrastructure and energy, real estate and insurance, we are subject to risks and regulations inherent to those industries; • if we were deemed to be an " investment company " under the Investment Company Act, applicable restrictions could make it impractical for us to continue our businesses as contemplated; • due to the Holdco Members ownership and control of our shares of common stock, holders of our Class A common stock will generally have no influence over matters on which holders of our common stock vote and limited ability to influence decisions regarding our business; • we are subject to risks related to our categorization as a " controlled company " within the meaning of the NYSE listing standards; • potential conflicts of interest may arise among the holders of Class B and Class C common stock and the holders of our Class A common stock; • our holding company structure, Delaware law and contractual restrictions may limit our ability to pay dividends to the holders of our Class A and non- voting common stock; • other anti- takeover provisions in our charter documents could delay or prevent a change in control; and • we are subject to risks related to our tax receivable agreement **(the " TRA ")** . Risks Related to Our Businesses Difficult market and political conditions may adversely affect our businesses in many ways, including by reducing the value or hampering the performance of the investments made by our funds or reducing the ability of our funds to raise or deploy capital, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition. Our businesses are materially affected by conditions in the global financial markets and economic and political conditions throughout the world, such as interest rates, the availability and cost of credit, **persistent** inflation ~~rates~~ , changes in laws (including laws relating to our taxation, taxation of our investors and the possibility of changes to regulations applicable to alternative asset managers), trade policies, commodity prices, tariffs, currency

exchange rates and controls and national and international political circumstances (including wars and other forms of conflict, civil unrest, terrorist acts, and security operations), general economic uncertainty and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, other adverse weather and climate conditions and pandemics. These factors are outside of our control and may affect the level and volatility of securities prices and the liquidity and value of investments, and we may not be able to or may choose not to manage our exposure to these conditions. Global financial markets have experienced heightened volatility in recent periods, including as a result of economic and political events in or affecting the world' s major economies, such as **the conflict between Russia and Ukraine and more recently between Israel and Hamas and the** ongoing **instability** ~~uncertainty following the end of the Brexit transitional period on December 31, 2020, hostilities~~ in the Middle East region ~~and more recently between Russia and Ukraine~~ . Sanctions imposed by the U. S. and other countries in connection with hostilities between Russia and Ukraine **and the tensions between China and Taiwan** have caused additional financial market volatility and affected the global economy. Concerns over increasing inflation, **economic recession,** as well as interest rate volatility and fluctuations in oil and gas prices resulting from global production and demand levels, as well as geopolitical tension, have exacerbated market volatility **. Market uncertainty and volatility have also been magnified as a result of the upcoming 2024 U. S. presidential and congressional elections and resulting uncertainties regarding actual and potential shifts in U. S. and foreign, trade, economic and other policies** . In addition, numerous structural dynamics and persistent market trends have exacerbated volatility and market uncertainty. Concerns over significant volatility in the commodities markets, sluggish economic expansion in foreign economies, including continued concerns over growth prospects in China and emerging markets, growing debt loads for certain countries, uncertainty about the consequences of the U. S. and other governments withdrawing monetary stimulus measures and speculation about a possible recession all highlight the fact that economic conditions remain unpredictable and volatile. U. S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns or a recession in the U. S. In recent periods, geopolitical tensions, including between the U. S. and China, have escalated. Further escalation of such tensions and the related imposition of sanctions or other trade barriers may negatively impact the rate of global growth, particularly in China, where growth has slowed. Moreover, there is a risk of both sector- specific and broad- based volatility, corrections and / or downturns in the commodities, equity and credit markets. Any of the foregoing could have a significant impact on the markets in which we operate and a material adverse impact on our business prospects and financial condition. A number of factors have had and may continue to have an adverse impact on credit markets in particular. The weakness and the uncertainty regarding the stability of the oil and gas markets resulted in a tightening of credit across multiple sectors. In addition, in an effort to combat inflation the Federal Reserve has increased the federal funds rate in ~~2022~~ **2023 . Although** ~~and is widely expected to further increase~~ the ~~federal~~ **Federal** ~~funds~~ **Reserve left its benchmark rates steady in the fourth quarter of 2023, it has indicated that additional** rate **increases** in ~~2023~~ **the future may be necessary to mitigate inflationary pressures** . Changes in and uncertainty surrounding interest rates may have a material effect on our business, particularly with respect to the cost and availability of financing for significant acquisition and disposition transactions. Moreover, while conditions in the U. S. economy have generally improved since the credit crisis, many other economies continue to experience weakness, tighter credit conditions and a decreased availability of foreign capital. Since credit represents a significant portion of our business and ongoing strategy, any of the foregoing could have a material adverse impact on our business prospects and financial condition. These and other conditions in the global financial markets and the global economy may result in adverse consequences for us and ~~many of~~ our funds, each of which could adversely affect the business of such funds, restrict such funds' investment activities, impede such funds' ability to effectively achieve their investment objectives and result in lower returns than we anticipated at the time certain of our investments were made. More specifically, these economic conditions could adversely affect our operating results by causing: • decreases in the market value of securities, debt instruments or investments held by some of our funds; • illiquidity in the market, which could adversely affect transaction volumes and the pace of realization of our funds' investments or otherwise restrict the ability of our funds to realize value from their investments, thereby adversely affecting our ability to generate performance or other income; • our assets under management to decrease, thereby lowering a portion of our management fees payable by our funds to the extent they are based on market values; and • increases in costs or reduced availability of financial instruments that finance our funds. During periods of difficult market conditions or slowdowns (which may be across one or more industries, sectors or geographies), companies in which we **and our funds** invest may experience decreased revenues, financial losses, credit rating downgrades, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies may also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due, including expenses payable to us **and our funds** . Negative financial results in our funds' portfolio companies may reduce the value of ~~our~~ **their** portfolio companies, the net asset value of our funds and the investment returns for our funds, which could have a material adverse effect on our operating results and cash flow. In addition, such conditions would increase the risk of default with respect to credit- oriented or debt investments. Our funds may be adversely affected by reduced opportunities to exit and realize value from their investments, by lower than expected returns on investments made prior to the deterioration of the credit markets and by our inability to find suitable investments for the funds to effectively deploy capital, which could adversely affect our ability to raise new funds and thus adversely impact our prospects for future growth. Inflation has adversely affected and may continue to adversely affect our business, results of operations and financial condition of our funds and their portfolio companies. Certain of our funds and their portfolio companies are in industries that have been impacted by inflation. ~~Recent~~ **Although the U. S. inflation rate has decreased in the fourth quarter, it remains well above the historic levels over the past several decades. Such** inflationary pressures have increased the costs of labor, energy and raw materials and have adversely affected consumer spending, economic growth and our funds' portfolio companies' operations. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results. In addition, any projected future decreases in the operating

results of our funds' portfolio companies due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our fund investments could result in future realized or unrealized losses. Political and regulatory conditions, including the effects of negative publicity surrounding the financial industry in general and proposed legislation, could adversely affect our businesses. As a result of market disruptions and highly publicized financial scandals in recent years, regulators and investors have exhibited concerns over the integrity of the U. S. financial markets. The businesses that we operate both in and outside the U. S. will be subject to new or additional regulations. We may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the ~~Commodity Futures Trading Commission (the "~~CFTC ~~")~~, FINRA or other U. S. or foreign governmental regulatory authorities or self- regulatory organizations that supervise the financial markets. We may also be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self- regulatory organizations. In recent periods there has been an increasing level of public discourse, debate and media coverage regarding the appropriate extent of regulation and oversight of the financial industry, including investment firms, as well as the tax treatment of certain investments and income generated from such investments. For further discussion regarding legislation affecting the taxation of carried interest, see " — We depend on the members of the Executive Management Committee, senior professionals and other key personnel, and our ability to retain them and attract additional qualified personnel is critical to our success and our growth prospects. " There is ongoing uncertainty regarding prospective changes in law and regulation affecting the U. S. private equity industry, including the possibility of significant revision to the Code and U. S. securities and financial laws, rules and regulations. See " — Risks Related to Taxation — Applicable U. S. and foreign tax law, regulations, or treaties, and changes in such tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely affect our effective tax rate, tax liability, financial condition and results, ability to raise funds from certain foreign investors, increase our compliance or withholding tax costs and conflict with our contractual obligations " and " **—** Risks Related to Regulation — Extensive regulation affects our activities, increases the cost of doing business and creates the potential for significant liabilities and penalties that could adversely affect our businesses and results of operations. " The likelihood of occurrence and the effect of any such change is highly uncertain and could have an adverse impact on us, our **funds and their** portfolio companies ~~and our fund investors. The COVID- 19 pandemic has disrupted, and may continue to disrupt, the U. S. and global economy and industries in which we, our funds and our funds' portfolio companies operate and could potentially negatively impact us, our funds or our funds' portfolio companies. The COVID- 19 pandemic has adversely impacted global commercial activity and supply chain operations and has contributed to significant volatility in the equity and debt markets. Many countries, including the U. S., and states and municipalities in which we, our funds and our funds' portfolio companies operate, issued (and may re- issue) orders requiring the closure of, or certain restrictions on the operation of, certain businesses. Preventative measures taken to contain or mitigate the spread of COVID- 19 and its variants have caused, and may continue to cause, business shutdowns or the re- introduction of business shutdowns, significant fluctuations in demand for certain goods and services, supply chain disruptions and overall economic and financial market instability both globally and in the U. S. Such measures, as well as the general uncertainty surrounding the dangers and impact of the COVID- 19 pandemic, have created significant disruption in economic activity and have had a particularly adverse impact on the energy, hospitality, travel, retail and restaurant industries, and other industries in which certain of our funds' portfolio companies operate. Some of these effects persist. While many of the initial restrictions have been lifted, the risk of future COVID- 19 outbreaks remains and restrictions have been and may continue to be reimposed to mitigate risks to public health, both in the U. S. and globally. Moreover, even where restrictions are and remain lifted, certain groups of people may continue to self- isolate and not participate in the economy at pre- pandemic levels for a prolonged period of time, potentially further delaying global economic recovery. As a result, even after the COVID- 19 pandemic subsides, as a result of its effects the U. S. economy and other major markets may experience economic volatility and / or downturns, which could materially and adversely affect our and our funds' business and operations, as well as the business and operations of our funds' portfolio companies. Significant volatility and declines in valuations in the global markets as well as liquidity concerns due to the COVID- 19 pandemic and its effects may impair our ability to raise funds or deter fund investors from investing in new or successor funds that we are marketing. Additionally, our funds' portfolio companies have faced, or may face in the future, increased credit and liquidity risk due to volatility in financial markets, reduced or eliminated revenue streams, and limited or higher cost of access to preferred sources of funding, which could impact the ability of our funds' portfolio companies to meet their respective financial obligations and continue as going concerns. Our funds may experience a slowdown in the pace of their investment activity and capital deployment, which could also adversely affect the timing of raising capital for new or successor funds and could also impact the management fees we earn on funds that generate fees based on invested (and not committed) capital. Additionally, any asset price inflation driven by the COVID- 19 pandemic' s market dislocation may hamper our and our funds' ability to deploy capital or to deploy capital as profitably as we could if asset prices were not inflated. While the increased volatility in the financial markets caused by the COVID- 19 pandemic may present attractive investment opportunities, we or our funds may not be able to complete those investments due to, among other factors, increased competition or operational challenges such as our ability to obtain attractive financing. If the impact of the COVID- 19 pandemic and current market conditions continue, we and our funds may have fewer opportunities to successfully exit investments, due to, among other reasons, lower valuations, decreased revenues and earnings, lack of potential buyers with financial resources or access to financing to pursue an acquisition, lack of refinancing markets, resulting in a reduced ability to realize value from such investments at attractive valuations or at all, and thereby negatively impacting our realized income. The COVID- 19 pandemic necessitated an extended period of remote working by our employees. Although we have largely resumed in- office operations, ongoing usage of remote working could strain our technology resources and introduce operational risks, including heightened cybersecurity risk. While we have taken steps to secure our networks and systems, remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. In addition, our data~~

~~security, data privacy, investor reporting and business continuity processes could be impacted by a third party' s inability to perform due to the COVID- 19 pandemic or by failures of, or attacks on, their information systems and technology. We are continuing to monitor the impact of COVID- 19 and related risks, including risks related to the ongoing spread of COVID- 19 (including new variants) and efforts to mitigate the spread and deployment of vaccines. If the effects of the COVID- 19 pandemic and related mitigation efforts continue or recur, our business, financial condition, results of operations and cash flows could be materially adversely affected~~. Changes in relevant tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities may adversely affect our effective tax rate, tax liability and financial condition and results. Any substantial changes in domestic or international corporate tax policies, regulations or guidance, enforcement activities or legislative initiatives may adversely affect our business, the amount of taxes we are required to pay and our financial condition and results of operations generally. Our effective tax rate and tax liability is based on the application of current income tax laws, regulations and treaties. These laws, regulations and treaties are complex, and the manner in which they apply to us and our funds is sometimes open to interpretation. Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. Although management believes its application of current laws, regulations and treaties to be correct and sustainable upon examination by the tax authorities, the tax authorities could challenge our interpretation resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate. For an overview of certain relevant U. S. tax laws and relevant foreign tax laws, see " — Risks Related to Taxation — Applicable U. S. and foreign tax law, regulations, or treaties, and changes in such tax laws, regulations or treaties or an adverse interpretation of these items by tax authorities could adversely affect our effective tax rate, tax liability, financial condition and results, ability to raise funds from certain foreign investors, increase our compliance or withholding tax costs and conflict with our contractual obligations. " Our business depends in large part on our ability to raise capital from investors. If we were unable to raise such capital, we would be unable to collect management fees or deploy such capital into investments, which would materially reduce our revenues and cash flow and adversely affect our financial condition. Our ability to raise capital from investors depends on a number of factors, including many that are outside our control. Investors may downsize their investment allocations to alternative asset managers to rebalance a disproportionate weighting of their overall investment portfolio among asset classes. If the value of an investor' s portfolio decreases as a whole, the amount available to allocate to alternative investments could decline. Further, investors often evaluate the amount of distributions they have received from existing funds when considering commitments to new funds. Poor performance of our funds, or regulatory or tax constraints, could also make it more difficult for us to raise new capital. Our investors and potential investors continually assess our funds' performance independently and relative to market benchmarks and our competitors, which affects our ability to raise capital for existing and future funds. If economic and market conditions deteriorate or continue to be volatile, investors may delay making new commitments to ~~investment~~ funds and / or we may be unable to raise sufficient amounts of capital to support the investment activities of future funds. We may not be able to find suitable investments for the funds to effectively deploy capital, which could reduce our revenues and cash flow and adversely affect our financial condition as well as our ability to raise new funds and our prospects for future growth. In addition, certain investors have implemented or may implement restrictions against investing in certain types of asset classes, such as fossil fuels, which would affect our ability to raise new funds focused on those asset classes. If we were unable to successfully raise capital, our revenue and cash flow would be reduced, and our financial condition would be adversely affected. Furthermore, while our senior professionals have committed substantial capital to our funds, commitments from new investors may depend on the commitments made by our senior professionals to new funds and there can be no assurance that there will be further commitments to our funds by these individuals, and any future investments by them in our funds or other alternative investment categories will likely depend on the performance of our funds, the performance of their overall investment portfolios and other investment opportunities available to them. **The financial projections of our portfolio companies could prove inaccurate. Our funds generally establish the capital structure of portfolio companies on the basis of financial projections prepared by the management of such portfolio companies. These projected operating results will normally be based primarily on judgments of the management of the portfolio companies. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable, along with other factors may cause actual performance to fall short of the financial projections that were used to establish a given portfolio company' s capital structure. Because of the leverage that we typically employ in our investments, this could cause a substantial decrease in the value of our equity holdings in the portfolio company. The inaccuracy of financial projections could result in actual performance differing from expectations.** We depend on the diligence, skill, judgment, business contacts and personal reputations of the members of the Executive Management Committee, senior professionals and other key personnel. Our future success will depend upon our ability to retain our senior professionals and other key personnel and our ability to recruit additional qualified personnel. These individuals possess substantial experience and expertise in investing, are responsible for locating and executing our funds' investments, have significant relationships with the institutions that are the source of many of our funds' investment opportunities and, in certain cases, have strong relationships with our investors. Therefore, if any of our senior professionals or other key personnel join competitors or form competing companies, it could result in the loss of significant investment opportunities, limit our ability to raise capital from certain existing investors or result in the loss of certain existing investors **. There is no guarantee that the non- competition and non- solicitation agreements to which certain of our senior professionals and other key personnel are subject, together with our other arrangements with them, will prevent them from leaving, joining our competitors or otherwise competing with us. Such agreements also expire after a certain period of time, at which point such senior personnel would be free to compete against us and solicit our clients and employees. In addition, there is no assurance that such agreements will be enforceable in all cases, particularly as U. S. states and /**

or federal agencies enact legislation or adopt rules aimed at effectively prohibiting non- competition agreements. In this respect, in January 2023, the U. S. Federal Trade Commission (“ FTC ”) published a proposed rule that, if finally issued, would generally prohibit post- employment non- compete clauses (or other clauses with comparable effect) in agreements between employers and their employees. If issued, the proposed rule could adversely affect our ability to recruit and retain our professionals . The departure or bad acts of any of our senior professionals, or a significant number of our other investment professionals, could have a material adverse effect on our ability to achieve our investment objectives, cause certain of our investors to withdraw capital they invest with us or elect not to commit additional capital to our funds or otherwise have a material adverse effect on our business and our prospects. Turnover and associated costs of rehiring, the loss of human capital through attrition and the reduced ability to attract talent could impair our ability to implement our growth strategy and maintain our standards of excellence. Further the departure of some or all of those individuals could also trigger certain “ key person ” provisions in the documentation governing certain of our funds, which would permit the investors in those funds to suspend or terminate such funds’ investment periods or, in the case of certain funds, permit investors to withdraw their capital prior to expiration of the applicable lock- up date. We do not carry any “ key person ” insurance that would provide us with proceeds in the event of the death or disability of any of our senior professionals, and we do not have a policy that prohibits our senior professionals from traveling together. See “ — Risks Related to Regulation — Employee misconduct could harm us by impairing our ability to attract and retain investors and subjecting us to significant legal liability, regulatory scrutiny and reputational harm. ” We anticipate that it will be necessary for us to add investment professionals both to grow our businesses and to replace those who depart. Competition for qualified, motivated, and highly- skilled executives, professionals and other key personnel in investment management firms is significant, both in the U. S. and internationally, and we may not succeed in recruiting additional personnel or we may fail to effectively replace current personnel who depart with qualified or effective successors. ~~This competition has become exacerbated by the increase in employee resignations currently taking place throughout the U. S. as a result of the COVID- 19 pandemic, which is commonly referred to as the “ great resignation. ”~~ We seek to offer our personnel meaningful professional development opportunities and programs such as employee engagement, training and development opportunities and periodic review processes. We also seek to provide our personnel with competitive benefits and compensation packages. However, these efforts may not be sufficient to enable us to attract, retain and motivate qualified individuals to support our business and growth. ~~Furthermore, under the Public Law No. 115- 97 (the “ Tax Cuts and Jobs Act ”), investments must be held for more than three years, rather than the prior requirement of more than one year, for carried interest to be treated for U. S. federal income tax purposes as capital gain.~~ The ~~longer holding period requirement may result in some or all of our carried interest being treated as ordinary income, which would materially increase the amount of taxes that our employees and other key personnel would be required to pay. In January 2021, the U. S. Internal Revenue Service (the “ IRS ”) released final regulations implementing the carried interest provisions that were enacted as part of the Tax Cuts and Jobs Act. In addition, following the Tax Cuts and Jobs Act, the~~ tax treatment of carried interest has continued to be an area of focus for policymakers and government officials, which could result in a further regulatory action by federal or state governments. Congress and the current Presidential administration may consider legislation to further extend the holding period for carried interest to qualify for long- term capital gains treatment, have carried interest taxed as ordinary income rather than as capital gain, impose surcharges on carried interest or increase the capital gains tax rate. Tax authorities and legislators in other jurisdictions in which Ares has investments or employees could clarify, modify or challenge their treatment of carried interest. For example, the U. K. government has suggested, following a report by the Office of Tax Simplification on the U. K. Capital Gains Tax Regime, that it is keeping the regime under review. ~~There is a risk that such~~ **Such** review could result in a change to the taxation of carried interest with respect to our U. K. investment professionals. **If any of** ~~Additionally, the COVID- 19 pandemic may increase~~ these **potential** ~~risks as international authorities consider methods to increase tax revenues due to increasing fiscal deficits. In addition, there have been recent laws and regulations that regulate the compensation of certain of our employees. All of these~~ changes ~~may materially increase~~ **were effectuated,** the amount of taxes that our employees and other key personnel would be required to pay **could increase materially** and **could** ~~as a result may~~ impact our ability to recruit, retain and motivate employees and key personnel in the relevant jurisdictions or ~~may~~ **could** require us in certain circumstances to consider alternative or modified incentive arrangements for such employees or key personnel. Our efforts to retain and attract investment professionals may also result in significant additional expenses, which could adversely affect our profitability or result in an increase in the portion of our carried interest and incentive fees that we grant to our investment professionals. Additionally, we expect expenses related to equity- based compensation to increase in the future as we grant equity- based awards to attract, retain and compensate employees. Our failure to appropriately address conflicts of interest could damage our reputation and adversely affect our businesses. As we expand the number and scope of our businesses, we increasingly confront potential conflicts of interest relating to our and our funds’ investment activities. These conflicts are most likely to arise between or among our funds or between one or more funds across our Credit, Private Equity, Real Assets ~~,~~ **and** Secondaries ~~and Strategic Initiatives~~ Groups, **and other businesses** including any SPACs and similar investment vehicles that we sponsor. These conflicts of interest include: • we and certain of our funds may have overlapping investment objectives, including funds that have different fee structures, and potential conflicts may arise with respect to our decisions regarding how to allocate investment opportunities. For example, a decision to receive material non- public information about a company while pursuing an investment opportunity may give rise to a potential conflict of interest if it results in our having to restrict any fund or other part of our business from trading in the securities of such company; • we may allocate an investment opportunity that is appropriate for Ares and / or multiple funds in a manner that excludes one or more funds or results in a disproportionate allocation based on factors or criteria that we determine, such as differences with respect to available capital, the size of a fund, minimum investment amounts and remaining life of a fund, differences in investment objectives or current investment strategies, such as objectives or strategies, differences in risk profile at the time an opportunity becomes available, the potential transaction and

other costs of allocating an opportunity among various funds, potential conflicts of interest, including whether multiple funds have an existing investment in the security in question or the issuer of such security, the nature of the security or the transaction including the size of investment opportunity, minimum investment amounts and the source of the opportunity, current and anticipated market and general economic conditions, existing positions in an issuer / security, prior positions in an issuer / security and other considerations deemed relevant to us; • our ~~Private Equity Group~~ funds may acquire positions in a single portfolio company, for example, where the fund that made an initial investment no longer has capital available to invest; • ~~we~~ **our funds** may ~~cause~~ **invest in** different **parts of the capital structure of a company in which one or more of our other** funds ~~that we advise to purchase different classes of securities~~ **invests. For example, one or more funds may invest** in **a controlling or** ~~the~~ **other** ~~same~~ **equity interest issued by a** portfolio company ~~. For example, Private Equity Group funds may acquire positions in companies~~ in which **a different** ~~our Credit Group funds~~ - **fund** ~~own~~ **holds** debt securities. ~~A~~ **Additionally, in connection with an investment we may create multiple tranches of a capital structure and our funds may be allocated investments in these tranches on terms established by us. The interests of our funds may not always be aligned, which may give rise to actual or potential conflicts of interest, or the appearance of conflicts of interest. Further, a** direct conflict of interest could arise between the security holders if such a company were to become distressed or develop insolvency concerns **. Actions taken for one or more of our funds may be adverse to us or other of our funds; • our affiliates or portfolio companies may be service providers or counterparties to our funds or portfolio companies and receive fees or other compensation for services that are not shared with our fund investors. In such instances, we may be incentivized to cause our funds or portfolio companies to purchase such services from our affiliates or portfolio companies rather than an unaffiliated service provider despite the fact that a third- party service provider could potentially provide higher quality services or offer them at a lower cost** ; • funds in one group could be restricted from selling their positions in such companies for extended periods because investment professionals in another group sit on the boards of such companies or because another part of the firm has received private information; • certain funds in different groups may invest alongside each other in the same security. ARCC **, ASIF** and other registered closed- end management investment companies managed by us are permitted to co-invest in portfolio companies with each other and with affiliated ~~investment~~ funds pursuant to an SEC order (the " Co-Investment Exemptive Order "). The different investment objectives or terms of such funds may result in a potential conflict of interest, including in connection with the allocation of investments between the funds made pursuant to the Co- Investment Exemptive Order; • conflicts of interest may exist in the valuation of our investments **(which can affect fees and carried interest)** and regarding decisions about the allocation of specific investment opportunities among us and our funds and the allocation of fees and costs among us, our funds and their portfolio companies; and • fund investors may perceive conflicts of interest regarding investment decisions for funds in which our investment professionals, who have made and may continue to make significant personal investments, are personally invested. Though we believe we have appropriate means and oversight to resolve these conflicts, our judgment on any particular allocation could be challenged. While we have developed general guidelines regarding when two or more funds can invest in different parts of the same company' s capital structure and created a process that we employ to handle such conflicts if they arise, our decision to permit the investments to occur in the first instance or our judgment on how to minimize the conflict could be challenged. If we fail to appropriately address any such conflicts, it could negatively impact our reputation and ability to raise additional funds and the willingness of counterparties to do business with us or result in potential litigation **or regulatory action** against us **, which may adversely impact our business** . Conflicts of interest may arise in our allocation of co- investment opportunities. As a general matter, our allocation of co- investment opportunities is entirely within our discretion and there can be no assurance that co- investments of any particular type or amount will be allocated to any of our funds or investors. There can be no assurance that co- investments will become available and we will take into account a variety of factors and considerations we deem relevant in our sole discretion in allocating co-investment opportunities, including, without limitation, whether a potential co- investor has expressed an interest in evaluating co- investment opportunities, our assessment of a potential co- investor' s ability to invest an amount of capital that fits the needs of the co- investment and its history of participating in Ares co- investments, the potential co- investor' s strategic value to the co- investment, our funds or future funds, the length and nature of our relationship with the potential co- investor, including whether the potential co- investor has demonstrated a long- term and / or continuing commitment to the potential success of Ares or any of its funds, our assessment of a potential co- investor' s ability to commit to a co- investment opportunity within the required timeframe of the particular transaction, the economic and other terms of such co- investment (e. g., whether management fees and / or carried interest would be payable to us and the extent thereof), and such other factors and considerations that we deem relevant in our sole discretion under the circumstances. Certain funds in different groups may invest alongside each other in the same security. ARCC **, ASIF** and other registered closed- end management investment companies managed by us are permitted to co- invest in portfolio companies with each other and with affiliated ~~investment~~ funds pursuant to the Co- Investment Exemptive Order. The different investment objectives or terms of such funds may result in a potential conflict of interest, including in connection with the allocation of investments between the funds made pursuant to the Co- Investment Exemptive Order. In addition, conflicts of interest may exist in the valuation of our investments and regarding decisions about the allocation of specific investment opportunities among us and our funds and the allocation of fees and costs among us, our funds and their portfolio companies. We, from time to time, incur fees, costs, and expenses on behalf of more than one fund. To the extent such fees, costs, and expenses are incurred for the account or benefit of more than one fund, each such fund will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of its investment in the activity or entity to which such expense relates (subject to the terms of each fund' s governing documents) or in such other manner as we consider fair and equitable under the circumstances such as the relative fund size or capital available to be invested by such funds. Where a fund' s governing documents do not permit the payment of a particular expense, we will generally pay such fund' s allocable portion of such expense. Potential conflicts will arise with respect to our decisions regarding

how to allocate co- investment opportunities among our funds and investors and the terms of any such co- investments. Our fund documents typically do not mandate specific allocations with respect to co- investments. The investment advisers of our funds may have an incentive to provide co- investment opportunities to certain investors in lieu of others. Co- investment arrangements may be structured through one or more of our investment vehicles, and in such circumstances, co- investors will generally bear the costs and expenses thereof (which may lead to conflicts of interest regarding the allocation of costs and expenses between such co- investors and investors in our other ~~investment~~ funds). The terms of any such existing and future co- investment vehicles may differ materially, and in some instances may be more favorable to us, than the terms of certain of our funds or prior co- investment vehicles, and such different terms may create an incentive for us to allocate a greater or lesser percentage of an investment opportunity to such funds or such co- investment vehicles, as the case may be. Such incentives will from time to time give rise to conflicts of interest. There can be no assurance that any conflicts of interest will be resolved in favor of any particular ~~investment~~ funds or investors (including any applicable co- investors) and ~~there is a risk that~~ such investment fund or investor (or the SEC) may challenge our treatment of such conflict, which could impose costs on our business and expose us to potential liability **. We may also decide to provide a co- investment opportunity to certain investors in lieu of allocating more of that investment to our funds, which may adversely impact our fundraising activity** . The investment management business is intensely competitive. The investment management business is intensely competitive, with competition based on a variety of factors, including investment performance, business relationships, quality of service provided to investors, investor liquidity and willingness to invest, fund terms (including fees), brand recognition and business reputation. We compete with a number of private equity funds, specialized funds, hedge funds, corporate buyers, traditional asset managers, real estate development companies, commercial banks, investment banks, other investment managers and other financial institutions, as well as domestic and international pension funds and sovereign wealth funds, and we expect that competition will continue to increase. Numerous factors increase our competitive risks, including, but not limited to: • a number of our competitors in some of our businesses have greater financial, technical, marketing and other resources and more personnel than we do; • some of our funds may not perform as well as competitors' funds or other available investment products; • several of our competitors have raised significant amounts of capital, and many of them have similar investment objectives to ours, which may create additional competition for investment opportunities; • some of our competitors may have a lower cost of capital and access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to our funds, particularly our funds that directly use leverage or rely on debt financing of their portfolio investments to generate superior investment returns; • some of our competitors may have higher risk tolerances, different risk assessments or lower return thresholds than us, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make; • some of our competitors may be subject to less regulation and, accordingly, may have more flexibility to undertake and execute certain businesses or investments than we do and / or bear less compliance expense than we do; • some of our competitors may not have the same types of conflicts of interest as we do; • some of our competitors may have more flexibility than us in raising certain types of funds under the investment management contracts they have negotiated with their investors; • some of our competitors may have better expertise or be regarded by investors as having better expertise or reputation in a specific asset class or geographic region than we do; • our competitors that are corporate buyers may be able to achieve synergistic cost savings in respect of an investment, which may provide them with a competitive advantage in bidding for an investment; • our competitors have instituted or may institute low cost high speed financial applications and services based on artificial intelligence and new competitors may enter the asset management space using new investment platforms based on artificial intelligence; and • other industry participants may, from time to time, seek to recruit our investment professionals and other employees away from us. Developments in financial technology, such as a distributed ledger technology (or blockchain), have the potential to disrupt the financial industry and change the way financial institutions, including investment managers, do business, and could exacerbate these competitive pressures. We may lose investment opportunities in the future if we do not match pricing, structures and terms offered by our competitors. Alternatively, we may experience decreased profitability, rates of return and increased risks of loss if we match pricing, structures and terms offered by our competitors. In addition, the attractiveness of investments in our funds relative to other investment products could decrease depending on economic conditions. This competitive pressure could adversely affect our ability to make successful investments and limit our ability to raise future funds, either of which would adversely impact our businesses, revenues, results of operations and cash flow. Lastly, institutional and individual investors are allocating increasing amounts of capital to alternative investment strategies. Several large institutional investors have announced a desire to consolidate their investments in a more limited number of managers. We expect that this will cause competition in our industry to intensify and could lead to a reduction in the size and duration of pricing inefficiencies that many of our funds seek to exploit. Increased competition may adversely impact our ability to deploy capital, which could reduce our revenues and cash flow and adversely affect our financial condition. Poor performance of our funds would cause a decline in our revenue and results of operations, may obligate us to repay carried interest previously paid to us and could adversely affect our ability to raise capital for future funds. We derive revenues primarily from: • management fees, which are based generally on the amount of capital committed to or invested by our funds; • carried interest and incentive fees, which are based on the performance of our funds; and • returns on investments of our own capital in the funds and other investment vehicles, including SPACs, that we sponsor and manage. When any of our funds perform poorly, either by incurring losses or underperforming benchmarks, as compared to our competitors or otherwise, our investment record suffers. As a result, our carried interest and incentive fees may be adversely affected and, all else being equal, the value of our assets under management could decrease, which may, in turn, reduce our management fees. Moreover, we may experience losses on investments of our own capital as a result of poor investment performance. If a fund performs poorly, we will receive little or no carried interest and incentive fees with regard to the fund and little income or possibly losses from our own principal investment in such fund. Furthermore, if, as a result of poor performance or otherwise, a fund does not achieve total investment returns that

exceed a specified investment return threshold over the life of the fund or other measurement period, we may be obligated to repay the amount by which carried interest that was previously distributed or paid to us exceeds amounts to which we were entitled. Poor performance of our funds and other vehicles could also make it more difficult for us to raise new capital. Investors in our closed- end funds may decline to invest in future closed- end funds we raise as a result of poor performance. Investors in our open- ended funds may redeem their investment as a result of poor performance. Poor performance of our publicly- traded funds may result in stockholders selling their stock in such vehicles, thereby causing a decline in the stock price and limiting our ability to access capital. For further information on the impact of poor fund performance, see " **—** We may not be able to maintain our current fee structure as a result of industry pressure from fund investors to reduce fees, which could have an adverse effect on our profit margins and results of operations. " In addition, if any of our subsidiaries become the sponsor of any SPACs that are unable to successfully complete a business combination within the time limitation provided for such SPAC, we may lose the entirety of our investment. See " — Risks Related to Regulation — ~~We~~ **Our investments in subsidiaries that** have ~~made a significant investment in a subsidiary that is the sponsor~~ **sponsored** ~~of a SPAC~~ **SPACs** ~~,~~ and ~~will~~ **invested in their business combination targets may expose us to increased liabilities, and we may** suffer the loss of all ~~of our~~ - **or a portion of our** ~~investment~~ **investments** if the SPAC does not complete a business combination by the applicable deadline **or the target is unsuccessful** . " ARCC' s management fee comprises a significant portion of our management fees and a reduction in fees from ARCC could have an adverse effect on our revenues and results of operations. The management fees we receive from ARCC (including fees attributable to ARCC Part I Fees) comprise a significant percentage of our management fees. The investment advisory and management agreement we have with ARCC categorizes the fees we receive as: (~~a~~ **i**) base management fees, which are paid quarterly and generally increase or decrease based on ARCC' s total assets (excluding cash and cash equivalents) ~~,~~ **;** (~~b~~ **ii**) fees based on ARCC' s net investment income (before ARCC Part I Fees and ARCC Part II Fees), which are paid quarterly (" ARCC Part I Fees ") ~~,~~ **;** and (~~c~~ **iii**) fees based on ARCC' s net capital gains, which are paid annually (" ARCC Part II Fees "). We classify the ARCC Part I Fees as management fees because they are predictable and recurring in nature, not subject to contingent repayment and generally cash- settled each quarter. If ARCC' s total assets or its net investment income (before ARCC Part I Fees and ARCC Part II Fees) were to decline significantly for any reason, including, without limitation, due to fair value accounting requirements, the poor performance of its investments or the failure to successfully access or invest capital, the amount of the fees we receive from ARCC, including the base management fee and the ARCC Part I Fees, would also decline significantly, which could have an adverse effect on our revenues and results of operations. In addition, because ARCC Part II Fees are not paid unless ARCC achieves cumulative aggregate realized capital gains (net of cumulative aggregate realized capital losses and aggregate unrealized capital depreciation), ARCC' s Part II Fees payable to us are variable and not predictable. In addition, ARCC Part I Fees and ARCC Part II Fees may be subject to cash payment deferral if certain return hurdles in accordance with the contractual terms are not met, which could have an adverse effect on our cash flows if such deferral is sustained for an extended period. In such cases, the contractual payments to employees as compensation related to such ARCC Part I Fees and ARCC Part II Fees are also deferred, which would limit the associated impact to our liquidity. We may also, from time to time, waive or voluntarily defer any fees payable by ARCC in connection with strategic transactions. Our investment advisory and management agreement with ARCC renews for successive annual periods subject to the approval of ARCC' s board of directors or by the affirmative vote of the holders of a majority of ARCC' s outstanding voting securities. In addition, as required by the Investment Company Act, both ARCC and its investment adviser have the right to terminate the agreement without penalty upon 60 days' written notice to the other party. Termination or non- renewal of this agreement would reduce our revenues significantly and could have a material adverse effect on our financial condition. We may not be able to maintain our current fee structure as a result of industry pressure from fund investors to reduce fees. Although our investment management fees vary among and within asset classes, historically we have competed primarily on the basis of our performance and not on the level of our investment management fees relative to those of our competitors. In recent years, however, there has been a general trend toward lower fees in the investment management industry. The Institutional Limited Partners Association (" ILPA ") published a set of Private Equity Principles (the " Principles ") which called for enhanced " alignment of interests " between general partners and limited partners through modifications of some of the terms of fund arrangements, including proposed guidelines for fee structures. We promptly provided ILPA with our endorsement of the Principles, representing an indication of our general support for the efforts of ILPA. Although we have no obligation to modify any of our fees with respect to our existing funds, we may experience pressure to do so. More recently, institutional investors have been increasing pressure to reduce management and investment fees charged by external managers, whether through direct reductions, deferrals, rebates or other means. In addition, we may be asked by investors to waive or defer fees for various reasons, including during economic downturns or as a result of poor performance of our funds. We may not be successful in providing investment returns and service that will allow us to maintain our current fee structure. Fee reductions on existing or future new businesses could have an adverse effect on our profit margins and results of operations. For more information about our fees, see " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. " In addition, we may not be able to maintain our current fee structure if we fail to grow the assets of our funds. This would limit our ability to earn additional management fees, carried interest and incentive fees, and ultimately affect our operating results. Our fund investors and potential fund investors continually assess our funds' performance independently and relative to market benchmarks and our competitors, and our ability to raise capital for existing and future funds and avoid excessive redemption levels depends on our funds' performance. Accordingly, poor fund performance may deter future investment in our funds and thereby decrease the capital invested in our funds and, ultimately, our management fee income. In the face of poor fund performance, investors could demand lower fees or fee concessions for existing or future funds which would likewise decrease our revenue. **A major public health crisis, like the COVID- 19 pandemic, could disrupt the U. S. and global economy and industries in which we, our funds and our funds' portfolio companies operate and negatively**

impact us, our funds or our funds' portfolio companies. A major public health crisis could impact the U. S. and global economy. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, has, and may in the future, adversely impact our and our funds' business and operations, as well as the business and operations of our funds' portfolio companies. For example, such disruptions have adversely affected, and in the future could again, impair our ability to raise funds or deter fund investors from investing in new or successor funds that we are marketing particularly in certain industries in which certain of our funds' portfolio companies operate, including energy, hospitality, travel, retail and restaurant industries. Additionally, while restrictions have generally been lifted globally, and the World Health Organization has declared the end of the COVID- 19 global health emergency, the COVID- 19 pandemic contributed, and any future public health crisis could contribute, to adverse impacts on global commercial activity and supply chain operations and significant volatility in the equity and debt markets. Such volatility could increase credit and liquidity risk and hamper our and our funds' ability to deploy capital, all of which could negatively impact our and our funds' performance, as well as the business and operations of our funds' portfolio companies. Rapid growth of our businesses, particularly outside the U. S., may be difficult to sustain and may place significant demands on our administrative, operational and financial resources. Our assets under management have grown significantly in the past, and we are pursuing further growth in the near future, both organic and through acquisitions. Our rapid growth has placed, and planned growth, if successful, will continue to place significant demands on our legal, accounting, compliance and operational infrastructure and has increased expenses. The complexity of these demands, and the expense required to address them, is a function not simply of the amount by which our assets under management has grown, but of the growth in the variety and complexity of, as well as the differences in strategy between, our different funds. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing sophistication of the investment management market and legal, accounting, regulatory and tax developments. Our future growth will depend in part on our ability to maintain an operating platform and management system sufficient to address our growth and will require us to incur significant additional expenses and to commit additional senior management and operational resources. As a result, we face significant challenges in: • maintaining adequate financial, regulatory (legal, tax and compliance) and business controls; • providing current and future investors with accurate and consistent reporting; • implementing new or updated information and financial systems and procedures; • monitoring and enhancing our cybersecurity and data privacy risk management; and • training, managing and appropriately sizing our work force and other components of our businesses on a timely and cost- effective basis. We may not be able to manage our expanding operations effectively or be able to continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses. In addition, pursuing investment opportunities outside the U. S. presents challenges not faced by U. S. investments, such as different legal and tax regimes and currency fluctuations, which require additional resources to address. To accommodate the needs of global investors and strategies we must structure investment products in a manner that addresses tax, regulatory and legislative provisions in different, and sometimes multiple, jurisdictions **. These laws may not always be consistent with each other** . Further, in conducting business in foreign jurisdictions, we are often faced with the challenge of ensuring that our activities and those of our funds and, in some cases, our funds' portfolio companies, are consistent with U. S. or other laws with extraterritorial application, such as the USA PATRIOT Act and the U. S. Foreign Corrupt Practices Act (the " FCPA "). Moreover, actively pursuing international investment opportunities may require that we increase the size or number of our international offices. Pursuing foreign fund investors means that we must comply with international laws governing the sale of interests in our funds, different investor reporting, investor " know your customer " requirements and information processes and other requirements, which may impact our ability to service such investors. As a result, we are required to continuously develop our systems and infrastructure, including employing and contracting with foreign businesses and entities, in response to the increasing complexity and sophistication of the investment management market and legal, accounting and regulatory situations. This growth has required, and will continue to require, us to incur significant additional expenses and to commit additional senior management and operational resources. There can be no assurance that we will be able to manage or maintain appropriate oversight over our expanding international operations effectively or that we will be able to continue to grow this part of our businesses, and any failure to do so could adversely affect our ability to generate revenues and control our expenses. See " — Risks Related to Regulation — Regulatory changes in jurisdictions outside the U. S. could adversely affect our businesses. " We may enter into new lines of business and expand into new investment strategies, geographic markets, strategic partnerships and businesses, each of which may result in additional risks, expenses and uncertainties in our businesses. We intend, if market conditions warrant, to grow our businesses by increasing assets under management in existing businesses and expanding into new investment strategies, geographic markets, strategic partnerships and businesses. We may pursue growth through acquisitions of other investment management companies, acquisitions of critical business partners, acquisition of companies, or other strategic initiatives (including through our **other businesses** ~~Strategic Initiatives Group~~), which may include entering into new lines of business. In addition, consistent with our past experience, we expect opportunities will arise to acquire other alternative or traditional asset managers. Attempts to expand our businesses involve a number of special risks, including some or all of the following: • the required investment of capital and other resources; • the diversion of management' s attention from our core businesses; • the assumption of liabilities in any acquired business; • the disruption of our ongoing businesses; • entry into markets or lines of business in which we may have limited or no experience; • increasing demands on our operational and management systems and controls; • our assumption of the imposition on us of known or unknown claims or liabilities in an acquisition, including claims by government agencies or authorities, current or former employees or customers, former stockholders or other third parties; • compliance with or applicability to our business or our **funds'** portfolio companies of regulations and laws, including, in particular, local regulations and laws and customs in the numerous jurisdictions in which we operate and the impact that noncompliance or even perceived noncompliance could have on us and our **funds'** portfolio

companies; • our inability to realize the anticipated operation and financial benefits from an acquisition for a number of reasons, including if we are unable to effectively integrate acquired businesses; • potential increase in investor concentration; and • the broadening of our geographic footprint, increasing the risks associated with conducting operations in certain foreign jurisdictions where we currently have little or no presence. Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. If a new business does not generate sufficient revenues or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected. Our strategic initiatives may include joint ventures and business combinations through subsidiary sponsored SPACs, in which case we will be subject to additional risks and uncertainties in that we may be dependent upon, and subject to liability, losses or reputational damage relating to systems, controls and personnel that are not under our control or disputes with our joint venture partners. Because we have not yet identified these potential new investment strategies, geographic markets or lines of business, we cannot identify all of the specific risks we may face and the potential adverse consequences on us and their investment that may result from any attempted expansion. If we are unable to consummate or successfully integrate development opportunities, acquisitions or joint ventures, we may not be able to implement our growth strategy successfully. Our growth strategy is based, in part, on the selective development or acquisition of asset management businesses, advisory businesses or other businesses complementary to our business where we think we can add substantial value or generate substantial returns. The success of this strategy will depend on, among other things, (~~a~~ **i**) the availability of suitable opportunities, (~~b~~ **ii**) the level of competition from other companies that may have greater financial resources, (~~c~~ **iii**) our ability to value potential development or acquisition opportunities accurately and negotiate acceptable terms for those opportunities, (~~d~~ **iv**) our ability to obtain requisite approvals and licenses from the relevant governmental authorities and to comply with applicable laws and regulations without incurring undue costs and delays, (~~e~~ **v**) our ability to identify and enter into mutually beneficial relationships with venture partners, and (~~f~~ **vi**) our ability to properly manage conflicts of interest. In addition, our ability to integrate personnel at acquired businesses into our operations and culture may be impacted by the structure of acquisitions we make, such as contingent consideration and continuing governance rights retained by the sellers. This strategy also contemplates the use of shares of our publicly- traded Class A common stock as acquisition consideration. Volatility or declines in the trading price of shares of our Class A common stock may make shares of our Class A common stock less attractive to acquisition targets. Moreover, even if we are able to identify and successfully complete an acquisition, we may encounter unexpected difficulties or incur unexpected costs associated with integrating and overseeing the operations of the new businesses. If we are not successful in implementing our growth strategy, our business, financial results and the market price for shares of our Class A common stock may be adversely affected. Overview of our regulatory environment and exemptions from certain laws. Our businesses are subject to extensive regulation, including periodic examinations, by governmental agencies and self- regulatory organizations in the jurisdictions in which we operate. The SEC oversees the activities of our subsidiaries that are registered investment advisers under the Investment Advisers Act. FINRA and the SEC oversee the activities of our wholly owned subsidiaries AMCM and AWMS as registered broker- dealers, which also maintain licenses in many states. We are subject to audits by the Defense Security Service to determine whether we are under foreign ownership, control or influence. We are also increasingly subject to various data privacy and protection laws. If we are unable or fail to comply with such laws, we could be subject to fines, penalties, litigation or reputational harm **. Regulators are also increasing scrutiny and considering regulation of the use of artificial intelligence technologies. We cannot predict what, if any, actions may be taken, but such regulation could have a material adverse effect on our business and results of operations** . We regularly rely on exemptions from various requirements of the Securities Act, the Exchange Act, the Investment Company Act, the Commodity Exchange Act and ERISA. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties who we do not control. If for any reason these exemptions were to be revoked or challenged or otherwise become unavailable to us, such action could increase our cost of doing business or subject us to regulatory action or third- party claims, which could have a material adverse effect on our businesses. For example, ~~in 2013~~ the ~~SEC amended Rule 506 of Regulation D under the Securities Act to impose~~ " bad actor " disqualification provisions ~~that~~ **of Rule 506 of Regulation D under the Securities Act** ban an issuer from offering or selling securities pursuant to the safe harbor in Rule 506 if the issuer, or any other " covered person, " is the subject of a criminal, regulatory or court order or other " disqualifying event " under the rule which has not been waived by the SEC. The definition of a " covered person " under the rule includes an issuer' s directors, general partners, managing members and executive officers and promoters and persons compensated for soliciting investors in the offering. Accordingly, our ability to rely on Rule 506 to offer or sell securities would be impaired if we or any " covered person " is the subject of a disqualifying event under the rule and we are unable to obtain a waiver or, in certain circumstances, terminate our involvement with such " covered person ". ~~We expect a heightened level of~~ SEC enforcement activity **has increased** under the current Presidential administration. While we have a robust compliance program in place, it is possible this enforcement activity will target practices ~~at~~ which we believe ~~we~~ are compliant **,** and which were not targeted by the prior Presidential administration. For example, the Biden administration and the current leadership of the SEC have signaled that they intend to seek to enact changes to numerous areas of law and regulations currently in effect. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has **enacted** ~~proposed a number of new~~ rules that **will meaningfully affect** ~~, if adopted as proposed, would impose significant changes on~~ investment advisers and their management of private funds ~~(~~ **. These** ~~including~~ **include rules** with respect to fund audits, adviser- led secondary transactions, fee and expense allocation and reporting, beneficial ownership reporting under Exchange Act Sections 13 (d) and 13 (g), reporting on Form PF, borrowings, **preferential investment terms** ~~indemnification, side letters~~ , cybersecurity risk management, ESG disclosure, annual compliance reviews and outsourcing by investment advisers **. The** ~~), and the~~ SEC is expected to propose additional changes in the future. ~~Any such~~ **Such** ~~changes, including with modifications, whether enacted under~~ current ~~or~~ **and** future **rulemaking is expected to materially impact** ~~leadership, could have a significant~~

~~effect on~~ private funds and private fund advisers and their operations, including increasing compliance burdens and regulatory costs ~~, restrictions on the ability to receive expense, indemnification and other cost reimbursements~~ , and heightened risk of regulatory enforcement action such as public sanctions, restrictions on activities, fines and reputational damage. **For example** ~~On December 14~~ , ~~2022,~~ **significant time and resources are expected to be required to comply with the private fund adviser rules that** the SEC adopted ~~amendments~~ **on August 23, 2023, including costs related** to ~~Rule 10b5- 1 under~~ **reporting and disclosures to investors. Further, implementation of** the ~~Exchange Act~~ **private fund advisor rules may result in us evaluating certain of our fundraising practices** , which **could adversely impact fundraising** ~~heighten the requirements for the 10b5- 1 affirmative defense and require new disclosures about issuers' policies and procedures related to stock purchase plans~~ . Any of the foregoing could lead to further regulatory uncertainty **, particularly regarding those rules that are currently (or in the future may become) subject to legal challenge from private fund industry groups and others** , result in changes to our operations and could materially impact our funds and / or their investments and / or the Company, including by causing us to incur additional expenses. Federal regulation. Under the Dodd- Frank Act, a 10 voting- member Financial Stability Oversight Council (~~the~~ " ~~Council~~ **FSOC** ") has the authority to review the activities of certain nonbank financial firms engaged in financial activities **and** ~~that are designated~~ - **designate them** as ~~"~~ systemically important ~~,~~ **financial institutions (" SIFI** " ~~meaning~~ **), evaluating** , among other things, ~~evaluating~~ the impact of the distress of the financial firm on the stability of the U. S. economy **. Currently, there are no non- bank financial companies with a non- bank SIFI designation. The FSOC has, however, designated certain non- bank financial companies as SIFIs in the past, and additional non- bank financial companies, which may include large asset management companies such as us, may be designated as SIFIs in the future. In November 2023, FSOC adopted amendments to its guidance regarding procedures for designating non- bank financial companies as SIFIs which eliminated the prior guidance' s prioritization of an " activities- based " approach for identifying, assessing and addressing potential risks to financial stability. Under the previous guidance' s " activities- based " approach, FSOC indicated that it would primarily focus on regulating activities that pose systemic risk rather than focusing on individual firm- specific determinations. The elimination of an " activities- based " approach over designation of an individual firm as a non- bank SIFI may increase the likelihood of FSOC designating one or more firms as a non- bank SIFI** . If we were designated as such, it would result in increased regulation of our businesses, including the imposition of capital, leverage, liquidity and risk management standards, credit exposure reporting and concentration limits, **enhanced public disclosures,** restrictions on acquisitions and annual stress tests by the Federal Reserve. **Requirements such** ~~A section of the Dodd- Frank Act known~~ as ~~the~~ **these** ~~Volcker Rule generally prohibits insured banks or thrifts~~ , **which were designed to regulate banking institutions, would likely need to be modified to be applicable to** ~~any~~ - **an asset manager** ~~bank holding company or savings and loan holding company~~ , **although no proposals have been made indicating how** ~~any foreign bank with a U. S. branch, agency or commercial lending company and any subsidiaries and affiliates of~~ such **measures would be adapted** ~~entities, regardless of geographic location, from investing in or sponsoring " covered funds, " which include private equity funds or hedge funds and certain other proprietary activities. In October 2020, revisions to the Volcker Rule became effective providing an exemption~~ for **asset managers** ~~activities of qualifying foreign excluded funds, revising the exclusions from the definition of a " covered fund, " creating new exclusions from the definition of a covered fund and modifying the definition of an ownership interest. Although we do not currently anticipate that these changes to the Volcker Rule will adversely affect our fundraising to any significant extent, there could be adverse implications on our ability to raise funds from the types of entities mentioned above if these regulations become stricter~~ . Pursuant to the Dodd- Frank Act, regulation of the U. S. derivatives market is bifurcated between the CFTC and the SEC. Under the Dodd- Frank Act, the CFTC has jurisdiction over swaps and the SEC has jurisdiction over security- based swaps. Under CFTC rules, all swaps (other than security- based swaps) included in the definition of commodity interests. As a result, funds that utilize swaps (whether or not related to a physical commodity) may fall within the statutory definition of a commodity pool. If a fund qualifies as a commodity pool, then, absent an available exemption, the operator of such fund is required to register with the CFTC as a CPO. Registration with the CFTC renders such CPO subject to regulation, including with respect to disclosure, reporting, recordkeeping and business conduct, which could significantly increase operating costs by requiring additional resources. Certain classes of interest rate swaps and certain classes of credit default swaps are subject to mandatory clearing, unless an exemption applies. Many of these swaps are also subject to mandatory trading on designated contract markets or swap execution facilities. The CFTC may propose rules designating other classes of swaps for mandatory clearing. Mandatory clearing and trade execution requirements may change the cost and availability of the swaps that we use, and expose our funds to the credit risk of the clearing house through which any cleared swap is cleared. In addition, federal bank regulatory authorities and the CFTC have adopted initial and variation margin requirements for swap dealers, security- based swap dealers and swap entities, including permissible forms of margin, custodial arrangements and documentation requirements for uncleared swaps and security- based swaps. The ~~new~~ rules regarding variation margin requirements are now in effect, and as a result some of our funds are required to post collateral to satisfy the variation margin requirements which has made transacting in uncleared swaps more expensive. Position limits imposed by various regulators, self- regulatory organizations or trading facilities on derivatives may also limit our ability to effect desired trades. Position limits represent the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. **The** ~~In October 2020, the~~ CFTC adopted a final rule that applies specific limits on speculative positions in 25 physical commodity futures contracts, futures and options directly or indirectly linked to such contracts as well as economically equivalent swaps. The final rule had a general compliance date of January 1, 2022 and became effective for economically equivalent swaps on January 1, 2023. The Dodd- Frank Act also authorizes the SEC to establish position limits on security- based swaps, which rules could have a similar impact on our business. The CFTC could propose to expand such requirements to other types of contracts in the future. These rules and any additional proposals could affect our ability and the ability for our funds to enter into derivatives transactions ~~. In January~~

~~2019, rules enacted by the Board of Governors of the Federal Reserve System, FDIC and the OCC came into effect and placed limitations on the exercise of certain specified insolvency- related default and cross- default rights against a counterparty that has been designated as a global systemically important banking organization (the " Stay Regulations "). These rules are intended to mitigate the risk of destabilizing close- outs of certain qualifying financial contracts (" QFCs ") (including but not limited to, derivatives, securities lending, and short- term funding transactions, such as repurchase agreements) entered into by U. S. global systemically important banking organizations. The application of the Stay Regulations could adversely impact the exercise of our or our funds' contractual rights if one or more counterparties with whom we have QFCs experiences a covered insolvency event~~ . The Dodd- Frank Act authorizes federal regulatory agencies to review and, in certain cases, prohibit compensation arrangements at financial institutions that give employees incentives to engage in conduct deemed to encourage inappropriate risk- taking by covered financial institutions. In 2016, federal bank regulatory authorities and the SEC revised and re- proposed a rule that generally **:** (~~1~~ **i**) prohibits incentive- based payment arrangements that are determined to encourage inappropriate risks by certain financial institutions by providing excessive compensation or that could lead to material financial loss **;** and (~~2~~ **ii**) requires those financial institutions to disclose information concerning incentive- based compensation arrangements to the appropriate federal regulator. For more information on certain incentive compensation paid to our senior executive officers, see " — Risks Related to Shares of Our Common Stock — The market price of shares of our Class A common stock may decline due to the large number of shares of Class A common stock eligible for exchange and future sale. " The Dodd- Frank Act also directs the SEC to adopt a rule that requires public companies to adopt and disclose policies requiring, in the event the company is required to issue an accounting restatement, the contingent repayment obligations of related incentive compensation from current and former executive officers. The SEC has proposed but not yet adopted such rule. To the extent the aforementioned rules are adopted, our ability to recruit and retain investment professionals and senior management executives could be limited. It is difficult to determine the full extent of the impact on us of new laws, regulations or initiatives that may be proposed or whether any of the proposals will become law. In addition, as a result of proposed legislation, shifting areas of focus of regulatory enforcement bodies or otherwise, regulatory compliance practices may shift such that formerly accepted industry practices become disfavored or less common. Any changes or other developments in the regulatory framework applicable to our businesses, including the changes described above and changes to formerly accepted industry practices, may impose additional costs on us, require the attention of our senior management or result in limitations on the manner in which we conduct our businesses. Moreover, as calls for additional regulation have increased, there may be a related increase in regulatory investigations of the trading and other investment activities of alternative asset management funds, including our funds. In addition, we may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self- regulatory organizations. Compliance with any new laws or regulations could make compliance more difficult and expensive, affect the manner in which we conduct our businesses and adversely affect our profitability. State regulation. A number of states and regulatory authorities require investment managers to register as lobbyists. We have registered as such in a number of jurisdictions, including California, Illinois, New York, Pennsylvania, Louisiana, Texas and Kentucky. Other states or municipalities may consider similar legislation or adopt regulations or procedures with similar effect. These registration requirements impose significant compliance obligations on registered lobbyists and their employers, which may include annual registration fees, periodic disclosure reports and internal recordkeeping, and may also prohibit the payment of contingent fees. Regulatory environment of our funds and portfolio companies of our funds. Each of the regulatory bodies with jurisdiction over us has regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. A failure to comply with the obligations imposed by the Investment Advisers Act, including recordkeeping, marketing and operating requirements, disclosure obligations and prohibitions on fraudulent activities, could result in investigations, sanctions, restrictions on the activities of us or our personnel and reputational damage. We are involved regularly in trading activities that implicate a broad number of U. S. and foreign securities and tax law regimes, including laws governing trading on inside information, market manipulation and a broad number of technical trading requirements that implicate fundamental market regulation policies. Violation of these laws could result in severe restrictions on our activities and damage to our reputation. Compliance with existing and new or changing laws and regulations subjects us to significant costs. Moreover, our failure to comply with applicable laws or regulations, including labor and employment laws, could result in fines, censure, suspensions of personnel or other sanctions, including revocation of the registration of our relevant subsidiaries as investment advisers or registered broker- dealers. For example, the SEC requires investment advisers registered or required to register with the SEC under the Investment Advisers Act that advise one or more private funds and have at least $ 150. 0 million in private fund assets under management to periodically file reports on Form PF. We have filed, and will continue to file, quarterly reports on Form PF, which has resulted in increased administrative costs and requires a significant amount of attention and time to be spent by our personnel. The SEC ~~has~~ recently ~~proposed~~ **adopted** changes to Form PF which, among other ~~proposed~~ requirements, ~~would~~ require **current** reporting ~~within one business day~~ upon the occurrence of certain fund- level events, which **will likely** ~~, if enacted, could~~ further increase related administrative costs and burdens. Most of the regulations to which our businesses are subject are designed primarily to protect investors in our funds and portfolio companies and to ensure the integrity of the financial markets. They are not designed to protect our stockholders. Even if a sanction is imposed against us, one of our subsidiaries or our personnel by a regulator for a small monetary amount, the costs incurred in responding to such matters could be material, the adverse publicity related to the sanction could harm our reputation, which in turn could have a material adverse effect on our businesses in a number of ways, making it harder for us to raise new funds and discouraging others from doing business with us. In the past several years, the financial services industry, and private equity and alternative asset managers in particular, has been the subject of heightened scrutiny by regulators around the globe. In particular, the SEC and its staff have focused more narrowly on issues relevant to alternative asset management firms, including by ~~proposing~~ **adopting** a number of new rules that **will likely** ~~, if~~

~~adopted, would~~ impose significant changes on investment advisers and their management of private funds and by forming specialized units devoted to examining such firms and, in certain cases, bringing enforcement actions against the firms, their principals and employees. In recent periods there have been a number of enforcement actions within the industry, and it is expected that the SEC will continue to pursue enforcement actions against private fund managers. This increased enforcement activity may cause us to reevaluate certain practices and adjust our compliance control function as necessary and appropriate. A number of our investing activities, such as our direct lending business, are also subject to regulation by various U. S. and foreign regulators **, and may become subject to new laws, regulations or initiatives** . It is impossible to determine the full extent of the impact on us of existing regulation or any other new laws, regulations or initiatives that may be proposed or whether any of the proposals will become law. Any changes in the regulatory framework applicable to our businesses, including the changes described above, may impose additional costs on us, require the attention of our senior management or result in limitations on the manner in which we conduct our business. Complying with any new laws or regulations could be more difficult and expensive, affect the manner in which we conduct our businesses and adversely affect our profitability. As of December 31, ~~2022~~ **2023** , our direct lending AUM represented ~~42~~ **46** % of our total AUM. **The** ~~While the~~ SEC' s recent lists of examination priorities ~~include~~ **includes** ~~such~~ **numerous** items **related to** ~~as cybersecurity compliance and controls and conducting risk-based examinations of investment advisory firms, it is generally expected that~~ the ~~SEC' s~~ oversight of ~~alternative~~ asset managers ~~will continue~~ to **private funds, such** ~~focus substantially on concerns related to fiduciary duty transparency and investor disclosure practices. Although the SEC has~~ - **as** ~~cited improvements in disclosures~~ **: (i) conflicts of interest; (ii) calculation** and **allocation of** ~~industry practices in this area, it has also indicated that there is room for improvement in particular areas, including~~ fees and expenses **;** (**iii** ~~and the allocation of such fees and expenses~~) ~~and co-~~ **compliance with certain rules under the** ~~investment~~ **Investment** ~~practices~~ **Advisers Act relating to marketing and custody; and (iv) policies and procedures regarding the use of alternative data** . **In addition** ~~To this end~~ , many firms have received inquiries during examinations or directly from the SEC' s Division of Enforcement regarding **private funds** ~~various transparency- related topics~~ , including the acceleration of monitoring fees, the allocation of broken- deal expenses, the disclosure of operating partner or operating executive compensation, outside business activities of firm principals and employees, group purchasing arrangements and general conflicts of interest disclosures. Further, the SEC has recently ~~proposed~~ **adopted** new rules **and amendments to existing rules under the Investment Advisers Act that include: (i) a requirement** for **detailed quarterly disclosure to** private fund **investors regarding performance** ~~advisers related to such topics~~ , ~~which if adopted, would include a prohibition on charging~~ fees ~~or~~ **and** expenses ~~related~~ **(including disclosure of the compensation paid** to ~~a~~ **the investment adviser and its affiliates by the private fund) and additional** portfolio investment **- level disclosure regarding compensation paid to the investment adviser and its affiliates by the portfolio investment; (ii) restrictions** on a ~~non- pro rata basis~~ **private fund adviser' s ability to engage in certain activities and practices** , **such as** charging certain fees **or expenses, unless the adviser provides certain disclosures** to ~~a~~ **investors, and in some cases, receive investor consent; (iii) limitations on an adviser' s ability to grant certain types of preferential terms regarding redemption or information about portfolio holdings or exposures to only certain** private fund ~~or its portfolio investment such as fees~~ **investors (e. g., through side letters); (iv) a requirement to provide written notice to investors of preferential terms granted to certain investors in the same private fund; (v) a requirement to obtain an annual audit** for ~~unperformed services~~ **each private fund advised by the adviser; (vi) a requirement to obtain a fairness opinion** or ~~fees and expenses associated~~ **valuation opinion in connection** with an ~~examination of the~~ adviser **- led secondary transaction** ; ~~seeking~~ **and (vii) a** ~~reimbursement~~ ---- **requirement** ~~, indemnification, exculpation or limitation of its liability~~ for ~~certain activity; or reducing~~ the ~~amount of~~ **adviser to document** an **annual compliance review** ~~adviser clawback by the amount of certain taxes. The proposed rules would also require written disclosure to all investors and prospective investors of preferential treatment terms and detailed quarterly reporting of all adviser compensation, fees and expenses, as well as performance information. In addition, our Private Equity Group funds have engaged~~ in **writing** ~~the past and may engage from time to time advisors who often work with our investment teams during due diligence, provide board- level governance and support and advise portfolio company leadership. Advisors generally are third parties and our funds typically bear the costs of such advisors. In some cases, an operating executive may be retained by a portfolio company directly and in such instances the portfolio company may compensate the operating executive directly (meaning that investors in our Private Equity Group funds may indirectly bear the operating executive' s compensation). While we believe we have made appropriate and timely disclosures regarding the engagement and compensation of these advisors, the SEC staff may disagree~~ . Further, the SEC has highlighted valuation practices as one of its areas of focus in investment adviser examinations and has instituted enforcement actions against advisers for misleading investors about valuation. If the SEC were to investigate and find errors in our methodologies or procedures, we and / or members of our management could be subject to penalties and fines, which could harm our reputation and our business, financial condition and results of operations could be materially and adversely affected. Regulations impacting the insurance industry could adversely affect our business and our operations, and our provision of products and services to insurance companies, including through Aspida, subjects us to a variety of risks and uncertainties. The insurance industry is subject to significant regulatory oversight, both in the U. S. and abroad. Regulatory authorities in many relevant jurisdictions have broad administrative, and in some cases discretionary, authority with respect to insurance companies and / or their investment advisors, which may include, among other things, the investments insurance companies may acquire and hold, marketing practices, affiliate transactions, reserve requirements, capital adequacy including insurance company licensing and examination, agent licensing, establishment of reserve requirements and solvency standards, premium rate regulation, admissibility of assets, policy form approval, unfair trade and claims practices, advertising, maintaining policyholder privacy, payment of dividends and distributions to shareholders, investments, review and / or approval of transactions with affiliates, reinsurance, acquisitions, mergers and other matters. Insurance regulatory authorities regularly review and update these and other requirements. Currently, there are proposals to increase the scope of regulation of insurance

holding companies in the U. S., Bermuda and other jurisdictions. **Current proposals in Bermuda (intended to become effective by the BMA in March 2024, subject to certain transitional and grandfathering arrangements) relate to changes to the calculation of the technical provisions framework of insurers and insurance groups, amendments to the computation and flexibility of the Bermuda Solvency Capital Requirement, updates to the prudential rules and reporting forms to modify capital requirements and revisions to the fees charged to life insurers regulated by the BMA.** Changes in **rules and** regulations impacting the insurance industry could adversely impact our expansion into the insurance industry, the prospects of our Bermuda insurance company subsidiary Aspida Re and other investments we make in the insurance industry, both in the U. S. and abroad and limit our ability to raise capital for our funds from insurance companies, which could limit our ability to grow. The U. S. and foreign insurance industries are subject to significant regulation. Regulatory authorities in the U. S. and many relevant jurisdictions have broad regulatory (including through any regulatory support organization), administrative, and in some cases discretionary, authority with respect to insurance companies and / or their investment advisors, which may include, among other things, the investments insurance companies may acquire and hold, marketing practices, affiliate transactions, reserve requirements and capital adequacy. Because these requirements are primarily designed to protect policyholders, regulatory authorities often have wide discretion in applying restrictions and regulations, which may indirectly affect Aspida, Aspida Life, Aspida Re and other parts of our business that operate within or offer products or services to insurance industry. We may be the target or subject of, or may have indemnification obligations related to, litigation, enforcement investigations or regulatory scrutiny. Regulators and other authorities generally have the power to bring administrative or judicial proceedings against insurance companies, which could result in, among other things, suspension or revocation of licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action. To the extent AIS or another Ares business that offers products to insurance companies, Aspida Life or Aspida Re is directly or indirectly involved in such regulatory actions, our reputation could be harmed, we may become liable for indemnification obligations and we could potentially be subject to enforcement actions, fines and penalties from both U. S. and foreign regulators. Insurance company investment portfolios are often subject to internal and regulatory requirements governing the categories and ratings of investment products they may acquire and hold. Many of the investment products we develop for, or other assets or investments we include in, insurance company portfolios will be rated and a ratings downgrade or any other negative action by a rating agency with respect to such products, assets or investments could make them less attractive and limit our ability to offer such products to, or invest or deploy capital on behalf of, insurers. As the ultimate parent of the controlling entity of Aspida Re, a Bermuda Class E insurance company, we are considered its " shareholder controller " (as defined in the Bermuda Insurance Act) by the BMA. Aspida Re is subject to regulation and supervision by the BMA, and compliance with all applicable Bermuda law and Bermuda insurance statutes and regulations, including but not limited to the Bermuda Insurance Act. Under the Bermuda Insurance Act, the BMA maintains supervision over the " controllers " of all registered insurers in Bermuda. For these purposes, a " controller " includes a shareholder controller (as defined in the Bermuda Insurance Act). The Bermuda Insurance Act imposes certain notice requirements upon any person that has become, or as a result of a disposition ceased to be, a shareholder controller, and failure to comply with such requirements is punishable by a fine or imprisonment or both. In addition, the BMA may file a notice of objection to any person or entity who has become a controller of any description where it appears that such person or entity is not, or is no longer, fit and proper to be a controller of the registered insurer, and such person or entity can be subject to fines or imprisonment or both. These laws may discourage potential acquisition proposals for us and could delay, deter or prevent an acquisition of controllers of Bermuda insurers. Our ability to attract and retain investors and to pursue investment opportunities for our funds depends heavily upon the reputation of our professionals, especially our senior professionals. We are subject to a number of laws, obligations and standards arising from our investment management business and our authority over the assets managed by our investment management business. Further, our employees are subject to various internal policies including a Compliance Manual, a Code of Ethics and our Employee Handbook. The violation of these laws, obligations, standards or policies by any of our employees could adversely affect investors in our funds and us. Our businesses often require that we deal with confidential matters of great significance to companies in which our funds may invest. If our employees or former employees were to use or disclose confidential information improperly, we could suffer serious harm to our reputation, financial position and current and future business relationships. Employee misconduct could also include, among other things, binding us to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), concealing or failing to disclose conflicts of interest with our funds or portfolio companies or otherwise charging (or seeking to charge) inappropriate expenses or inappropriate or unlawful behavior or actions directed towards other employees, or misappropriation of confidential or proprietary information relating to us or our **funds'** portfolio companies. Such misconduct could subject us to whistleblower claims, regulatory action and monetary or other penalties. Any claims of retaliation against whistleblowers would exacerbate the consequences of any wrongdoing. The growth of our employee base and increasing operational footprint in new jurisdictions as a result of our expanding global presence may heighten the risk of any of the foregoing, particularly in the context of employees who may not have a close familiarity with industries that are regulated in the same way as ours. It is not always possible to detect or deter employee misconduct, and the extensive precautions we take to detect and prevent this activity may not be effective in all cases. If one or more of our employees or former employees were to engage in misconduct or were to be accused of such misconduct, our businesses and our reputation could be adversely affected and a loss of investor confidence could result, which would adversely impact our ability to raise future funds. Our current and former employees and those of our **funds'** portfolio companies may also become subject to allegations of sexual harassment, racial and gender discrimination or other similar misconduct, which, regardless of the ultimate outcome, may result in adverse publicity that could harm our and such portfolio company' s brand and reputation. The pervasiveness of social media, coupled with increased public focus on the externalities of activities unrelated to the business, could further magnify the reputational

risks associated with negative publicity. Changes to the method of determining the ~~London Interbank Offered Rate (“~~ LIBOR ~~”)~~ or the selection of ~~a~~ **SOFR or SONIA as** ~~replacement~~ **replacements** for LIBOR may affect the value of investments held by us or our funds and could affect our results of operations and financial results. In July 2017, the FCA **, as supervisor of ICE Benchmark Administrator (“ IBA ”), the administrator of LIBOR,** announced that it would phase out LIBOR by the end of 2021 ~~. On March 5, 2021, the administrator of LIBOR, ICE Benchmark Administrator~~ (**later** ~~“ IBA ”), notified the FCA that it intended~~ **extended** to ~~cease publishing (i)~~ the ~~principal LIBOR tenors in~~ **end of June 2023** ~~four~~ - **for** ~~currencies (GBP, EUR, CHF and JPY) immediately after December 31, 2021, (ii) the one- week and two- month tenors of~~ USD LIBOR **only** ~~immediately after December 31, 2021, and (iii~~) ~~all other USD LIBOR tenors (e. g., overnight, one- month, three- month, six- month and twelve- month) immediately after June 30, 2023. On the same day, the FCA, as supervisor of IBA, made its announcement on the future cessation and loss of representativeness of the LIBOR benchmarks~~ . IBA ceased publishing GBP, EUR, CHF and JPY LIBOR rates **on** ~~as of~~ January 1, 2022 **and ceased publishing overnight and 12- month USD LIBOR on June, 30 2023. In order to avoid disruption for users of LIBOR who were unable to transition to risk- free rates (“ RFRs ”) prior to relevant deadlines, the FCA required the continued publication of certain LIBOR settings on a changed or “ synthetic ” methodology (“ Synthetic LIBOR ”). Synthetic LIBOR settings have been largely transitioned out, and at the date of writing only 3- month GBP Synthetic LIBOR and 1- month, 3- month, and 6- month USD Synthetic LIBOR are being published. Supervised users of all financial contracts other than cleared derivatives are permitted to use these settings in respect of legacy contracts only. The FCA has announced that it intends to compel the publication of these Synthetic LIBOR settings permanently from the following dates: in respect of the GBP Synthetic LIBOR settings, on March 31, 2024, and in respect of the USD Synthetic LIBOR settings, on September 30, 2024** . The nominated replacement for USD ~~-~~LIBOR is the Secured Overnight Financing Rate (“ SOFR ”) and the nominated replacement for GBP- LIBOR is the Sterling Overnight Interbank Average Rate (“ SONIA ”). In March 2020, the Federal Reserve began publishing 30- **day** , 90- **day** and 180- day tenor SOFR Averages and a SOFR Index and in July 2020, Bloomberg began publishing fall- backs that the International Swaps and Derivatives Association (“ ISDA ”) implemented in lieu of LIBOR with respect to swaps and derivatives. In July 2021, the CME Group’ s forward- looking SOFR term rates were formally recommended by the Alternative Reference Rates Committee. ~~ISDA~~ **SOFR and SONIA have a limited history. The future performance of SOFR and SONIA, and SOFR- and SONIA- based reference rates, is uncertain. Future levels of SOFR and SONIA may bear little or no relation to historical levels of SOFR, LIBOR or other rates. SOFR and SONIA are transaction- based rates, and each** has ~~published~~ **been more volatile than** ~~the~~ **other benchmark** ~~ISDA Fallbacks Supplement (the “ Fallbacks Supplement ”) which creates a contractual framework for~~ - **or market** ~~counterparties to agree a replacement rate~~ **rates during certain periods. Accordingly** , **use of SOFR** ~~and the ISDA Fallbacks Protocol (the “ Fallbacks Protocol ”), for~~ - **or** ~~parties who signed up to~~ **SONIA may result in market inefficiencies. For** ~~the~~ **these** ~~Fallbacks Protocol and~~ **reasons, among others,** ~~the~~ **there** ~~Fallbacks Supplement~~ **is no assurance that SOFR or SONIA** , ~~which~~ **or rates derived from SOFR or SONIA, will perform in the** ~~came~~ **same** ~~into effect on January 25~~ **or similar way as USD LIBOR would have performed at any time** , **and** ~~2021. The Fallbacks Supplement amends the~~ **there is no assurance that SOFR** ~~2006 ISDA Definitions to incorporate the new risk- free~~ **or SONIA- based** rates ~~(“ RFRs ”) fallbacks, such that where a derivatives transaction that references the 2006 ISDA Definitions is executed on or after January 25, 2021, the changes to the fallback rate are applied automatically. The Fallbacks Protocol has the effect of incorporating the Fallbacks Supplement into contracts covered by the Protocol and entered into before January 25, 2021. In order to avoid disruption for users of GBP and JPY LIBOR who were unable to transition to RFRs prior to December 31, 2021, the FCA has required the continued publication of the one- month, three- month and six- month tenors of GBP and JPY LIBOR settings on a changed or “ synthetic ” methodology (“ Synthetic LIBOR ”) during 2022. Supervised users of all financial contracts other than cleared derivatives have been permitted to use these settings in respect of legacy contracts only. Those synthetic LIBOR settings~~ will be **a suitable substitute for** ~~transitioned out. The FCA has announced that the one- month and six- month GBP LIBOR settings will no longer be published after the end of March 2023, although it will require IBA to continue publication of the three- month GBP LIBOR setting until end of 2023. Further, the FCA will no longer compel publication of the synthetic JPY LIBOR settings after December 31, 2022. The FCA has consulted on the publication of synthetic one- month, three- month and six- month~~ USD LIBOR ~~settings until September 2024. However, the FCA is unlikely to continue requiring synthetic USD LIBOR settings beyond that date. Remaining transition to RFRs should therefore be implemented as a matter of urgency. Changes in the method of calculating the remaining LIBOR settings, or the replacement of LIBOR with an alternative rate or benchmark, may adversely affect interest rates and result in higher borrowing costs. As LIBOR continues to be wound down, we, our investments funds and our portfolio companies may need to continue to amend or restructure any remaining LIBOR- based debt instruments and any related hedging arrangements that extend beyond 2022 and which have not yet been transitioned to RFRs. This may be difficult, costly and time consuming and may result in adverse tax consequences. In addition, from time to time our funds invest in floating rate loans and investment securities whose interest rates are indexed to LIBOR. The continued transition to RFRs may have an impact on the value of LIBOR- based loans and securities, including those of other issuers we or our funds currently own or may in the future own, and may impact the availability and cost of hedging instruments and borrowings, including potentially, an increase to our and our funds’ interest expense and cost of capital. Any increased costs or reduced profits as a result of the foregoing may adversely affect our liquidity, results of operations and financial condition. Additionally, where there is a different fallback mechanic across derivative, loan, bond and repo markets, mismatches and gaps will appear. The mismatch risk is particularly acute if we, our investments funds or our portfolio companies have entered into a derivatives transaction to hedge a risk arising under another financial arrangement, such as a loan~~ . Certain of our subsidiaries operate outside the U. S. In Luxembourg, AM Lux is subject to regulation by the CSSF. In the U. K., the U. K. Regulated Entities are subject to regulation by the FCA. In some circumstances, the U. K. Regulated Entities and other Ares entities are or become subject to U. K. or EU laws, for instance in

relation to marketing our funds to investors in the EEA. Despite the U. K.' s departure from the EU on January 31, 2020 (see " — The U. K.' s exit from the EU (" Brexit ") could adversely affect our business and our operations " for further detail), new and existing EU legislation is expected to continue to impact our business in the U. K. The following EU measures are of particular relevance to our business. The EU Securitisation Regulation (the " Securitisation Regulation ") includes requirements in relation to transparency and risk retention and restricts AIFMs from investing in securitizations which do not comply with its provisions (" non- compliant securitizations "). The Securitisation Regulation also imposes an obligation on AIFMs to divest any interest in a non- compliant securitization. It is currently unclear if the Regulation applies to **non- EU** ~~AIFMs domiciled outside the EEA but~~ marketing one or more alternative investment funds in the EEA under a national private placement regime. This lack of clarity may hamper our ability to raise capital for some of our non- EEA funds from investors in the EEA or subject such fund raising to additional risks, including, if application of the Securitisation Regulation to non- EEA AIFMs is confirmed, that their funds that market in the EEA could be required to divest of interests in non- compliant securitizations at sub- optimal prices. ~~Both~~ **Following the U. K.' s exit from** the EU ~~and~~ **,** the U. K. **intends** ~~(in relation~~ to **repeal** the ~~on- shored version~~ **U. K.' s current implementation** of the Securitisation Regulation **and has published draft legislation (the " Securitisation Regulations 2023 "**) **as part of a policy statement, identifying several areas for revision in the U. K. and divergence from the EU' s Securitisation Regulation. The policy statement and the draft Securitisation Regulations 2023** are ~~undertaking~~ **still under** ~~reviews~~ - **review** ~~of~~ **and** ~~their~~ -- **the final** ~~respective regimes and changes may follow as a result. There is no certainty as to the effect such changes may have on Ares and relevant funds. Furthermore, there can be no guarantee that the U. K. will move in lockstep with the changes proposed by the EU. Additional underlying~~ rules are **still unclear** ~~in the process of being finalized by the EU which may impact the manner in which the risk retention rules must be implemented by Ares and relevant funds~~ . The EU Regulation on over- the- counter (" OTC ") derivative transactions, central counterparties and trade repositories (the " European Market Infrastructure Regulation " or " EMIR ") requires the mandatory clearing of certain OTC derivatives through central counterparties. This creates additional risk mitigation requirements (including, in particular, margining requirements) in respect of certain OTC derivative transactions that are not cleared by a central counterparty and imposes reporting and record keeping requirements in respect of most derivative transactions. The requirements are similar to, but not the same as, those in Title VII of the Dodd- Frank Act. The U. K. has on- shored EMIR, ~~thus~~ **with the effect that** a similar but not identical set of rules ~~now~~ apply in the U. K. ~~notwithstanding Brexit~~ **(" U. K. EMIR "). Certain cross- border arrangements (e. g., where an Ares European fund enters into derivatives transactions with a U. K. counterparty, transacts on a U. K. trading venue or clears its derivatives transactions through a U. K. clearing house, and vice versa) may be impacted. Although EMIR and U. K. EMIR are substantively similar, there are some areas of regulatory divergence (including differences in the way in which derivatives are reported and a lack of equivalence declarations between the U. K. and the EU with respect to trade repositories) and there can be no guarantee that the U. K. will move in lockstep with the future changes proposed by the EU. The EU regulation on transparency of securities financing transactions (" SFTR ") requires the mandatory reporting of certain securities financing transactions (" SFTs "), disclosure obligations to counterparties regarding the re- use of collateral, and certain transparency and disclosure obligations for managers of UCITS and AIFs in respect of SFTs and total return swaps. The new SFTR validation rules, which were updated in March 2023, are effective as of September 2023. The U. K. has on- shored SFTR, with the effect that a similar but not identical set of rules apply in the U. K. (" U. K. SFTR ")** . Certain cross- border arrangements (such as those where an Ares European fund enters into **SFT** ~~derivatives transactions~~ with a U. K. counterparty ~~, transacts on a U. K. trading venue or clears its derivatives through a U. K. clearing house~~) may be impacted. ~~Compliance~~ **Although SFTR and U. K. SFTR are substantively similar, there are some areas of regulatory divergence (including** with **respect to the new validation rules) and** ~~the~~ **there** ~~relevant requirements~~ **can be no guarantee that the U. K. will move** in **lockstep with the future changes proposed by** the EU ~~and the~~ **. Our** U. K. **,** ~~(as applicable) is likely to continue to increase the~~ **other** ~~burdens~~ **European** and ~~costs~~ **Asian operations and our investment activities worldwide are subject to a variety** of ~~doing business~~ **regulatory regimes that vary by country** . ~~A new~~ **In the EU, examples of further legislation may include proposals for further changes to or reviews of the extent and interpretation of pay regulation, including under the** EU Regulation on the prudential requirements of investment firms (Regulation (EU) 2019 / 2033) and its accompanying Directive (Directive (EU) 2019 / 2034) ~~(together, " IFR / IFD ") took effect on June 26, 2021. IFR / IFD introduces a bespoke prudential regime for~~ - **or** ~~most MiFID investment firms to replace the one that currently applies under the fourth Capital Requirements Directive and the Capital Requirements Regulation. IFR / IFD represents a complete overhaul of " prudential " regulation in the EU. Depending on how EU member states implement IFR / IFD, certain aspects of these~~ -- **the** ~~rules may also apply AIFMs that have been authorized to provide investment services via a MiFID " top- up " permission, however the Luxembourg regulator, Commission de Surveillance du Secteur Financier, has so far taken the position not to extend such rules to AIFMs with MiFID top- up permissions and as such, AM Lux to date remains outside of the scope of IFR / IFD. The~~ U. K. ~~' s~~ version ~~of IFR / IFD~~ , **the** ~~IFPR, took effect from January 1, 2022. IFPR applies to AML and AELM as U. K. MiFID investment~~ **Investment** ~~firms~~ **Firms** ~~and to AMUKL, as a U. K. AIFM with a MiFID " top- up " permissions. Under IFPR, among other requirements, AML, AMUKL and AELM will be required to maintain a more onerous policy on remuneration, to set an appropriate ratio between the variable and fixed components of total remuneration and to meet requirements on the structure of variable remuneration. AML and AMUKL are considered to be part of the same " prudential~~ **Prudential** ~~consolidation group ", and many of the requirements of IFPR (including but not limited to capital, liquidity and remuneration) will apply at the consolidated group level. As a new regime~~ **Regime** ~~, operating the relevant requirements may lead to additional operational and compliance complexity in the short to medium term and possibly higher regulatory capital requirements for the affected firms. Our U. K., other European and Asian operations and our investment activities worldwide are subject to a variety of regulatory regimes that vary by country. In the EU, examples of further legislation include proposals for further changes to or reviews of the extent and interpretation of pay~~

~~regulation, including under IFR / IFD~~ (which may have an impact on the retention and recruitment of key personnel), proposals for enhanced regulation of loan origination **(see " — Alternative Investment Fund Managers Directive ")** , credit servicing **(see " — Credit Servicers and Purchasers Directive ")** and new reporting requirements in relation to securities financing transactions. In the U. K., additional rule changes have affected the approval of certain Ares professionals in the U. K. to work in the regulated financial services sector. Implementation of these new rules may increase our compliance burden and costs. In addition, we regularly rely on exemptions from various requirements of the regulations of certain foreign countries in conducting our asset management activities. Each of the regulatory bodies with jurisdiction over us has regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. We are involved regularly in trading activities that implicate a broad number of foreign (as well as U. S.) securities law regimes, including laws governing trading on inside information and market manipulation and a broad number of technical trading requirements that implicate fundamental market regulation policies. Violation of these laws could result in severe restrictions or prohibitions on our activities and damage to our reputation, which in turn could have a material adverse effect on our businesses in a number of ways, making it harder for us to raise new funds and discouraging others from doing business with us. In addition, increasing global regulatory oversight of fundraising activities, including local registration requirements in various jurisdictions and the addition of new compliance regimes, could make it more difficult for us to raise new funds or could increase the cost of raising such funds. ~~Alternative Investment Fund Managers Directive~~ AIFMD applies to **:** (~~1~~ **i**) AIFMs established in the EEA that manage EEA or non- EEA AIFs ~~,~~ **;** (~~2~~ **ii**) non- EEA AIFMs that manage EEA AIFs **;** and (~~3~~ **iii**) non- EEA AIFMs that market their AIFs to professional investors within the EEA. Non- EEA AIFMs do not currently benefit from marketing passport rights and may only market AIFs to investors in some EEA jurisdictions in accordance with national private placement regimes. The U. K. implemented AIFMD while it was still a member of the EU and " on- shored " it as part of U. K. law, such that similar requirements continue to apply in the U. K. notwithstanding Brexit. ~~In~~ **On** November **10,** ~~2021~~ **2023** , the European Commission published ~~draft legislation~~ **a near- final amending directive** , commonly referred to as " AIFMD II ". **Assuming AIFMD II is adopted promptly and published in the Official Journal without delay, most of the changes will come into effect in 2026, subject to the grandfathering period for certain of the loan origination provisions and certain Annex IV disclosure requirements which will come into effect a year later. It is not yet clear to what extent (if any) the U. K. will seek to reflect AIFMD II in its domestic rules implementing AIFMD.** The draft ~~proposed~~ **contains** a number of amendments to AIFMD, including more onerous delegation requirements which may require a review of AM Lux' s existing arrangements, enhanced substance requirements, additional liquidity management provisions for AIFMs to the extent that they manage open- ended AIFs, and revised regulatory reporting and investor disclosures requirements. The draft also proposed significant new requirements relating to the activities of funds managed by AM Lux which originate loans including new restrictions on the structure which such funds may take. AIFMD II may result in new restrictions on the ability of certain of our affiliates other than AM Lux to register funds for marketing to investors in certain EEA states. AIFMD II imposes a range of requirements on AIFMs which may increase the cost of doing business for AM Lux and Ares' non- EEA AIFMs (including AMUKL) to the extent they market funds in the EEA and potentially disadvantages our funds as investors in private companies located in EEA member states compared to non- AIF / AIFM competitors that may not be subject to such requirements. ~~On May 16, 2022, the European Parliament issued its draft report on the European Commission' s proposals, and on June 21, 2022, the Council of the EU published its compromise text. Subject to the EU ordinary legislative process involving the European Parliament and the Council of the EU, this is expected to result in certain amendments to AIFMD, which will affect firms two years after the legislation comes into force, possibly in 2025.~~ It is not yet clear to what extent (if any) the U. K. will seek to reflect AIFMD II in its domestic rules implementing AIFMD. While there is no current indication that the non- EEA AIFM passport provisions of AIFMD will become effective or available, certain of the jurisdiction specific private placement regimes may cease to exist in the case that it does. This development could have a negative impact on our ability to raise capital from EEA investors if, for example, a jurisdiction specific private placement regime ceases to operate and the non- EEA AIFM passport is not made available to U. S. or U. K. AIFMs ~~. EU measures on the cross- border distribution of investment funds Effective largely from August 2, 2021, AIFMD (but not U. K.- retained AIFMD) was amended by the EU legislative package on the Cross- Border Distribution of Funds (" CBDF "). Parts of CBDF require implementation into national laws in the EEA, which process is ongoing. Amongst other things, CBDF introduced and will introduce new requirements relating to notice to regulators about pre- marketing, restrictions on which Ares entities are permitted to engage in pre- marketing, restrictions on the ability to accept investor commitments when similar funds have previously been deregistered for marketing, and new content requirements for marketing materials directed at EEA investors. The new regulations may hamper our ability to raise capital from EEA investors and increase the related costs~~ . Solvency II The European solvency framework and prudential regime for insurers and reinsurers, under the Solvency II Directive 2009 / 138 / EC (" Solvency II ") imposes economic risk- based solvency requirements across all EU member states. Solvency II is supplemented by European Commission Delegated Regulation (EU) 2015 / 35 (the " Delegated Regulation "), other European Commission " delegated acts " and binding technical standards, and guidelines issued by the European Insurance and Occupational Pensions Authority. The Delegated Regulation sets out detailed requirements for individual insurance and reinsurance undertakings, as well as for groups, based on the overarching provisions of Solvency II, which together make up the core of the single prudential rulebook for insurance and reinsurance undertakings in the EU. We are not subject to Solvency II; however, many of our European insurer or reinsurer fund investors are subject to this directive, as applied under applicable domestic law. Solvency II may impact insurers' and reinsurers' investment decisions and their asset allocations. In addition, insurers and reinsurers are subject to more onerous data collation and reporting requirements. As a result, there is the potential for Solvency II to have an adverse indirect effect on our businesses by, among other things, restricting the ability of European insurers and reinsurers to invest in our funds and imposing on us extensive disclosure and

reporting obligations for those insurers and reinsurers that do invest in our funds. On September 22, 2021, the European Commission published proposed legislation to amend the Solvency II Directive. **The European Parliament and the Council of the EU are still considering the legislation.** Post Brexit, Solvency II **was** ~~has been~~ on- shored in the U. K. In November 2022, His Majesty' s Treasury (" HM Treasury ") issued its response to its consultation on a Review of Solvency II **, outlining the areas of reform that would be delivered through changes to the U. K.' s Prudential Regulation Authority' s (" PRA ") rules and legislation. Two consultation papers have since followed, the first published on June 29, 2023 and the second on September 28, 2023. The first consultation paper focused on simplifying the existing framework with the intent of reducing the administrative and reporting requirements (and in turn, costs) for U. K. insurance firms. The second consultation paper included proposals to reform insurers' matching adjustment mechanism, with the intention of widening the categories of assets which insurers can hold in their portfolios. The intended implementation date for the majority of the changes proposed in the consultation papers is December 31, 2024, with the reforms to the matching adjustment reforms taking effect from June 30, 2024** . It is unclear at this stage the extent to which the proposed amendments to Solvency II will have an indirect effect on our businesses. MiFID II ~~MiFID II came into effect on January 3, 2018.~~ Although the U. K. has now withdrawn from the EU, its rules implementing MiFID II continue to have effect and MiFIR has been on- shored into U. K. law (subject to certain amendments to ensure it operates properly in a U. K.- specific context). MiFID II amended the existing MiFID regime and, among other requirements, introduced new organizational and conduct of business requirements for investment firms in the EEA. MiFID II requirements apply to AML and AELM as MiFID investment firms. Certain requirements of MiFID II also apply to AIFMs with a MiFID " top- up " permission, such as AMUKL and AM Lux. MiFID II extended MiFID requirements in a number of areas such as the receipt and payment of inducements (including investment research), suitability and appropriateness assessments, conflicts of interest, record- keeping, costs and charges disclosures, best execution, product design and governance, and transaction and trade reporting. Under MiFID II, national competent authorities are also required to establish position limits in relation to the maximum size of positions which a relevant person can hold in certain commodity derivatives. The limits apply to contracts traded on trading venues and their economically equivalent OTC contracts. The position limits established, as amended from time to time, and our ability to rely on any exemption thereunder may affect the size and types of investments we may make. Failure to comply with MiFID II and its associated legislative acts could result in sanctions from national regulators, the loss of market access and a number of other adverse consequences which would have a detrimental impact on our business. Certain aspects of MIFID II and MiFIR are subject to review and change in both the EU and the U. K. In August 2022, the EU introduced amendments to MiFID II. The key requirement is that EU MiFID firms, who are providing financial advice and portfolio management, need to carry out a mandatory assessment of the sustainability preferences of their clients. Broadly, sustainability preferences address taxonomy alignment, Sustainable Finance Disclosure Regulation (" SFDR ") sustainable investment alignment and consideration of principal adverse impacts. EU MiFID firms then need to take these into account in the selection process of financial products. ~~CSPD~~ In December 2021, a new European Commission directive governing credit servicers, credit purchasers and the recovery of collateral in connection with loans (the " Credit Servicers and Purchasers Directive " or " CSPD ") became effective. The policy aim behind CSPD is the development of a well- functioning secondary market for non- performing loans. Member States ~~are~~ **were** required to adopt and apply measures implementing CSPD by December 30, 2023 and entities carrying on credit servicing activities from December 30, 2023 **were** ~~will be~~ required to obtain authorization under the CSPD by June 29, 2024. The CSPD applies to, among others, " credit servicers " and " credit purchasers " and would impose a number of new requirements relating to licensing, conduct of business and provision of information. The definition of " credit servicer " in the European Commission proposal is sufficiently broad that it could be construed to include asset managers. **Ares funds which are established in the EU will be in scope of CSPD where they purchase non- performing loans (or purchases loans issued by an EU credit institution that subsequently become non- performing loans) and will be required to appoint a credit servicer for non- performing loans concluded with consumers. Ares funds which are established outside of the EU will be required to designate an EU established representative when purchasing in- scope non- performing loans who will be responsible for compliance with the obligations imposed on the credit purchased under CSPD.** The impact of the CSPD, together with other regulatory initiatives in the leveraged and non- performing loans markets, continues to be under review. **Such requirements are likely to result in additional compliance and operational costs for Ares managed funds.** Hong Kong Security Law ~~.~~ On June 30, 2020, the National People' s Congress of China passed a national security law (the " National Security Law "), which criminalizes certain offenses including secession, subversion of the Chinese government, terrorism and collusion with foreign entities. The National Security Law also applies to non- permanent residents. Although the extra- territorial reach of the National Security Law remains unclear, ~~there is a risk that~~ the application of the National Security Law to conduct outside Hong Kong by non- permanent residents of Hong Kong could limit the activities of or negatively affect the Company, our ~~investment~~ funds and / or portfolio companies. The National Security Law has been condemned by the U. S., the U. K. and several EU countries and has created additional tensions between the U. S. and China. Escalation of tensions resulting from the National Security Law, including conflict between China and other countries, protests and other government measures, as well as other economic, social or political unrest in the future, could adversely impact the security and stability of the region and may have a material adverse effect on countries in which the Company, our ~~investment~~ funds and portfolio companies or any of their respective personnel or assets are located. In addition, any downturn in Hong Kong' s economy could adversely affect the financial performance of the Company and our investments, or could have a significant impact on the industries in which the Company participates, and may adversely affect the operations of the Company, its ~~investment~~ funds and portfolio companies, including the retention of investment and other key professionals located in Hong Kong. Regulations governing ARCC' s **and ASIF' s** operation as ~~a~~ business development ~~company~~ **companies** affect ~~its~~ **their** ability to raise, and the way in which ~~it~~ **they** ~~raises~~ **raise** , additional capital. As ~~a~~ business development ~~company~~ **companies** , ARCC **and ASIF** ~~operates~~

operate as ~~a~~ highly regulated ~~business~~ **businesses** within the provisions of the Investment Company Act. Many of the regulations governing business development companies restrict, among other things, leverage incurrence, co- investments and other transactions with other entities within the Ares Operating Group. Certain of our funds may be restricted from engaging in transactions with ARCC **or ASIF** and ~~its~~ **their respective** subsidiaries. As ~~a~~ business development ~~company~~ **companies** registered under the Investment Company Act, ARCC **and ASIF** may issue debt securities or preferred stock and borrow money from banks or other financial institutions, which we refer to collectively as " senior securities, " up to the maximum amount permitted by the Investment Company Act. Under the provisions of the Investment Company Act, ARCC ~~is~~ **and ASIF are** currently permitted, as ~~a~~ business development ~~company~~ **companies** , to incur indebtedness or issue senior securities only in amounts such that ~~its~~ **their respective** asset coverage ratio, as calculated pursuant to the Investment Company Act, equals at least 150 % after each such issuance. ARCC ~~is~~ **and ASIF are** also generally prohibited from issuing and selling ~~its~~ **their respective** common stock at a price below net asset value per share without first obtaining approval from ~~its~~ **their respective** stockholders and independent directors. Business development companies may issue and sell common stock at a price below net asset value per share only in limited circumstances, one of which is after obtaining stockholder approval for such issuance in accordance with the Investment Company Act. ARCC' s stockholders have, in the past, approved such issuances so that during the subsequent 12- month period, ARCC may, in one or more public or private offerings of its common stock, sell or otherwise issue shares of its common stock at a price below the then- current net asset value per share, subject to certain conditions including parameters on the amount of shares sold, approval of the sale by the directors and a requirement that the sale price be not less than approximately the market price of the shares of its common stock at specified times, less the expenses of the sale. ARCC may ask its stockholders for additional approvals from year to year. There can be no assurance that such approvals will be obtained. The extent to which ARCC is negatively affected by these regulations may affect our overall profitability. The publicly- traded investment vehicles that we manage are subject to regulatory complexities that limit the way in which they do business and may subject them to a higher level of regulatory scrutiny. The publicly- traded investment vehicles that we manage operate under a complex regulatory environment. Such companies require the application of complex tax and securities regulations and may entail a higher level of regulatory scrutiny. In addition, regulations affecting our publicly- traded investment vehicles generally affect their ability to take certain actions. Certain of our vehicles have elected to be treated as a RIC or a REIT for U. S. federal income tax purposes. To maintain their status as a RIC or a REIT, such vehicles must meet, among other things, certain source of income, asset diversification and annual distribution requirements. ARCC ~~is~~ **and ASIF are** required to generally distribute to ~~its~~ **their respective** stockholders at least 90 % of ~~its~~ **their respective** investment company taxable income to maintain ~~its~~ **their** RIC status. ARCC **, ASIF** and our publicly- traded closed- end fund are subject to complex rules under the Investment Company Act, including rules that restrict certain of our funds from engaging in transactions with ARCC **, ASIF** or the closed- end fund. In addition, subject to certain exceptions, ARCC ~~is~~ **and ASIF are** generally prohibited from issuing and selling ~~its~~ **their** common stock at a price below net asset value per share and from incurring indebtedness (including for this purpose, preferred stock), if ARCC' s **or ASIF' s respective** asset coverage ratio, as calculated pursuant to the Investment Company Act, equals less than 150 % after giving effect to such incurrence. The extent to which the publicly- traded investment vehicles that we manage are negatively affected by these regulations may affect our overall profitability. Failure to comply with " pay to play " regulations implemented by the SEC and certain states, and changes to the " pay to play " regulatory regimes, could adversely affect our businesses. In recent years, the SEC and several states have initiated investigations alleging that certain private equity firms and hedge funds or agents acting on their behalf have paid money to current or former government officials or their associates in exchange for improperly soliciting contracts with state pension funds. Under SEC rules addressing " pay to play " practices, investment advisers are prohibited from providing advisory services for compensation to a government entity for two years, subject to very limited exceptions, after the investment adviser, its senior executives or its personnel involved in soliciting investments from government entities make contributions to certain candidates and officials in a position to influence the hiring of an investment adviser by such government entity. Advisers are required to implement compliance policies designed, among other matters, to track contributions by certain of the adviser' s employees and engagements of third parties that solicit government entities and to keep certain records to enable the SEC to determine compliance with the rule. In addition, there have been similar rules on a state level regarding " pay to play " practices by investment advisers. FINRA ~~adopted~~ **also has** its own set of " pay to play " regulations ~~, which went into effect on August 20, 2017,~~ that are similar to the SEC' s regulations. As we have a significant number of public pension plans that are investors in our funds, these rules could impose significant economic sanctions on our businesses if we or one of the other persons covered by the rules make any such contribution or payment, whether or not material or with an intent to secure an investment from a public pension plan. We may also acquire other investment managers or hire additional personnel who are not subject to the same restrictions as us, but whose activity, and the activity of their principals, prior to our ownership or employment of such person could affect our fundraising. In addition, such investigations may require the attention of senior management and may result in fines if any of our funds are deemed to have violated any regulations, thereby imposing additional expenses on us. Any failure on our part to comply with these rules could cause us to lose compensation for our advisory services or expose us to significant penalties and reputational damage. ~~Adverse incidents~~ **Increasing scrutiny from stakeholders and regulators** with respect to ESG ~~activities~~ **matters** could impact our or our **funds'** portfolio companies' reputation, the cost of our or their operations, or result in investors ceasing to allocate their capital to us, all of which could adversely affect our business and results of operations. We, our funds and their portfolio companies face increasing public scrutiny related to ESG activities. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. Investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG ratings and measures to their investment decisions. If our ESG ratings or practices do not meet the standards set by such investors or our stockholders, or if we fail, or are

perceived to fail, to demonstrate progress toward our ESG goals and initiatives, they may choose not to invest in our funds or exclude our common stock from their investments. Relatedly, we, our funds and their portfolio companies risk damage to our brands and reputations, if we or they do not or are perceived to not act responsibly in a number of areas, such as DEI, human rights, climate change and environmental stewardship, support for local communities, corporate governance and transparency, or consideration of ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the brand of our funds or their portfolio companies, or the cost of our or their operations and relationships with investors, all of which could adversely affect our business and results of operations. Conversely, anti- ESG sentiment has gained momentum across the U. S., with several states having enacted or proposed " anti- ESG " policies, legislation or issued related legal opinions. For example ~~,~~ **:** (i) boycott bills target financial institutions that " boycott " or " discriminate against " companies in certain industries (e. g., energy and mining) and prohibit state entities from doing business with such institutions and / or investing the state' s assets (including pension plan assets) through such institutions **;** and (ii) ESG investment prohibitions require that state entities or managers / administrators of state investments make investments based solely on pecuniary factors without consideration of ESG factors. If investors subject to such legislation viewed our funds or ESG practices, including our climate- related goals and commitments, as being in contradiction of such " anti- ESG " policies, legislation or legal opinions, such investors may not invest in our funds, our ability to maintain the size of our funds could be impaired, and it could negatively affect the price of our common stock. Further, asset managers have been subject to recent scrutiny related to ESG- focused industry working groups, initiatives and associations, including organizations advancing action to address climate change or climate- related risk. Such scrutiny could expose us to the risk of antitrust investigations or challenges by federal authorities, result in reputational harm and discourage certain investors from investing in our funds **. In addition, some state attorneys general have asserted that the Supreme Court' s decision striking down race- based affirmative action in higher education in June 2023 should be analogized to private employment matters and private contract matters. Several new cases alleging discrimination based on similar arguments have been filed since the decision, with scrutiny of certain corporate DEI practices increasing** . If we do not successfully manage expectations across these varied stakeholder interests, it could erode stakeholder trust, impact our reputation and constrain our investment opportunities. In addition, clients and investors may decide not to commit capital to future fundraises as a result of their assessment of our approach to and consideration of ESG. To the extent our access to capital from clients or investors focused on ESG ratings or matters is impaired, we may not be able to maintain or increase the size of our specialized funds or raise sufficient capital for new specialized funds, which may adversely affect our revenues. In addition, our ESG initiatives, goals, targets, intentions and expectations ~~, including with respect to targets and related timelines,~~ are subject to change, and no assurance or guarantee can be given that such goals, targets, intentions or expectations (some of which are aspirational in nature) will be met. Statistics and metrics that we report relating to ESG matters are estimates and may be based on assumptions or developing standards (including our internal standards and policies). There can be no assurance that our ESG policies and procedures, including policies and procedures related to responsible investment or the application of ESG- related criteria or reviews to the investment process, including certain metrics or frameworks, will continue. Such policies and procedures may change, even materially, or may not be applied to certain investments. In addition, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized, or judgement exercised by Ares, will reflect the beliefs or values, internal policies or preferred practices of investors or other managers, or align with market trends. Further, Ares may determine at any point that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies and procedures based on cost, timing or other considerations. Additionally, ~~new~~ **certain** ~~regulatory~~ **regulations** ~~initiatives~~ related to ESG that are applicable to us, our funds and their portfolio companies could adversely affect our business. **The** ~~In May 2018, the~~ European Commission ~~adopted an~~ **' s** " action plan on financing sustainable growth ~~.~~ " ~~The action plan~~ is **designed to** , among other things, ~~designed to~~ define and reorient investment toward sustainability. The action plan contemplates: establishing EU labels for green financial products; clarifying asset managers' and institutional investors' duties regarding sustainability in their investment decision- making processes; increasing disclosure requirements in the financial services sector around ESG and strengthening the transparency of companies on their ESG policies; and introducing a ' green supporting factor' in the EU prudential rules for banks and insurance companies to incorporate climate risks into banks' and insurance companies' risk management policies. ~~A number~~ **As part** of these ~~initiatives are underway and on December 9, 2019, Regulation~~ **regulations ,** ~~(EU) 2019 / 2088 on SFDR was published in the Official Journal of the European Union.~~ SFDR introduced mandatory sustainability- related transparency requirements for MiFID investment firms providing portfolio management or investment advisory services, and AIFMs ~~. The majority of the provisions of SFDR came into effect on March 10, 2021~~ . For Ares, this primarily impacts our AIFMs by requiring certain firm- level website disclosures regarding how sustainability risks are integrated into our investment process and remuneration practices. ~~In addition, fund~~ **Fund** - level disclosures are **also** required in relation to the integration of sustainability risks into investment decisions and potential impacts on fund returns. From January 1, 2022, further disclosures in periodic reports have been required and, ~~from~~ **since** January 1, 2023 certain template pre- contractual and periodic disclosures must be provided in a uniform template. Further, firms that offer financial products (such as AIFs) that promote environmental or social characteristics, or which have a sustainable investment objective, will also need to comply with additional disclosure and periodic reporting requirements that are broadly designed to prevent firms from " greenwashing " (i. e., the holding out of a product as having green or sustainable characteristics where this is not, in fact, the case). This reporting is mainly focused on the clear and concise articulation of their ESG features and the creation of bespoke key performance indicators to support annual reporting. **A** ~~There is a risk that a~~ significant reorientation in the market following the implementation of these and further measures could be adverse to our **funds'** portfolio companies if they are perceived to be less valuable as a consequence of, among other things, their carbon footprint or " greenwashing. " There is also a risk that market expectations in relation to SFDR categorization of financial products could adversely affect our ability

to raise capital from EEA investors **. In September 2023, the European Commission announced a consultation on refinement versus a wholesale re- write of product categorization criteria under SFDR, but the consultation did not contain much in the way of policy suggestions. Ares cannot guarantee that its current approach will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements may lead to increased management burdens and costs** . In addition, on June 22, 2020, Regulation (EU) 2020 / 852 on the establishment of a framework to facilitate sustainable investment was published in the Official Journal of the **EU** ~~European Union~~ (the " Taxonomy Regulation "). The Taxonomy Regulation sets out a framework for classifying economic activities as " environmentally sustainable " and also introduces certain mandatory disclosure and reporting requirements ~~(~~ **,** which supplement those set out in SFDR ~~) for financial products which have an environmental sustainable investment objective or which promote environmental characteristics~~ . The Taxonomy Regulation **took** ~~is due to take~~ effect in part (for climate change mitigation and adaptation) from January 1, 2022 and in part (for remaining environmental objectives) from January 1, 2023 ~~, although the technical screening criteria for the remaining environmental objectives is not yet finalized~~ . Sustainable finance initiatives continue to evolve rapidly so it is not possible at this stage to fully assess how our business will be affected. We are monitoring developments in relation to EU corporate sustainability reporting and proposals for laws requiring due diligence of supply chains. Guidance from EU policymakers and supervisors moves the goalposts frequently, for example a recent consultation paper on the use of ESG- related words in fund names, which, if implemented, may require changes to either the names of certain Ares funds or changes to their portfolio composition. We, our funds and their portfolio companies are subject to the risk that similar measures might be introduced in other jurisdictions in which we or they currently have investments or plan to invest in the future. Additionally, compliance with any new laws or regulations (including recent heightened SEC scrutiny regarding advisor compliance with advisors' own internal policies) increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we, our funds or their portfolio companies conduct our businesses and adversely affect our profitability. **Moreover,** ~~The U. K. intends to introduce a new legislative framework focused~~ on **January 5** ~~implementing the recommendations of the TCFD~~ , ~~in particular by~~ **2023, the Corporate Sustainability Reporting Directive (" CSRD ") came into effect. Broadly, CSRD amends and strengthens the rules** ~~introducing~~ **introduced** ~~mandatory TCFD~~ **on sustainability reporting for companies, banks and insurance companies under the Non** - ~~aligned disclosure~~ **Financial Reporting Directive (2014 / 95 / EU) (" NFRD "). CSRD** ~~requirements~~ ---- **requires** ~~for U. K. firms by June 30, 2024. The FCA published~~ a ~~policy~~ **much broader range of companies to produce detailed and prescriptive reports on sustainability- related matters within their financial** ~~statement~~ **statements – including large EU companies (including EU subsidiaries of non- EU parent companies), EU and non- EU- companies (including small and medium sized enterprises)** with **listed securities** ~~the near- finalized rules~~ on **EU** ~~December 17, 2021. The rules capture asset managers including full- scope U. K. AIFMs (such as AMUKL), and investment portfolio managers such as AML and AELM, as well as insurers and FCA~~ - regulated **markets (except micro** ~~pension providers. For the largest in~~ - **undertakings) and non- EU companies with significant turnover and a legal presence on EU markets. The reporting requirements will be phased in from 2024, with the first reports including audited information on sustainability- related matters being published in 2025 to cover the 2024 financial year. The reporting standards under CSRD within delegated legislation have been adopted by the European Commission and are still due to be published in the Official Journal of the EU. There can be no assurance that adverse developments with respect to such risks will not adversely affect assets held by Ares managed funds that are held in certain countries or the returns from these assets. One or more of our businesses may fall within** scope ~~firms~~ **of CSRD and this may lead to increased management burdens and costs. Finally, starting in 2025 AML and AMUKL will have to disclose certain climate- related financial information in line with the four overarching pillars of the TCFD recommendations** (~~those with over £ 50 billion in AUM~~ **Governance, Strategy, Risk Management, Metrics & Targets**) ~~, the~~ **on a mandatory basis under new FCA** rules ~~will apply from January 1, 2022, with the first public disclosures to be made by June 30, 2023~~ . ~~For~~ **Collating the relevant data and preparing the relevant report under** ~~those~~ **these new** ~~below this threshold but above £ 5 billion in AUM, the~~ rules **could impose additional compliance and administrative burden which could in turn increase costs** ~~will apply from January 1, 2023, with disclosures to be made by June 30, 2024. The impact of this new regime to our business is currently under review~~ . In addition ~~,~~ **to** the ~~U. K. FCA is consulting on additional~~ **above EU regulations, Sustainability Labelling and Disclosure of Sustainability- Related Financial Information Instrument 2023 (" SDR ") introduces** sustainability disclosure requirements ~~and sustainability~~ **, investment product** labels ~~for~~ **and an ' anti- greenwashing' rule. The anti- greenwashing rule applies to all U. K.- authorized firms in their communications with clients in the U. K., but the balance of the new regime is directed at U. K.** investment ~~products~~ **funds and U. K. regulated asset managers, that manage or distribute such funds** . The FCA ~~published a consultation paper~~ **has indicated it will consult** in **early** ~~late October 2022~~ **2024** ~~, proposing a~~ **on alternative approaches to applying** ~~three~~ -- **the** ~~- tiered system~~ **labelling regime to portfolio managers and continues to work** with ~~different levels~~ **His Majesty' s Treasury to consider its approach in respect** of ~~disclosures targeted at different types of investors~~ **overseas funds. As a result, it is not yet clear to what extent this new legislation will affect Ares. If these rules become applicable to our funds or products, then additional regulatory costs may be incurred and they may also have** ~~and~~ - **an** ~~different classifications~~ **impact on our ability to deliver on our fund' s investment strategies and financial returns could be adversely impacted as a result. In Asia, regulators in Singapore and Hong Kong have introduced requirements** for ~~products according to their sustainability activities and objectives. The proposed scope of application includes~~ asset managers **to integrate climate risk considerations in investment** and ~~FCA-~~ **risk management processes, together with enhanced disclosure and reporting and have also issued enhanced rules for certain ESG funds on general ESG risk management and disclosure. Meanwhile, Australia' s securities** ~~regulated~~ **regulator** ~~asset owners including AELM. The FCA~~ **issued information on " greenwashing ", and the Australian government** is ~~also considering whether to introduce specific~~

~~sustainability~~ **seeking input on the design and implementation of a climate** - related ~~requirements for~~ financial **disclosure** ~~advisers and how (if at all) the~~ regime ~~should apply to funds that are being marketed into the U. K~~ . There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors in order to allow investors to validate and better understand sustainability claims. For example, on May 25, 2022, the SEC proposed amendments to rules and reporting forms concerning ESG factors **. On August 23, 2023, the SEC adopted its final rule enhancing the regulation of private fund advisers, which includes requirements with respect to the disclosure of certain information to investors that could affect the way certain ESG- related information is shared** . In addition, in 2021 the SEC established an enforcement task force to look into ESG practices and disclosures by public companies and investment managers and has started to bring enforcement actions based on ESG disclosures not matching actual investment processes. Growing interest on the part of investors and regulators in ESG factors and increased demand for, and scrutiny of, ESG- related disclosure by asset managers, have also increased the risk that asset managers could be perceived as, or accused of, making inaccurate or misleading statements regarding the ESG- related investment strategies or their and their funds' ESG efforts or initiatives, or " greenwashing. " Such perception or accusation could damage our reputation, result in litigation or regulatory actions and adversely impact our ability to raise capital. On March 21, 2022, the SEC issued a proposed rule regarding the enhancement and standardization of mandatory climate- related disclosures for investors. The proposed rule would mandate extensive disclosure of climate- related data, risks, and opportunities, including financial impacts, physical and transition risks, related governance and strategy and greenhouse gas emissions, for certain public companies. Although the ultimate date of effectiveness and the final form and substance of the requirements for the proposed rule are not yet known and the ultimate scope and impact on our business is uncertain, compliance with the proposed rule, if finalized, may result in increased legal, accounting and financial compliance costs, make some activities more difficult, time- consuming and costly, and place strain on our personnel, systems and resources **. In October 2023, California enacted legislation that will ultimately require certain companies that do business in California to publicly disclose their Scopes 1, 2, and 3 greenhouse gas emissions, with third party assurance of such data, and issue public reports on their climate- related financial risk and related mitigation measures** . The SEC has also announced that it is working on proposals for mandatory disclosure of certain ESG- related matters, including with respect to board diversity and human capital management. At this time, there is uncertainty regarding the scope of such proposals or when they would become effective. Compliance with any new laws or regulations increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we or our **funds'** portfolio companies conduct our businesses and adversely affect our profitability. Economic sanction laws in the U. S. and other jurisdictions may prohibit us and our affiliates from transacting with certain countries, individuals and companies, which could negatively impact our business, financial condition and operating results. Economic sanction laws in the U. S. and other jurisdictions may restrict or prohibit us or our affiliates from transacting with certain countries, territories, individuals and entities. In the U. S., the U. S. Department of the Treasury' s Office of Foreign Assets Control (" OFAC ") administers and enforces laws, executive orders and regulations establishing U. S. economic and trade sanctions, which restrict or prohibit, among other things, direct and indirect transactions with, and the provision of services to, certain foreign countries, territories, individuals and entities. These types of sanctions may significantly restrict or completely prohibit lending activities in certain jurisdictions, and if we were to violate any such laws or regulations, we may face significant legal and monetary penalties, as well as reputational damage. OFAC sanctions programs change frequently, which may make it more difficult for us or our affiliates to ensure compliance. Moreover, OFAC enforcement is increasing, which may increase the risk that an issuer or we become subject of such actual or threatened enforcement. For instance, the Iran Threat Reduction and Syria Human Rights Act of 2012 (the " ITRA ") expanded the scope of U. S. sanctions against Iran. Additionally, Section 219 of the ITRA amended the Exchange Act to require companies subject to SEC reporting obligations under Section 13 of the Exchange Act to disclose in their periodic reports specified dealings or transactions involving Iran or other individuals and entities targeted by certain OFAC sanctions engaged in by the reporting company or any of its affiliates during the period covered by the relevant periodic report. In some cases, the ITRA requires companies to disclose these types of transactions even if they were permissible under U. S. law. Companies that currently may be or may have been at the time considered our affiliates have from time to time publicly filed and / or provided to us the disclosures reproduced in our Quarterly Reports. We do not independently verify or participate in the preparation of these disclosures. We are required to separately file and have separately filed with the SEC a notice when such activities have been disclosed in this report or in our quarterly reports, and the SEC is required to post such notice of disclosure on its website and send the report to the President and certain U. S. Congressional committees. The President thereafter is required to initiate an investigation and, within 180 days of initiating such an investigation, determine whether sanctions should be imposed. As of December 31, ~~2022~~ **2023** , no sanctions have been imposed on us as a result of our disclosures of these activities. Disclosure of such activity, even if such activity is not subject to sanctions under applicable law, and any sanctions actually imposed on us or our affiliates as a result of these activities, could harm our reputation and have a negative impact on our business, financial condition and results of operations, and any failure to disclose any such activities as required could additionally result in fines or penalties. In addition, any sanctions imposed by the U. S. and other countries in connection with hostilities between Russia and Ukraine **and more recently between Israel and Hamas** may impact us, our funds and ~~our~~ **their** portfolio companies. The U. K.' s exit from the EU (" Brexit ") could adversely affect our business and our operations. ~~The~~ **Following the** U. K. **' s** ~~exited~~ -- **exit from** the EU on January 31, 2020 and a transitional period ~~of 11 months commenced on this date to allow for the U. K.' s future relationship with the EU to be negotiated. This transitional period ended on December 31~~ , ~~2020. Following the end of this transitional period, so- called~~ EEA " passporting rights " facilitating market access into the EEA by U. K. firms, and into the U. K. by EEA firms, are no longer available. Various EU laws have been " on- shored " into domestic U. K. legislation and certain transitional regimes and deficiency- correction powers exist to ease the transition. **The Trade and Cooperation Agreement (** ~~Since its effectiveness on May 1, 2021,~~ the **"** TCA ~~has~~ **")** ~~governed~~

governs certain matters between the U. K. and the EU ~~. The TCA covers, for example, measures to preserve tariff- free trade in goods and the ability of U. K. nationals to travel to the EU on business but defers other issues~~ . While the TCA includes a commitment by the U. K. and the EU to keep their markets open for persons wishing to provide financial services through a permanent establishment, it does not substantively address future cooperation in the financial services sector or reciprocal market access into the EU by U. K. firms under equivalence arrangements or otherwise. A similar temporary regime, the TMPR, allows AIFMs to continue to market those funds in the U. K. that were in existence on December 31, 2020, on broadly the same terms as previously applied. Unless extended, the TMPR lasts until December 31, 2025. While the TCA and the TMPR provide clarity in some areas, there remains considerable uncertainty as to the future position of the U. K. and the arrangements which will apply to its relationships with the EU and other countries. **The implications and the operation of the TCA and the TMPR may also be subject to change and / or develop at short notice.** AM Lux ~~was~~ **and its EU branches were** established to enable Ares to continue certain regulated activities in the EU post Brexit **, such as the management and marketing of funds (including funds managed by affiliates of AM Lux) to European investors** . Applicable regulatory requirements may increase effective tax rates within Ares' structure or on its investments, including by way of higher levels of tax being imposed on AM Lux and EU branches of AM Lux. **Further** ~~As yet~~ , the **development** ~~full impact~~ of ~~Brexit on our business operations in~~ the U. K. **' s future legislative approach** and the **extent to which the U. K. diverges from** EU **legislation** ~~, and on the private investment funds industry more broadly,~~ remains uncertain. ~~This~~ **The U. K. introduced the Financial Services and Markets Act 2023 (" FSMA 2023 ") on June 29, 2023 as a significant piece of legislation that the U. K. government intends to use to bring about changes to the U. K.' s financial services and markets regime. FSMA 2023 contains a number of substantial measures that will overhaul the existing financial services regime, including the implementation of the U. K.' s post- Brexit framework through the repeal of retained EU legislation relating to financial services and markets, as well as the migration of much of that law into regulator' s rulebooks. It** is ~~driven in part by~~ **likely that, with** the **exception of regulations** ~~ongoing uncertainty relating to equivalence and the extent to~~ which ~~the~~ **are no longer needed and which can be repealed without replacement, individual pieces of retained** EU will **only be revoked once** ~~grant reciprocal market access to U. K. firms in~~ the ~~financial sector~~ **relevant regulator' s final rules has been established** . It is ~~possible~~ **expected** that **the legislative reform process will** ~~certain of our funds' investments may need to~~ be ~~restructured to enable~~ **slow, with** ~~their~~ -- **the** ~~objectives fully to be pursued (e. g., because of a loss of passporting rights for~~ U. K. ~~financial institutions or~~ **Treasury confirming that it expects it will take a number of years to complete** the ~~failure~~ **process of revoking retained EU law. To the extent that U. K. materially diverges from the EU regime, compliance with** ~~to~~ **two diverging regulatory regimes** ~~put equally effective arrangements~~ in ~~place)~~ **the EU and U** . ~~This~~ **K. requirements** may **to continue to** increase ~~costs or make it more difficult for us to pursue our objectives. The implications and~~ the ~~operation~~ **operational burden** ~~of the TCA~~ and ~~the TMPR may also be subject to change and / or develop at short notice. For example, we may market our funds to European investors through AM Lux or its EU branches and have AM Lux act as the manager to certain of our funds, which would require us to hire additional personnel in Europe, including in Luxembourg, and increase our~~ cost ~~of~~ **to our** operations **in these jurisdictions** . These complex issues and other by- products of Brexit ~~, such as the tightening of credit in the U. K. commercial real estate market,~~ may ~~also~~ increase the costs of having operations, conducting business and making investments in the U. K. and Europe. As a result, the performance of our funds which are focused on investing in the U. K. and to a lesser extent across Europe, such as certain funds in our Credit and Real Assets Groups may be disproportionately affected compared to those funds that invest more broadly across global geographies or are focused on different regions. The uncertainty surrounding the precise nature of the U. K.' s future legal relationship with the EU may continue to be a source of significant exchange rate fluctuations and / or other adverse effects on international markets. Unhedged currency fluctuations have the ability to adversely affect our funds and their underlying business investments, as well as the relative value of management fees earned and impact of operational expenses on profitability. ~~Further, the development of the U. K.' s future legislative approach remains uncertain. The U. K. may elect in the future to repeal, amend or replace EU laws, which could exacerbate the uncertainty and result in divergent U. K. national laws and regulations. Changes to the regulatory regimes in the U. K. or the EU and its member states could materially affect our business prospects and opportunities and increase our costs.~~ In addition, Brexit could potentially disrupt the tax jurisdictions in which we operate and affect the tax benefits or liabilities in these or other jurisdictions in a manner that is adverse to us and / or our funds ~~. Post- Brexit regulations could potentially impact the ability of regulated entities operating, providing services and marketing on a cross- border basis in other EEA countries in reliance on passporting rights and without the need for a separate license or authorization which may impact our ability to raise new funds. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition~~ . We are subject to risks in using prime brokers, custodians, counterparties, administrators and other agents. Many of our funds depend on the services of prime brokers, custodians, counterparties, administrators and other agents to carry out certain securities and derivatives transactions and other administrative services. We are subject to risks of errors and mistakes made by these third parties, which may be attributed to us and subject us or our fund investors to reputational damage, penalties or losses. We may be unsuccessful in seeking reimbursement or indemnification from these third- party service providers. The terms of the contracts with these third- party service providers are often customized and complex, and many of these arrangements occur in markets or relate to products that are not subject to regulatory oversight, although the Dodd- Frank Act provides for ~~new~~ regulation of the derivatives market. In particular, some of our funds utilize prime brokerage arrangements with a relatively limited number of counterparties, which has the effect of concentrating the transaction volume (and related counterparty default risk) of these funds with these counterparties. Our funds are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur suddenly and without notice to us. Moreover, if a counterparty defaults, we may be unable to take action to cover our exposure, either because we lack contractual recourse or because market conditions make it difficult to take effective action. This inability could occur in times of

market stress, which is when defaults are most likely to occur. In addition, our risk- management models may not accurately anticipate the impact of market stress or counterparty financial condition, and as a result, we may not have taken sufficient action to reduce our risks effectively. Default risk may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large participant could lead to significant liquidity problems for other participants, which may in turn expose us to significant losses. Although we have risk- management models and processes to ensure that we are not exposed to a single counterparty for significant periods of time, given the large number and size of our funds, we often have large positions with a single counterparty. For example, most of our funds have credit lines. If the lender under one or more of those credit lines were to become insolvent, we may have difficulty replacing the credit line and one or more of our funds may face liquidity problems. In the event of a counterparty default, particularly a default by a major investment bank or a default by a counterparty to a significant number of our contracts, one or more of our funds may have outstanding trades that they cannot settle or are delayed in settling. As a result, these funds could incur material losses and the resulting market impact of a major counterparty default could harm our businesses, results of operation and financial condition. In the event of the insolvency of a prime broker, custodian, counterparty or any other party that is holding assets of our funds as collateral, our funds might not be able to recover equivalent assets in full as they will rank among the prime broker' s, custodian' s or counterparty' s unsecured creditors in relation to the assets held as collateral. In addition, our funds' cash held with a prime broker, custodian or counterparty generally will not be segregated from the prime broker' s, custodian' s or counterparty' s own cash, and our funds may therefore rank as unsecured creditors in relation thereto. The counterparty risks that we face have increased in complexity and magnitude as a result of disruption in the financial markets in recent years. In addition, counterparties have generally reacted to recent market volatility by tightening their underwriting standards and increasing their margin requirements for all categories of financing, which has the result of decreasing the overall amount of leverage available and increasing the costs of borrowing. A portion of our revenue, earnings and cash flow is variable, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of shares of our Class A common stock to decline. A portion of our revenue, earnings and cash flow is variable, primarily due to the fact that carried interest and incentive fees that we receive from certain of our funds can vary from quarter to quarter and year to year. In addition, the investment returns of most of our funds are volatile. We may also experience fluctuations in our results from quarter to quarter and year to year due to a number of other factors, including changes in the values of our funds' investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of shares of our Class A common stock and cause our results for a particular period not to be indicative of our performance in a future period. It may be difficult for us to achieve steady growth in earnings and cash flow on a quarterly basis, which could in turn lead to large adverse movements in the price of shares of our Class A common stock or increased volatility in the price of shares of our Class A common stock generally. The timing and amount of carried interest and incentive fees generated by our funds is uncertain and contributes to the volatility of our results. It takes a substantial period of time to identify attractive investment opportunities, to diligence and finance an investment and then to realize the cash value or other proceeds of an investment through a sale, public offering, recapitalization or other exit. Even if an investment proves to be profitable, it may be several years before any profits can be realized in cash or other proceeds. We cannot predict when, or if, any realization of investments will occur. If we were to have a realization event in a particular quarter or year, it may have a significant impact on our results for that particular quarter or year that may not be replicated in subsequent periods. We recognize revenue on investments in our funds based on our allocable share of realized and unrealized gains (or losses) reported by such funds, and a decline in realized or unrealized gains, or an increase in realized or unrealized losses, would adversely affect our revenue, which could increase the volatility of our results. With respect to our funds that generate carried interest, the timing and receipt of such carried interest varies with the life cycle of our funds. During periods in which a relatively large portion of our assets under management is attributable to funds and investments in their " harvesting " period, our funds would make larger distributions than in the fund- raising or investment periods that precede harvesting. During periods in which a significant portion of our assets under management is attributable to funds that are not in their harvesting periods, we may receive substantially lower carried interest distributions. Moreover in some cases, we receive carried interest payments only upon realization of investments by the relevant fund, which contributes to the volatility of our cash flow and in other funds we are only entitled to carried interest payments after a return of all contributions and a preferred return to investors. With respect to our funds that pay an incentive fee, the incentive fee is generally paid annually. In many cases, we earn this incentive fee only if the net asset value of a fund has increased or, in the case of certain funds, increased beyond a particular threshold. Some of our funds also have " high water marks. " If the high water mark for a particular fund is not surpassed, we would not earn an incentive fee with respect to that fund during a particular period even if the fund had positive returns in such period as a result of losses in prior periods. If the fund were to experience losses, we would not be able to earn an incentive fee from such fund until it surpassed the previous high water mark. The incentive fees we earn are, therefore, dependent on the net asset value of our fund investments, which could lead to significant volatility in our results. Finally, the timing and amount of incentive fees generated by our closed- end funds are uncertain and will contribute to the volatility of our earnings. Incentive fees depend on our closed- end funds' investment performance and opportunities for realizing gains, which may be limited. Because a portion of our revenue, earnings and cash flow can be variable from quarter to quarter and year to year, we do not plan to provide any guidance regarding our expected quarterly and annual operating results. The lack of guidance may affect the expectations of public market analysts and could cause increased volatility in the price of shares of our Class A common stock. Fraud and other deceptive practices or other misconduct at our **funds'** portfolio companies, properties or projects could similarly subject us to liability and reputational damage and also harm our businesses. In recent years, the U. S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In the U. K., the Bribery Act of 2010 (the " U. K. Bribery Act ") prohibits companies

that conduct business in the U. K. and their employees and representatives from giving, offering or promising bribes to any person, including non- U. K. government officials, as well as requesting, agreeing to receive or accepting bribes from any person. Under the U. K. Bribery Act, companies may be held liable for failing to prevent their employees and associated persons from violating the Act. While we have developed and implemented policies and procedures designed to ensure strict compliance by us and our personnel with the FCPA and U. K. Bribery Act, such policies and procedures may not be effective in all instances to prevent violations. Any determination that we have violated the FCPA, the U. K. Bribery Act or other applicable anti- corruption laws could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business prospects, financial position or the market value of shares of our Class A common stock. In addition, we could be adversely affected as a result of actual or alleged misconduct by personnel of portfolio companies, properties or projects in which our funds invest, if there are failures to comply with regulations or other legal and regulatory requirements that could expose us to litigation or regulatory action and otherwise adversely affect our businesses and reputation. Such misconduct could negatively affect the valuation of a fund' s investments and consequently affect our funds' performance and negatively impact our businesses. In addition, we may face an increased risk of such misconduct to the extent our investment in foreign markets, particularly emerging markets, increase. Such markets may not have established laws and regulations that are as stringent as in more developed nations, or existing laws and regulations may not be consistently enforced. Due diligence on investment opportunities in these jurisdictions is frequently more complicated because consistent and uniform commercial practices in such locations may not have developed. Misconduct may be especially difficult to detect in such locations, and compliance with applicable laws may be difficult to maintain and monitor. Our use of leverage to finance our businesses exposes us to substantial risks. As of December 31, ~~2022~~ **2023** , we had $ ~~700~~ **895** . 0 million in borrowings outstanding under our credit facility (the " Credit Facility "), and aggregate principal amount of senior notes and subordinated notes of $ 1, ~~150~~ **650** . 0 million and $ 450. 0 million, respectively, are outstanding. We may choose to finance our businesses operations through further borrowings under the Credit Facility or by issuing additional debt. Our existing and future indebtedness exposes us to the typical risks associated with the use of leverage, including the same risks that are applicable to our funds that use leverage as discussed below under " — Risks Related to Our Funds — Dependence on significant leverage by our funds subjects us to volatility and contractions in the debt financing markets could adversely affect our ability to achieve attractive rates of return on those investments. " The occurrence or continuation of any of these events or trends could cause us to suffer a decline in the credit ratings assigned to our debt by rating agencies, which would cause the interest rate applicable to borrowings under the Credit Facility to increase and could result in other material adverse effects on our businesses. We depend on financial institutions extending credit to us on terms that are reasonable to us. There is no guarantee that such institutions will continue to extend credit to us or renew any existing credit agreements we may have with them, or that we will be able to refinance outstanding facilities when they mature. In addition, the incurrence of additional debt in the future could result in potential downgrades of our existing corporate credit ratings, which could limit the availability of future financing and / or increase our cost of borrowing. Furthermore, the Credit Facility and the indenture governing our senior notes contain certain covenants with which we need to comply. Non- compliance with any of the covenants without cure or waiver would constitute an event of default, and an event of default resulting from a breach of certain covenants could result, at the option of the lenders, in an acceleration of the principal and interest outstanding. In addition, if we incur additional debt, our credit rating could be adversely impacted. Borrowings under the Credit Facility will mature in March 2027, our tranches of senior notes mature in October 2024, **November 2028,** June 2030 and February 2052, respectively, and our subordinated notes mature in June 2051. As these borrowings and other indebtedness mature (or are otherwise repaid prior to their scheduled maturities), we may be required to either refinance them by entering into new facilities or issuing additional debt, which could result in higher borrowing costs, or issuing equity, which would dilute existing stockholders. We could also repay these borrowings by using cash on hand, cash provided by our continuing operations or cash from the sale of our assets, which could reduce distributions to holders of our Class A or non- voting common stock. We may be unable to enter into new facilities or issue debt or equity in the future on attractive terms, or at all. Borrowings under the Credit Facility are SOFR- based obligations. As a result, an increase in short- term interest rates will increase our interest costs if such borrowings have not been hedged into fixed rates. The risks related to our use of leverage may be exacerbated by our funds' use of leverage to finance investments. See " — Risks Related to Our Funds — Dependence on significant leverage by our funds subjects us to volatility and contractions in the debt financing markets could adversely affect our ability to achieve attractive rates of return on those investments. " We are exposed to risks associated with changes in interest rates. General interest rate fluctuations may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our investment objective and our net investment income. Because we borrow money and may issue debt securities or preferred stock to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. If market rates decrease we may earn less interest income from investments made during such lower rate environment. From time to time, we may also enter into certain hedging transactions to mitigate our exposure to changes in interest rates. In the past, we have entered into certain hedging transactions, such as interest rate swap agreements, to mitigate our exposure to adverse fluctuations in interest rates, and we may do so again in the future. In addition, we may increase our floating rate instruments to position the portfolio for rate increases. On a market value basis, approximately ~~90~~ **87** % of the debt assets within our Credit Group were floating rate instruments as of December 31, ~~2022~~ **2023** , which we believe helps mitigate volatility associated with changes in interest rates. However, we cannot assure you that such transactions will be successful in mitigating our exposure to interest rate risk. There can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. Trading prices tend to fluctuate more for fixed rate securities that have longer maturities. Although we have

no policy governing the maturities of our investments, under current market conditions we expect that we will invest in a portfolio of debt generally having maturities of up to 10 years. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. This means that we are subject to greater risk (other things being equal) than a fund invested solely in shorter- term securities. A decline in the prices of the debt we own could adversely affect the trading price of our common stock. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock. Operational risks may disrupt our businesses, result in losses or limit our growth. We face operational risk from errors made in the execution, confirmation or settlement of transactions. We also face operational risk from transactions and key data not being properly recorded, evaluated or accounted for in our funds. In particular, our Credit Group, and to a lesser extent our Private Equity Group, are highly dependent on our ability to process and evaluate, on a daily basis, transactions across markets and geographies in a time-sensitive, efficient and accurate manner. Consequently, we rely heavily on our financial, accounting and other data processing systems. New investment products we may introduce could create a significant risk that our existing systems may not be adequate to identify or control the relevant risks in the investment strategies employed by such new investment products. In addition, we operate in a business that is highly dependent on information systems and technology. Our information systems and technology may not continue to be able to accommodate our growth, particularly our growth internationally, and the cost of maintaining the **information** systems **technology** may increase from its current level. Such a failure to accommodate growth, or an increase in costs related to the information systems **technology**, could have a material adverse effect on our business and results of operations. Furthermore, our headquarters and a substantial portion of our personnel are located in Los Angeles. An earthquake or other disaster or a disruption in the infrastructure that supports our businesses, including a disruption involving electronic communications, our internal human resources systems or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, could have a material adverse effect on our ability to continue to operate our businesses without interruption. Although we have disaster recovery programs in place, these may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all. **We also** ~~Finally, we~~ rely on third- party service providers for certain aspects of our businesses, including for certain information systems, technology and administration of our funds and compliance matters. Operational risks could increase as ~~vendors~~ **third- party service providers** increasingly offer mobile and cloud- based software services rather than software services that can be operated within our own data centers, as certain aspects of the security of such technologies may be complex, unpredictable or beyond our control, and any failure by mobile technology ~~and~~ **or** cloud service providers to adequately safeguard their systems and prevent cyber- attacks ~~,~~ could disrupt our operations and result in misappropriation, corruption or loss of confidential ~~or~~ **,** proprietary **or personal** information. In addition, our counterparties' information systems, technology ~~and~~ **or** accounts may be the target of cyber- attacks ~~and identity theft~~. Any interruption or deterioration in the performance of these third parties or the service providers of our counterparties or failures **or vulnerabilities** of their respective information systems ~~and~~ **or** technology could impair the quality of our funds' operations and could impact our reputation, adversely affect our businesses and limit our ability to grow **. Finally, there has been significant evolution and developments in the use of artificial intelligence technologies, including large language models, such as ChatGPT. We cannot fully determine the impact of such evolving technology to our business at this time**. In February 2021, we invested $ 23. 0 million into a subsidiary that is the sponsor of ~~Ares Acquisition Corp (NYSE:~~ AAC ~~)~~ **I**, a blank check company. ~~Prior to~~ **On December 5, 2022, AAC I entered into** a business combination **agreement among AAC I**, **X- Energy Reactor Company, LLC (" X- energy "), a Delaware limited liability company and additional parties thereto. On October 31, 2023, AAC I announced that it mutually agreed to terminate its previously announced business combination with X-energy, given challenging market conditions, peer- company trading performance and a balancing of the benefits and drawbacks of becoming a publicly- traded company under current circumstances. Because AAC I did not complete a business combination within the time period required by its amended and restated memorandum and articles of association, AAC I has redeemed all outstanding Class A ordinary shares and ceased all operations** ~~the~~ **other than legal dissolution. In December 2023, we invested $ 50. 0 million into X- energy to support X- energy' s continued growth as a private company. We may lose all or a portion of our investment if X- energy is unsuccessful as a private company. In April 2023, we invested $ 14. 3 million into a subsidiary that is the** ~~Sponsor~~ **sponsor of AAC II, a blank check company. AAC II has until April 25, 2025 to complete a business combination. Prior to a business combination, the sponsor of AAC II** (and its permitted transferees) holds 100 % of the Class B ordinary shares outstanding of AAC **II**. The Class B ordinary shares equal 20 % of the outstanding ordinary shares of AAC **II**. Upon the successful completion of an acquisition the pro forma ownership of the new company will vary depending on the business combination terms. There can be no assurances that this scenario and the resulting ownership will manifest, as changes may be made depending upon business combination terms. There is no assurance that ~~the SPAC~~ **AAC II** will be successful in completing a business combination or that any business combination will be successful. ~~On December 5, 2022, AAC entered into a Business Combination Agreement among AAC, X-Energy Reactor Company, LLC, a Delaware limited liability company and additional parties thereto. Additionally, on February 2, 2023, AAC held an extraordinary general meeting to amend AAC' s organizational documents to extend the date by which AAC has to consummate a business combination from February 4, 2023 to August 4, 2023, or such earlier date as the board of directors of AAC may determine in its sole discretion. The business combination is expected to close in the second quarter of 2023, following the receipt of the required approval by AAC' s shareholders and the fulfillment of other customary closing conditions. However, there can be no assurances that the requisite approvals will be obtained or that the closing conditions will be satisfied. The Company could lose its entire investment in the SPAC if a business combination is not completed by the extended deadline or if the business combination is not successful, either of which could adversely impact our stockholder value.~~ Adverse legal and regulatory developments relating to SPACs and their sponsors could adversely affect our business and

reputation and result in significant losses and expenses. We have sponsored AAC **I, AAC II** and may in the future ~~elect~~ **continue** to sponsor or otherwise utilize SPACs or other blank check companies in connection with the operation of our business. Regulatory and legal scrutiny of SPACs and other blank check companies increased significantly in **recent years** ~~2021 and has continued into 2022~~ . For example ~~, the SEC' s Chairman has publicly announced his intention to propose rules around the marketing practices, disclosure requirements and liability obligations for SPACs and their sponsors and~~ , in 2021, the SEC' s staff issued statements relating to certain accounting classifications applicable to the financial statements prepared by SPACs, leading to many SPACs, including **AAC I** ~~our sponsored SPAC~~ , having to restate their financial statements **and, in January 2024, the SEC adopted final rules that, among other items, impose additional disclosure requirements in business combination transactions involving SPACs and private operating companies; amend the financial statement requirements applicable to business combination transactions involving such companies; update and expand guidance regarding the general use of projections in SEC filings, including requiring disclosure of all material bases of the projections and all material assumptions underlying the projections; increase the potential liability of certain participants in proposed business combination transactions; and could impact the extent to which SPACs could become subject to regulation under the Investment Company Act** . The SEC has also recently brought ~~an~~ enforcement ~~action~~ **actions** against a SPAC and its sponsor for misleading claims in advance of a proposed business combination. In addition, litigation challenging completed and pending acquisitions by SPACs has increased, and in such litigation **,** it is possible that sponsors and / or their director designees may be held liable either for breaches of fiduciary duties owed to the SPAC' s public stockholders or for certain actions or omissions by the SPAC, including the failure by the SPAC to comply with applicable securities laws. Litigation has also arisen asserting that SPACs are violating federal securities laws by operating as unregistered investment companies. Any liabilities arising from these developments could adversely impact our business as well as harm our professional reputation. Moreover, we may lose all or a portion of our investment in any SPAC that we sponsor or become affiliated with if a business combination is not completed as contemplated or if the business combination is unsuccessful, which may also result in significant regulatory scrutiny, litigation costs and other expenses. **AAC I did not complete a business combination within the time period required by its amended and restated memorandum and articles of association, and is going through the dissolution and liquidation process.** The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in shares of our Class A common stock. The historical performance of our funds is relevant to us primarily insofar as it is indicative of carried interest and incentive fees we have earned in the past and may earn in the future and our reputation and ability to raise new funds and therefore earn management fees on such new funds. The historical and potential returns of the funds we advise are not, however, directly linked to returns on shares of our Class A common stock. Therefore, holders of our Class A common stock should not conclude that positive performance of the funds we advise will necessarily result in positive returns on an investment in shares of our Class A common stock. An investment in shares of our Class A common stock is not an investment in any of our funds. Also, there is no assurance that projections in respect of our funds or unrealized valuations will be realized. Moreover, the historical returns of our funds should not be considered indicative of the future returns of these or from any future funds we may raise, in part because: • market conditions during previous periods may have been significantly more favorable for generating positive performance than the market conditions we may experience in the future; • our funds' rates of returns, which are calculated on the basis of net asset value of the funds' investments, reflect unrealized gains, which may never be realized; • our funds' returns have previously benefited from investment opportunities and general market conditions that may not recur, including the availability of debt capital on attractive terms and the availability of distressed debt opportunities, and we may not be able to achieve the same returns or profitable investment opportunities or deploy capital as quickly; • the historical returns that we present in this Annual Report on Form 10- K derive largely from the performance of our earlier funds, whereas future fund returns will depend increasingly on the performance of our newer funds or funds not yet formed, which may have little or no realized investment track record; • our funds' historical investments were made over a long period of time and over the course of various market and macroeconomic cycles, and the circumstances under which our current or future funds may make future investments may differ significantly from those conditions prevailing in the past; • the attractive returns of certain of our funds have been driven by the rapid return of invested capital, which has not occurred with respect to all of our funds and we believe is less likely to occur in the future; • in recent years, there has been increased competition for investment opportunities resulting from the increased amount of capital invested in alternative funds and high liquidity in debt markets, and the increased competition for investments may reduce our returns in the future; and • our newly established funds may generate lower returns during the period that they take to deploy their capital. The future internal rate of return for any current or future fund may vary considerably from the historical internal rate of return generated by any particular fund, or for our funds as a whole. Future returns will also be affected by the risks described elsewhere in this Annual Report on Form 10- K, including risks of the industries and businesses in which a particular fund invests. Valuation methodologies for certain assets can be subject to significant subjectivity, and the values of assets may never be realized. Many of the investments of our funds are illiquid and thus have no readily ascertainable market prices. We value these investments based on our estimate, or an independent third party' s estimate, of their fair value as of the date of determination, which often involves significant subjectivity. There is no single standard for determining fair value in good faith and in many cases fair value is best expressed as a range of fair values from which a single estimate may be derived. We estimate the fair value of our investments based on third-party models, or models developed by us, which include discounted cash flow analyses and other techniques and may be based, at least in part, on independently sourced market parameters. The material estimates and assumptions used in these models include the timing and expected amount of cash flows, the appropriateness of discount rates used, and, in some cases, the ability to execute, the timing of and the estimated proceeds from expected financings, some or all of which factors may be ascribed more or less weight in light of the particular circumstances. The actual results related to any particular investment often vary

materially as a result of the inaccuracy of these estimates and assumptions. In addition, because many of the illiquid investments held by our funds are in industries or sectors which are unstable, in distress or undergoing some uncertainty, such investments are subject to rapid changes in value caused by sudden company- specific or industry- wide developments. We include the fair value of illiquid assets in the calculations of net asset values, returns of our funds and our assets under management. Furthermore, we recognize carried interest and incentive fees from affiliates based in part on these estimated fair values. Because these valuations are inherently uncertain, they may fluctuate greatly from period to period. Also, they may vary greatly from the prices that would be obtained if the assets were to be liquidated on the date of the valuation and often do vary greatly from the prices we eventually realize; as a result, there can be no assurance that such unrealized valuations will be fully or timely realized. In addition, the values of our investments in publicly- traded assets are subject to significant volatility, including due to a number of factors beyond our control. These include actual or anticipated fluctuations in the quarterly and annual results of these companies or other companies in their industries, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions or government regulations, changes in management or capital structure and significant acquisitions and dispositions. Because the market prices of these securities can be volatile, the valuations of these assets change from period to period, and the valuation for any particular period may not be realized at the time of disposition. In addition, market values may be based on indicative rather than actual trading prices, and may therefore lack precision. Further, because our funds often hold large positions in their portfolio companies, the disposition of these securities often is delayed for, or takes place over, long periods of time, which can further expose us to volatility risk. Even if we hold a quantity of public securities that may be difficult to sell in a single transaction, we do not discount the market price of the security for purposes of our valuations. Although we frequently engage independent third parties to perform the foregoing valuations, the valuation process remains inherently subjective for the reasons described above. If we realize value on an investment that is significantly lower than the value at which it was reflected in a fund' s net asset values, we would suffer losses in the applicable fund. This could in turn lead to a decline in asset management fees and a loss equal to the portion of the carried interest and incentive fees from affiliates reported in prior periods that was not realized upon disposition. These effects could become applicable to a large number of our investments if our estimates and assumptions used in estimating their fair values differ from future valuations due to market developments. See " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Segment Analysis " for information related to fund activity that is no longer consolidated. If asset values turn out to be materially different than values reflected in fund net asset values, fund investors could lose confidence which could, in turn, result in difficulties in raising additional investments. The valuation process for the portfolio holdings of our registered funds and business development companies that we manage may create a conflict of interest. Effective September 2022, Rule 2a- 5 under the Investment Company Act establishes requirements for good faith determinations of fair value, and addresses both the board' s and the " valuation designee' s " roles and responsibilities relating to determinations of the fair value of securities without readily available market quotations. Each of the boards of the investment companies registered under the Investment Company Act (collectively, the " registered funds ") and the business development companies that we manage have designated their respective investment advisers to serve as valuation designee. These investment advisers are subsidiaries of the Company. A substantial majority of our registered funds' and business development companies' portfolio holdings are comprised of investments that are not publicly- traded and do not otherwise have readily available market quotations. As a result, as required by the Investment Company Act and pursuant to Rule 2a- 5 under the Investment Company Act, each of our registered funds' and business development companies' valuation designees will determine the fair value of these securities in good faith. The participation of employees of the Company' s subsidiaries in our business development companies' valuation processes could result in a conflict of interest since certain of our funds pay base management fees that may fluctuate with changes in value. Market values of debt instruments and publicly- traded securities that our funds hold as investments may be volatile. The market prices of debt instruments and publicly- traded securities held by some of our funds may be volatile and are likely to fluctuate due to a number of factors beyond our control, including actual or anticipated changes in the profitability of the issuers of such securities, general economic, social or political developments, changes in industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, inflation and rapid fluctuations in inflation rates and the general state of the securities markets as described above under " **—** Risks Related to Our Businesses — Difficult market and political conditions may adversely affect our businesses in many ways, including by reducing the value or hampering the performance of the investments made by our funds or reducing the ability of our funds to raise or deploy capital, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition, " and other material events, such as significant management changes, financings, re- financings, securities issuances, acquisitions and dispositions. The value of publicly- traded securities in which our funds invest may be particularly volatile as a result of these factors. In addition, debt instruments that are held by our funds to maturity or for long terms must be " marked- to- market " periodically, and their values are therefore vulnerable to interest rate fluctuations and the changes in the general state of the credit environment, notwithstanding their underlying performance. Changes in the values of these investments may adversely affect our investment performance and our results of operations. Our funds may be unable to deploy capital at a steady and consistent pace, which could have an adverse effect on our results of operations and future fundraising. The pace and consistency of our funds' capital deployment has been, and may in the future continue to be, affected by a range of factors, including market conditions, regulatory developments and increased competition, which are beyond our control **. In particular, the private equity and real estate markets have recently experienced a slowdown in deal activity. In addition, the private markets have continued to experience challenges with downward pressure on valuations and muted opportunities for realizations. To the extent these market dynamics continue, it may continue to impact the pace and consistency of our funds' capital deployment** . During the same period, our AUM not yet paying fees may increase due to ongoing fundraising. While this AUM not yet paying fees represents

significant future fee- earning potential, our inability to deploy this capital on the timeframe we expect, or at all, and on terms that we believe are attractive, would reduce or delay the management fees, carried interest and incentive fees that we would otherwise expect to earn on this capital. Any such reduction or delay would impair our ability to offset investments in additional resources that we often make to manage new capital, including hiring additional professionals. Moreover, we could be delayed in raising successor funds. The impact of any such reduction or delay would be particularly adverse with respect to funds where management fees are paid on invested capital. Any of the foregoing could have a material adverse effect on our results of operations and growth. Our funds depend on investment cycles, and any change in such cycles could have an adverse effect on our investment prospects. Cyclicality is important to our businesses. Weak economic environments have often provided attractive investment opportunities and strong relative investment performance. Conversely, we tend to realize value from our investments in times of economic expansion, when opportunities to sell investments may be greater. Thus, we depend on the cyclicality of the market to sustain our businesses and generate attractive risk- adjusted returns over extended periods. Any significant ongoing volatility or prolonged economic expansion or recession could have an adverse impact on certain of our funds and materially affect our ability to deliver attractive investment returns or generate incentive or other income. Some of our funds and their investments rely on the use of leverage, and our ability to achieve attractive rates of return on investments will depend on our ability to access sufficient sources of indebtedness at attractive rates. If our funds or the companies in which our funds invest raise capital in the structured credit, leveraged loan, high yield bond or investment grade bond markets, the results of their operations may suffer if such markets experience dislocations, contractions or volatility. Any such events could adversely impact the availability of credit to businesses generally and could lead to an overall weakening of the U. S. and global economies. Recently, the credit markets have experienced heightened volatility. Significant ongoing volatility or a protracted economic downturn could adversely affect the financial resources of our funds and their investments (in particular those investments that depend on credit from third parties or that otherwise participate in the credit markets) and their ability to make principal and interest payments on outstanding debt, or refinance outstanding debt when due. Moreover, these events could affect the terms of available debt financing with, for example, higher rates, higher equity requirements and / or more restrictive covenants, particularly in the area of acquisition financings for leveraged buyout and real estate assets transactions. The absence of available sources of sufficient debt financing for extended periods of time or an increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance those investments. Future increases in interest rates could also make it more difficult to locate and consummate investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital or their ability to benefit from a higher amount of cost savings following the acquisition of the asset. In addition, a portion of the indebtedness used to finance investments often includes high yield debt securities issued in the capital markets. Availability of capital from the high yield debt markets is subject to significant volatility, and there may be times when our funds are unable to access those markets at attractive rates, or at all, when completing an investment. Certain investments may also be financed through borrowings on fund- level debt facilities, which may or may not be available for a refinancing at the end of their respective terms. In the event that our funds are unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavorable terms, our funds may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, either of which could reduce the performance and investment income earned by us. Similarly, our funds' portfolio companies regularly utilize the corporate debt markets to obtain financing for their operations. If the credit markets render such financing difficult to obtain or more expensive, this may negatively impact the operating performance of those portfolio companies and, therefore, the investment returns of our funds. In addition, if the markets make it difficult or impossible to refinance debt that is maturing in the near term, some of our **funds'** portfolio companies may be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection. Any of the foregoing circumstances could have a material adverse effect on our financial condition, results of operations and cash flow. When our funds' existing portfolio investments reach the point when debt incurred to finance those investments matures in significant amounts and must be either repaid or refinanced, those investments may materially suffer if they have not generated sufficient cash flow to repay maturing debt and there is insufficient capacity and availability in the financing markets to permit them to refinance maturing debt on satisfactory terms, or at all. A persistence of the limited availability of financing for such purposes for an extended period of time when significant amounts of the debt incurred to finance our funds' existing portfolio investments becomes due could have a material adverse effect on these funds. Our funds may choose to use leverage as part of their respective investment programs and certain funds, particularly in our Credit Group, regularly borrow a substantial amount of their capital. The use of leverage poses a significant degree of risk and enhances the possibility of a significant loss in the value of the investment portfolio. A fund may borrow money from time to time to purchase or carry securities or may enter into derivative transactions with counterparties that have embedded leverage. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried and will be lost, and the timing and magnitude of such losses may be accelerated or exacerbated, in the event of a decline in the market value of such securities. Gains realized with borrowed funds may cause the fund' s net asset value to increase at a faster rate than would be the case without borrowings. However, if investment results fail to cover the cost of borrowings, the fund' s net asset value could also decrease faster than if there had been no borrowings. In addition, as ~~a~~ business development ~~company~~ **companies** registered under the Investment Company Act, ARCC ~~is~~ **and ASIF are** currently permitted to incur indebtedness or issue senior securities only in amounts such that its asset coverage ratio equals at least 150 % after each such issuance. ARCC **and ASIF** ' s ability to pay dividends will be restricted if ~~its~~ **their respective** asset coverage ratio falls below 150 % and any amounts that ~~it~~ **they** ~~uses~~ **use** to service ~~its~~ **their respective** indebtedness are not available for dividends to its common stockholders. Any of the foregoing circumstances could have a material adverse effect on our financial condition, results of operations and cash flow. Some of our funds may invest in

companies that are highly leveraged, which may increase the risk of loss associated with those investments. Some of our funds may invest in companies whose capital structures involve significant leverage. For example, in many non- distressed private equity investments, indebtedness may be as much as 75 % or more of a portfolio company' s or real estate asset' s total debt and equity capitalization, including debt that may be incurred in connection with the investment, whether incurred at or above the investment- level entity. In distressed situations, indebtedness may exceed 100 % or more of a portfolio company' s capitalization. Investments in highly leveraged entities are inherently more sensitive to declines in revenues, increases in expenses and interest rates and volatile or adverse economic, market and industry developments. Additionally, the debt positions acquired by our funds may be the most junior in what could be a complex capital structure, and thus subject us to the greatest risk of loss in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of one of these companies. Furthermore, the incurrence of a significant amount of indebtedness by an entity could, among other things: • subject the entity to a number of restrictive covenants, terms and conditions, any violation of which could be viewed by creditors as an event of default and could materially impact our ability to realize value from the investment; • allow even moderate reductions in operating cash flow to render the entity unable to service its indebtedness, leading to a bankruptcy or other reorganization of the entity and a loss of part or all of our fund' s equity investment in it; and • give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which might limit the entity' s ability to respond to changing industry conditions if additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities; As a result, the risk of loss associated with a leveraged entity is generally greater than for companies with comparatively less debt. Many of our funds invest in assets that are high risk, illiquid or subject to restrictions on transfer and we may fail to realize any profits from these activities ever or for a considerable period of time **or lose some or all of the capital invested** . Many of our funds invest in securities that are not publicly- traded. In many cases, our funds may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. Our funds generally cannot sell these securities publicly unless either their sale is registered under applicable securities laws or an exemption from such registration is available **, and then only at such times when we do not possess material nonpublic information** . Accordingly, our funds may be forced, under certain conditions, to sell securities at a loss. The ability of many of our funds, particularly our Private Equity Group funds, to dispose of these investments is heavily dependent on **the capital markets and in particular** the public equity markets. For example, the ability to realize any value from an investment may depend upon the ability of the portfolio company in which such investment is held to complete an initial public offering. Even if the securities are publicly- traded, large holdings of securities can often be disposed of only over a substantial period of time. Moreover, because the investment strategy of many of our funds, particularly our Private Equity Group funds, often entails our having representation on our funds' public portfolio company boards, our funds can affect such sales only during limited trading windows ~~, exposing~~ **. Each of** ~~the~~ **these exposes** investment returns to risks of downward movement in market prices during the intended disposition period. **As a result, we may fail to realize any profits from our investments in the funds that hold these securities for a considerable period of time or at all, and we may lose some or all of the principal amount of our investments.** In addition, market conditions ~~and the regulatory environment~~ can also delay our funds' ability to exit and realize value from their investments. For example, rising interest rates and challenging credit markets may make it difficult for potential buyers to raise sufficient capital to purchase our funds' investments. **Although the equity markets are not the only means by which we exit investments from our funds, the strength and liquidity of the U. S. and relevant global equity markets generally, and the initial public offering market specifically, affect the valuation of, and our ability to successfully exit, our equity positions in the portfolio companies of our funds in a timely manner. We may also realize investments through strategic sales. When financing is not available or becomes too costly, it may be more difficult to find a buyer that can successfully raise sufficient capital to purchase our investments. In addition, volatile debt and equity markets may also make the exit of our investments more difficult to execute. Certain investments may trade on an " over- the- counter " market, which may be any location where the buyer and seller can settle a price. A significant portion of our funds' investments are not expected to trade in any market. Due to the lack of centralized information and trading, the valuation of such instruments may carry more risk than publicly- traded common stock. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing (or valuation). In addition, other market participants may value a fund' s investments differently than us. As many of our funds have a finite term, we could also be forced to dispose of investments sooner than otherwise desirable. Accordingly, under certain conditions, our funds may be forced to either sell their investments at lower prices than they had expected to realize or defer sales that they had planned to make, potentially for a considerable period of time. We have made and expect to continue to make significant capital investments in our current and future funds and other strategies. Contributing capital to these funds and new strategies is risky, and we may lose some or all of the principal amount of our investments.** Government policies regarding certain regulations, such as antitrust law, or restrictions on foreign investment in certain of our funds' portfolio companies or assets can also **make it more difficult for us to deploy capital in certain jurisdictions and** limit our funds' exit opportunities. The ~~recently enacted~~ **U. S. and many non- U. S. jurisdictions have laws designed to protect national security or to restrict foreign direct investment. For example, under the U. S.** Foreign Investment Risk Review Modernization Act (" FIRRMA ") **,** ~~and related regulations significantly expanded the types of transactions that are subject to the jurisdiction of~~ the Committee on Foreign Investment in the **United States** ~~U. S.~~ (" CFIUS ") ~~. Under FIRRMA, CFIUS~~ has the authority to review **,** ~~and potentially~~ block or impose conditions on **investments by non- U. S. persons in U. S. companies or real assets deemed critical or sensitive to the United States. Many non- U. S. jurisdictions restrict foreign investment in assets important to national security by taking steps including, but not limited to, placing limitations, restrictions or conditions on foreign equity investment, implementing investment screening or approval mechanisms and restricting the employment of foreigners as key personnel. These U. S. and foreign laws could limit our**

funds' ability to invest in certain businesses or entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions. Certain of our investments may be subject to review and approval by CFIUS or any non- U. S. equivalents thereof, which may have outsized impacts on transaction certainty, timing, feasibility and cost, and may prevent us from maintaining or pursuing investment opportunities that we otherwise would have maintained or pursued. CFIUS or any non- U. S. equivalents thereof may seek to impose limitations, conditions or restrictions on or prohibit one or more of our investments, which may adversely affect the ability of our funds to execute on their investment strategy with respect to such transaction as well as limit our flexibility in structuring or financing certain transactions. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions, conditions or limitations on, transactions post-closing. Our funds may also invest in companies that are, or may become, subject to CFIUS requirements based on pre-existing foreign ownership and control; in such cases, CFIUS requirements may adversely impact a portfolio company' s ability to obtain or retain business or otherwise make it more difficult for us to realize a profit from an investment. The foregoing laws could limit our ability to find suitable investments and could also negatively impact our fundraising and syndication activities by causing us to exclude or limit certain investors in our funds or co- investors for our transactions. Moreover, these laws may make it difficult for us to identify suitable buyers for our investments that we want to exit and could constrain the universe of exit opportunities generally. Complying with these laws imposes potentially significant costs and complex additional burdens, and any failure by us or our portfolio companies to comply with them could expose us to significant penalties, sanctions, loss of future investment opportunities, additional regulatory scrutiny and reputational harm. See " — Risks Related to Regulation — Extensive regulation affects our activities, increases the cost of doing business and creates the potential for significant liabilities and penalties that could adversely affect our businesses and results of operations. " In addition to undertaking active ongoing investigative agendas, the U. S. Department of Justice Antitrust Division and the FTC, the two agencies responsible for enforcing federal antitrust and competition laws, issued new Merger Guidelines in December 2023, designed to invigorate enforcement of the antitrust and competition laws. Antitrust and competition law enforcers and regulators in foreign jurisdictions have been similarly active. These initiatives are expected to increase scrutiny of mergers and acquisitions and to result in the adoption of more stringent guidelines for pre- approval of mergers, and potentially for review of previously consummated transactions as well. As a result, the process of obtaining pre- approval from U. S. antitrust agencies and other non- U. S. antitrust authorities for mergers and acquisitions undertaken by the investment funds we manage is expected to become more challenging, more time consuming and more expensive. We may even be required to undergo investigations concerning previously closed transactions. If certain proposed acquisitions or dispositions of portfolio companies by ~~or~~ our ~~real estate~~ managed investment funds are delayed or rejected by antitrust enforcers , ~~which may~~ or if previously closed transactions are investigated, it could have an adverse impact on our ability to generate future performance revenues and to fully invest the available capital in our funds, as well as reduce opportunities ~~the number of potential buyers and limit the ability of our funds~~ to exit and realize value from our fund investments. In August 2023, the President issued an executive order establishing an outbound investment screening regime that is intended to regulate or prohibit certain investments by U. S. persons in advanced technology sectors in China and other jurisdictions that may be designated as a " country of concern. " While the U. S. Department of the Treasury proposed rules in August 2023 contemplating the imposition of notification requirements for, and the potential prohibition of, outbound investment involving semiconductors and microelectronics, quantum information technologies and artificial intelligence by U. S. persons into certain entities with a nexus to China, the exact scope and application of the outbound investment program has yet to be determined. Moreover, there is a high likelihood that the number of targeted sectors will expand over the life of our funds. When restrictions on U. S. outbound investment become effective, these could limit the universe of prospective investments available to us, making it more difficult to deploy capital or identify buyers for investments, and / or adversely affect the governance and operations of our investments and thus our overall performance. State regulatory agencies may also impose restrictions on private funds' investments in certain types of assets, which could affect our funds' ability to find attractive and diversified investments and to complete such investments in a timely manner. For example, more than two dozen U. S. states have enacted or are considering legislation that would prohibit, restrict, or regulate foreign investment in real property in such states. We cannot exclude that some or all of these states may prohibit, restrict or regulate (including requiring disclosure of) our funds' transactions, including based on the composition of our investor base. Collectively, these laws also elevate the likelihood that we will be required or requested to disclose to U. S. federal and / or state regulators information about us, our funds, our investors, our structure, and our beneficial ownership and control and may impact the ability of non- U. S. limited partners to participate in certain of our investment strategies. Many of the power, infrastructure and energy companies in which certain of our funds invest are subject to regulation by the Federal Energy Regulatory Commission (" FERC "), which oversees acquisition and disposition of electric generation, transmission and other electric facilities in most of the U. S., along with transmission of electricity in interstate commerce in the U. S., and wholesale purchases and sales of electric energy in interstate commerce in the U. S., among other things. In some U. S. states, public utility commissions can also (or alternatively) regulate investments in, or transfers of, certain electric sector holdings and infrastructure. Under existing regulations, FERC and public utility commissions may, in some circumstances, slow, or impose restrictions on, investments in or transfers of regulated assets. Changes to regulations, or changes to interpretations thereof, by FERC or public utility commissions may similarly make regulated investments, acquisitions or dispositions more challenging or time-consuming, and may subject previously- exempt classes of transactions to new authorization requirements. While our investments are exposed to FERC and public utility commission regulation in a manner that is consistent with other

participants in the power, infrastructure and energy sector, such regulations could nonetheless result in delays in making investments, delays in exiting investments or limitations or conditions that may adversely affect the ability of our funds to execute on their investment strategy with respect to such transactions as well as limit our flexibility in structuring or financing certain transactions. Certain of our funds make preferred and common equity investments that rank junior to preferred equity and debt in a company' s capital structure. In most cases, the companies in which our investment funds invest have, or are permitted to have, outstanding indebtedness or equity securities that rank senior to our fund' s investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of our investment . In addition, **in the event of insolvency, liquidation, dissolution, reorganization** ~~our~~ - **or** ~~Credit Group~~ **bankruptcy of a company in which an investment is made, holders of securities ranking senior to our investment would typically be entitled to receive payment in full before distributions could be made in respect of our investment. After repaying senior security holders, the company may not have any remaining assets to use for repaying amounts owed in respect of our investment. To the extent that any assets remain, holders of claims that rank equally with our investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets. Moreover, during periods of financial distress or following an insolvency, the ability of our** funds **to influence a** ~~may hold investments in portfolio companies~~ **company ' s affairs** ~~of such Private Equity Group funds on which we have board representation~~ and **to take actions to protect** ~~be restricted for extended periods of time from selling~~ their investments ~~. As such, we~~ may **be substantially less than** ~~fail to realize any profits from our investments in the funds~~ that ~~hold~~ **of** ~~these~~ -- **the senior creditors** ~~securities for a considerable period of time or at all, and we may lose some or all of the principal amount of our investments~~. Certain of our funds utilize special situation and distressed debt investment strategies that involve significant risks. Certain of the funds in our Credit and Private Equity Groups invest in obligors and issuers with weak financial conditions, poor operating results, substantial financing needs, negative net worth and / or special competitive problems. These funds also invest in obligors and issuers that are involved in bankruptcy or reorganization proceedings. In such situations, it may be difficult to obtain full information as to the exact financial and operating conditions of these obligors and issuers. Additionally, the fair values of such investments are subject to abrupt and erratic market movements and significant price volatility if they are publicly- traded securities, and are subject to significant uncertainty in general if they are not publicly- traded securities. Furthermore, some of our funds' distressed investments may not be widely traded or may have no recognized market. A fund' s exposure to such investments may be substantial in relation to the market for those investments, and the assets are likely to be illiquid and difficult to sell or transfer. As a result, it may take a number of years for the market value of such investments to ultimately reflect their intrinsic value as perceived by us. A central feature of our distressed investment strategy is our ability to effectively anticipate the occurrence of certain corporate events, such as debt and / or equity offerings, restructurings, reorganizations, mergers, takeover offers and other transactions, that we believe will improve the condition of the business. Similarly, we perform significant analysis of the company' s capital structure, operations, industry and ability to generate income, as well as market valuation of the company and its debt, and develop a strategy with respect to a particular distressed investment based on such analysis. In furtherance of that strategy our funds seek to identify the best position in the capital structure in which to invest. If the relevant corporate event that we anticipate is delayed, changed or never completed, or if our analysis or investment strategy is inaccurate, the market price and value of the applicable fund' s investment could decline sharply. In addition, these investments could subject a fund to certain potential additional liabilities that may exceed the value of its original investment. Under certain circumstances, payments or distributions on certain investments may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. In addition, under certain circumstances, a lender that has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed, or may be found liable for damages suffered by parties as a result of such actions. In the case where the investment in securities of troubled companies is made in connection with an attempt to influence a restructuring proposal or plan of reorganization in bankruptcy, our funds may become involved in substantial litigation. Certain of the funds or accounts we advise or manage are subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, and our businesses could be adversely affected if certain of our other funds or accounts fail to satisfy an exception under the U. S. Department of Labor' s " plan assets " regulation. Certain of the funds and accounts we advise or manage are subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code. For example, we currently manage some of our funds or accounts as " plan assets " under ERISA. With respect to these funds or accounts, this results in the application of the fiduciary responsibility standards of ERISA to investments made by such funds or accounts, including the requirement of investment prudence and diversification, and the possibility that certain transactions that we enter into, or may have entered into, on behalf of these funds or accounts, in the normal course of business, might constitute or result in, or have constituted or resulted in, non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the Code. A non- exempt prohibited transaction, in addition to imposing potential liability upon fiduciaries of an ERISA plan, may also result in the imposition of an excise tax under the Code upon a " party in interest " (as defined in ERISA) or " disqualified person " (as defined in the Code) with whom we engaged in the transaction. Some of our other funds or accounts are intended to qualify as " venture capital operating companies " or rely on another exception under the " plan assets " regulation under ERISA and therefore not be subject to the fiduciary or prohibited transaction provisions of ERISA or Section 4975 of the Code with respect to their assets. However, if these funds or accounts fail to satisfy an exception to holding " plan assets " under relevant regulations by the U. S. Department of Labor for any reason, including as a result of an amendment of the relevant regulations by the U. S. Department of Labor, such failure could materially interfere with our activities in relation to these funds or accounts or expose us to risks related to our failure to comply with the applicable requirements **. Contingent liabilities could harm fund performance. We may cause our**

funds to acquire an investment that is subject to contingent liabilities. Such contingent liabilities could be unknown to us at the time of acquisition or, if they are known to us, we may not accurately assess or protect against the risks that they present. Acquired contingent liabilities could therefore result in unforeseen losses for our funds. In addition, in connection with the disposition of an investment in a portfolio company, a fund may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. A fund may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities by a fund, even after the disposition of an investment. Accordingly, the inaccuracy of representations and warranties made by a fund could harm such fund' s performance . Our funds may be held liable for the underfunded pension liabilities of their portfolio companies. A court decision found that, in certain circumstances, an investment fund could be treated as a " trade or business " for purposes of determining pension liability under ERISA. Therefore, where an investment fund owns 80 % or more (or possibly, under certain circumstances, less than 80 %) of a portfolio company, such investment fund (and any other 80 %- owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Our funds may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where a fund may own an 80 % or greater interest in such a portfolio company. If a fund (or other 80 %- owned portfolio companies of such fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of such fund and the companies in which such fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under ERISA, as in effect as of the date hereof, which may change in the future as the case law and guidance develops. Our funds' performance, and our performance, may be adversely affected by the financial performance of our **funds'** portfolio companies and the industries in which our funds invest. Our performance and the performance of our funds are significantly impacted by the value of the companies in which our funds have invested. Our funds invest in companies in many different industries, each of which is subject to volatility based upon economic and market factors. The ~~credit crisis between mid- 2007 and the end of 2009 caused significant fluctuations in the value of securities held by our funds and the~~ recent global economic downturn induced by the COVID- 19 pandemic had a significant impact in overall performance activity and the demands for many of the goods and services provided by portfolio companies of the funds we advise. Although we believe the U. S. economy has largely recovered from the economic crisis induced by the COVID- 19 pandemic, there remain many obstacles to continued growth in the economy such as global geopolitical events, **persistent** ~~risks of~~ inflation or deflation, rising interest rates and high debt levels, both public and private. These factors and other general economic trends are likely to affect the performance of portfolio companies in a range of industries ~~and, in particular, industries that have been adversely affected by the COVID- 19 pandemic~~ . The performance of our funds, and our performance, may be adversely affected if our fund portfolio companies in these industries experience adverse performance or additional pressure due to downward trends. The performance of our investments with underlying exposure to the commodities markets is also subject to a high degree of business and market risk, as it is dependent upon prevailing prices of commodities such as oil, natural gas and coal, which are subject to wide fluctuation for a variety of factors that are beyond our control, such as geopolitical developments like hostilities **in the Middle East region and** between Russia and Ukraine. It is common in making investments with underlying exposure to the commodities markets to deploy hedging strategies to protect against pricing fluctuations but such strategies may or may not protect our investments. Declining global commodity prices have impacted the value of securities held by our funds. Continued volatility could result in lower returns than we anticipated at the time certain of our investments were made. As of December 31, ~~2022~~ **2023** , **1** ~~approximately 2~~ % of our total AUM was invested in **debt and equity investments in** the energy **sector** (~~including~~ **of which less than 1 % of our total AUM was invested in midstream investments and also includes** oil and gas exploration **)** and ~~midstream~~ **less than 1 % of our total AUM was invested in renewable energy** investments ~~) sector and approximately 2 % in the retail sector~~ that were challenged from the market disruption and volatility ~~seen~~ **experienced** in the recent past ~~as a result of the COVID- 19 pandemic~~ . In respect of real estate, various factors could have an adverse effect on investment performance, including, but not limited to, rising mortgage interest rates, a low level of confidence in the economic recovery or the residential real estate market **. Our failure to comply with investment guidelines set by our clients and / or investors could result in damage awards against us or a reduction in AUM, either of which would cause our earnings to decline and adversely affect our business. When clients retain us to manage assets on their behalf, they specify certain guidelines regarding investment allocation and strategy that we are required to observe in the management of their portfolios. Similarly, investors in our funds often require certain investment restrictions or limitations be included in their side letters that we are contractually obligated to observe in the management of such investors' interests in the applicable fund. Similarly, investors in our funds often require certain investment restrictions or limitations be included in their side letters that we are contractually obligated to observe in the management of such investors' interests in the applicable fund. Our failure to comply with these guidelines, restrictions and other limitations could result in clients terminating their investment management agreement with us or investors seeking to withdraw from our funds. Clients or investors could also sue us for breach of contract and seek to recover damages from us. In addition, such guidelines may restrict our ability to pursue certain investments and strategies on behalf of our clients or limit an investor' s exposure to such investments and strategies that we believe are economically desirable, which could similarly result in losses to a client account or investor capital account or termination or potential withdrawal of the account or investor and a corresponding reduction in AUM. Even if we comply with all applicable investment guidelines, restrictions and limitations, a client or investor may be dissatisfied with its investment performance or our services or fees, and may terminate their customized separate accounts or advisory accounts, seek to withdraw from our funds or be unwilling to commit new capital to our specialized funds, customized separate accounts or advisory accounts. Any of these events**

could cause our earnings to decline and materially and adversely affect our business, financial condition and results of operations . Third- party investors in certain of our funds with commitment- based structures may not satisfy their contractual obligation to fund capital calls when requested by us, which could adversely affect a fund' s operations and performance. Investors in certain of our funds make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. We depend on investors fulfilling and honoring their commitments when we call capital from them for those funds to consummate investments and otherwise pay their obligations when due. Any investor that did not fund a capital call would be subject to several possible penalties, including possibly having a meaningful amount of its existing investment forfeited in that fund. However, the impact of the penalty is directly correlated to the amount of capital previously invested by the investor in the fund and if an investor has invested little or no capital, for instance early in the life of the fund, then the forfeiture penalty may not be as meaningful. Investors may also negotiate for lesser or reduced penalties at the outset of the fund, thereby limiting our ability to enforce the funding of a capital call. In cases where valuations of existing investments fall and the pace of distributions slows, investors may be unable to make new commitments to third- party managed ~~investment~~ funds such as those advised by us using distributions they received from prior fund investments. A failure of investors to honor a significant amount of capital calls for any particular fund or funds could have a material adverse effect on the operation and performance of those funds. Certain of our ~~investment~~ funds may utilize subscription lines of credit to fund investments prior to the receipt of capital contributions from the fund' s investors. As capital calls made to a fund' s investors are delayed when using a subscription line of credit, the investment period of such investor capital is shortened, which may increase the net internal rate of return of an investment fund. However, since interest expense and other costs of borrowings under subscription lines of credit are an expense of the investment fund, the investment fund' s net multiple of invested capital will be reduced, as will the amount of carried interest generated by the fund. Any material reduction in the amount of carried interest generated by a fund will adversely affect our revenues. Our funds make investments in companies that are based outside of the U. S., which may expose us to additional risks not typically associated with investing in companies that are based in the U. S. Some of our funds invest a portion of their assets in the equity, debt, loans or other securities of issuers located outside the U. S., including Europe and **APAC** ~~Asia- Pacific~~ , while certain of our funds invest substantially all of their assets in these types of securities, and we expect that international investments will increase as a proportion of certain of our funds' portfolios in the future. Investments in foreign securities involve certain factors not typically associated with investing in U. S. securities, including risks relating to: • our funds' abilities to exchange local currencies for U. S. dollars and other currency exchange matters, including fluctuations in currency exchange rates and costs associated with conversion of investment principal and income from one currency into another; • controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital; • less developed or less efficient financial markets than exist in the U. S., which may lead to price volatility and relative illiquidity; • the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; • changes in laws or clarifications to existing laws (and changes in administrative practices) that could impact our tax treaty positions, which could adversely impact the returns on our investments; • differences in legal and regulatory environments, particularly with respect to bankruptcy and reorganization, labor and employment laws, less developed corporate laws regarding fiduciary duties and the protection of investors and less reliable judicial systems to enforce contracts and applicable law; • political hostility to investments by foreign or private equity investors; • less publicly available information in respect of companies in foreign markets; • reliance on a more limited number of commodity inputs, service providers and / or distribution mechanisms; • higher rates of inflation; • higher transaction costs; • difficulty in enforcing contractual obligations; • fewer investor protections; • limitations on the deductibility of interest and other financing costs and expenses for income tax purposes in certain jurisdictions; • certain economic and political risks, including potential exchange control regulations and restrictions on our foreign investments and repatriation of capital, potential political, economic or social instability, the possibility of nationalization or expropriation or confiscatory taxation and adverse economic and political developments; and • the imposition of foreign taxes or withholding taxes on income and gains recognized with respect to such securities. While our funds will take these factors into consideration in making investment decisions, including when hedging positions, there can be no assurance that adverse developments with respect to these risks will not adversely affect our funds that invest in securities of foreign issuers. In addition, certain of these funds are managed outside the U. S., which may increase the foregoing risks. Many of our funds make investments in companies that we do not control. Investments by many of our funds will include debt instruments and equity securities of companies that we do not control. Such instruments and securities may be acquired by our funds through trading activities or through purchases of securities from the issuer. In addition, our funds may seek to acquire minority equity interests more frequently and may also dispose of a portion of their majority equity investments in portfolio companies over time in a manner that results in the funds retaining a minority investment. Furthermore, while certain of our funds may make " toe- hold " distressed debt investments in a company with the intention of obtaining control, there is no assurance that a control position may be obtained and such fund may retain a minority investment. Those investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of the investments held by our funds could decrease and our financial condition, results of operations and cash flow could suffer as a result. Increased regulatory scrutiny and uncertainty with regard to expense allocation may increase risk of harm. While we historically have and will continue to allocate the expenses of our funds in good faith and in accordance with the terms of the relevant fund agreements and our expense allocation policy in effect from time to time, due to increased regulatory scrutiny of expense allocation policies in the private ~~investment~~ funds realm, there is no guarantee that our policies and practices will not be challenged by our supervising regulatory bodies. If we or our supervising regulators were to determine that we have improperly allocated such expenses, we could be required to refund amounts to the funds and could be subject to regulatory censure,

litigation from our fund investors and / or reputational harm, each of which could have a material adverse effect on our financial condition. We may need to pay “ clawback ” or “ contingent repayment ” obligations if and when they are triggered under the governing agreements with our funds. Generally, if at the termination of a fund and in certain cases at interim points in the life of a fund, the fund has not achieved investment returns that exceed the preferred return threshold or the general partner receives net profits over the life of the fund in excess of its allocable share under the applicable partnership agreement, we will be obligated to repay an amount equal to the excess of amounts previously distributed to us over the amounts to which we are ultimately entitled. This obligation is known as a “ clawback ” or contingent repayment obligation. Due to the fact that our carried interest is generally determined on a liquidation basis, as of December 31, ~~2022~~ **2023** , if the funds were liquidated at their fair values at that date, there would have been no contingent repayment obligation or liability. There can be no assurance that we will not incur a contingent repayment obligation in the future. ~~At~~ **As of** December 31, ~~2022~~ **2023** , had we assumed all existing investments were worthless, the amount of carried interest, net of tax distributions, subject to contingent repayment would have been approximately $ ~~128~~ **78** . ~~4~~ **5** million of which approximately $ ~~101~~ **54** . ~~0~~ **5** million is reimbursable to the Company by certain professionals. In addition, the SEC has recently ~~proposed~~ **adopted** rules that **will require a written notice** ~~, if enacted, would limit our ability~~ to ~~limit our~~ **private fund investors in order to reduce the amount of any adviser** clawback ~~obligation in connection with certain~~ **by actual, potential, or hypothetical** taxes ~~and therefore could potentially lead to larger contingent repayment obligations~~ **within 45 days after the end of any fiscal quarter in which a clawback occurs** . See “ **—** Risks Related to Regulation — Extensive regulation affects our activities, increases the cost of doing business and creates the potential for significant liabilities and penalties that could adversely affect our businesses and results of operations. ” **To the extent that we fail to provide such written notice, we would be limited in our ability to reduce the clawback amount in connection with those taxes, potentially leading to a larger contingent repayment obligation.** Although a contingent repayment obligation is several to each person who received a distribution, and not a joint obligation, if a recipient does not fund his or her respective share of a contingent repayment obligation, we may have to fund such additional amounts beyond the amount of carried interest we retained, although we generally will retain the right to pursue remedies against those carried interest recipients who fail to fund their obligations. We may need to use or reserve cash to repay such contingent repayment obligations instead of using the cash for other purposes. See “ Item 7. Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Contractual Obligations, Commitments and Contingencies and Other Arrangements, ” “ Note 2. Summary of Significant Accounting Policies, ” and “ Note ~~9~~ **8** . Commitments and Contingencies ” within our consolidated financial statements appearing elsewhere in this Annual Report on Form 10- K. We derive a substantial portion of our revenues from funds managed pursuant to management agreements that may be terminated or fund partnership agreements that permit fund investors to request liquidation of investments in our funds on short notice. The terms of our funds generally give either the manager of the fund or the fund itself the right to terminate our investment management agreement with the fund. However, insofar as we control the general partners of our funds that are limited partnerships, the risk of termination of investment management agreement for such funds is limited, subject to our fiduciary or contractual duties as general partner. This risk is more significant for certain of our funds that have independent boards of directors. With respect to our funds that are not exempt from registration under the Investment Company Act, each fund’ s investment management agreement must be approved annually by (~~a~~ **i**) such fund’ s board of directors or by the vote of a majority of such fund’ s stockholders, and (~~b~~ **ii**) the majority of the independent members of such fund’ s board of directors and, in certain cases, by its stockholders, as required by law. The funds’ investment management agreements can also be terminated by the majority of such fund’ s stockholders. Termination of these agreements would reduce the fees we earn from the relevant funds, which could have a material adverse effect on our results of operations. Currently, ARCC **and ASIF** , ~~a~~ registered investment ~~company~~ **companies** that ~~has~~ **have** elected to be treated as ~~a~~ business development ~~company~~ **companies** under the Investment Company Act, ~~is~~ **are** subject to these provisions of the Investment Company Act. Investors in certain of our funds, including our open- ended funds, may redeem their investments in these funds. Third- party investors in many of our funds have the right to remove the general partner of the fund and to terminate the investment period under certain circumstances. In addition, the investment management agreements related to our separately managed accounts may permit the investor to terminate our management of such accounts on short notice. These events would lead to a decrease in our revenues, which could be substantial. Investors in certain of our funds, including our open- ended funds and non- traded REITs may generally redeem their investments on a periodic basis subject to the expiration of a specified period of time during which capital may not be withdrawn. Such redemptions would result in a reduction of our AUM and decrease in our management fees. The governing agreements of many of our funds provide that, subject to certain conditions, third- party investors in those funds have the right to remove the general partner of the fund or terminate the fund, including in certain cases without cause by a simple majority vote. Any such removal or dissolution could result in a cessation in management fees we would earn from such funds and / or a significant reduction in the expected amounts of carried interest and incentive fees from those funds. Carried interest could be significantly reduced as a result of our inability to maximize the value of investments by a fund during the liquidation process or in the event of the triggering of a “ contingent repayment ” obligation. Finally, the applicable funds would cease to exist after completion of liquidation and winding- up. In addition, the governing agreements of many of our funds provide that, subject to certain conditions, third- party investors in those funds have the right to terminate the investment period of the fund, including in certain cases without cause. Such an event could have a significant negative impact on our revenue, earnings and cash flow of such fund. The governing agreements of our funds may also provide that upon the occurrence of events, including in the event that certain “ key persons ” in our funds do not meet specified time commitments with regard to managing the fund **(including due to death, disability or departure)** , investors in those funds have the right to vote to **suspend or** terminate the investment period, including in certain cases by a simple majority vote in accordance with specified procedures. In addition to having a significant negative impact on our revenue, earnings and cash flow, the occurrence of such an event with respect to any of our funds would likely result in

significant reputational damage to us and could negatively impact our future fundraising efforts. We currently manage a portion of investor assets through separately managed accounts, whereby we earn management fees and carried interest or incentive fees, and we intend to continue to seek additional separately managed account mandates. The investment management agreements we enter into in connection with managing separately managed accounts on behalf of certain clients may in certain cases be terminated by such clients on as little as 30 days' prior written notice. In addition, the boards of directors of the investment management companies we manage could terminate our advisory engagement of those companies on as little as 30 days' prior written notice. ARCC **and ASIF** ' s **respective** investment management ~~agreement~~ **agreements** can be terminated by the majority of ~~its~~ **their respective** stockholders upon 60 days' prior written notice. We serve as the sub- adviser for the existing manager of certain funds. Although in some cases there can be economic payments made by the manager for termination of such sub- advisory contracts, such as in connection with our sub- advisory arrangement of AMP Capital' s Infrastructure Debt platform, in the case of any such terminations, the management fees and carried interest or incentive fees we earn in connection with managing such account or company would immediately cease, which could result in a significant adverse impact on our revenues. In addition, if we were to experience a change of control (as defined under the Investment Advisers Act or as otherwise set forth in the partnership agreements of our funds), continuation of the investment management agreements of our funds would be subject to investor consent. There can be no assurance that required consents will be obtained if a change of control occurs. In addition, with respect to our funds that are subject to the Investment Company Act, each fund' s investment management agreement must be approved annually (~~a~~ **i**) by such fund' s board of directors or by a vote of the majority of such fund' s stockholders, and (~~b~~ **ii**) by the independent members of such fund' s board of directors and, in certain cases, by its stockholders, as required by law. Termination of these agreements would cause us to lose the management fees and carried interest or incentive fees we earn from such funds, which could have a material adverse effect on our **results of operations. Customized separate account and advisory account fee revenue is not a long- term contracted source of revenue and is subject to intense competition. Our revenue in any given period is dependent on the number of fee- paying clients and corresponding level of AUM in such period. Our customized separate account and advisory account business operates in a highly competitive environment where typically there are no long- term contracts. While clients of our customized separate account and advisory account businesses may have multi- year contracts, many of these contracts are terminable upon 30 to 90 days' advance notice to us. We may lose clients as a result of a change in ownership, control or senior management, a client' s decision to transition to in- house asset management rather than partner with a third- party provider such as us, competition from other financial advisors and financial institutions, changes to their investment policies and other causes. Isolated departures have occurred in the past but have not had a material impact on our business. Moreover, a number of our contracts with state government- sponsored clients are secured through such government' s mandated procurement process, and are subject to periodic renewal. If multiple clients were to exercise their termination rights or fail to renew their existing contracts and we were unable to secure new clients or maintain our levels of AUM, our customized separate account and advisory account fees would decline materially. A significant reduction in the number of fee- paying clients and / or AUM levels in any given period could reduce our revenue and materially and adversely affect our business, financial condition and** results of operations. We are vulnerable to an increased number of investors seeking to participate in share redemption programs or tender offers of our non- traded vehicles. We manage non- traded REITs, BDCs and other non- traded vehicles. Non- traded vehicles often conduct share redemption programs or tender offers to provide liquidity to investors in such vehicles, subject to certain limitations. For example, with respect to our non- traded REITs, the total amount of aggregate redemptions is limited by a certain percentage of each of the non- traded REIT' s NAV for each calendar month and quarter, which percentage is generally based on the excess of share redemptions (capital outflows) over the proceeds from the sale of shares (capital inflows), not including proceeds related to sales of beneficial interests in specific Delaware statutory trusts holding real properties, or the exchange program for the applicable period. While such share redemption programs and tender offers may contain restrictions that limit the amount of shares or other equity, as applicable, that may be redeemed or purchased in particular periods, an increased number of investors requesting redemptions in excess of capital inflows or participating in tender offers of our non- traded vehicles could lead to a decline in the management fees and incentive fees we receive. Economic events affecting the economy or market in general, such as volatility in the financial markets related to changes in markets, inflation, changes in interest rates or global or national events that are beyond our control, could cause investors to request redemption of an increased number of shares pursuant to the share redemption programs of our non- traded vehicles, potentially in excess of established limits. Such prolonged economic disruptions have caused a number of similar vehicles to deny redemption requests or to suspend or partially suspend their share redemption programs and tender offers. Our non- traded vehicles may redeem or purchase fewer shares than investors request due to a lack of readily available funds because of such adverse market conditions beyond our control or the need to maintain liquidity for operations. Certain of our non- traded vehicles may amend or suspend share repurchase programs during periods of market dislocation where selling assets to fund a repurchase could have a materially negative impact on remaining investors. With respect to our non- traded vehicles, the vast majority of their assets will consist of investments that cannot generally be readily liquidated on short notice without impacting the vehicle' s ability to realize full value upon their disposition. This may further limit the amount of cash available to immediately satisfy redemption requests. Any redemptions or purchases of less than amounts requested could undermine investor confidence in our non- traded vehicles and adversely impact our reputation. A downturn in the global credit markets could adversely affect our CLO investments. CLOs are subject to credit, liquidity, interest rate and other risks. From time to time, liquidity in the credit markets is reduced sometimes significantly, resulting in an increase in credit spreads and a decline in ratings, performance and market values for leveraged loans. We have significant exposure to these markets through our investments in our CLO funds. CLOs invest on a leveraged basis in loans or securities that are themselves highly leveraged investments in the underlying collateral, which increases both the opportunity for higher returns as

well as the magnitude of losses compared to unlevered investments. As a result of such funds' leveraged position, CLOs and their investors are at greater risk of suffering losses. CLOs have failed in the past and may in the future fail one or more of their " overcollateralization " tests. The failure of one or more of these tests will result in reduced cash flows that may have been otherwise available for distribution to us. This could reduce the value of our investment. There can be no assurance that market conditions giving rise to these types of consequences will not once again occur, subsist or become more acute in the future. Our funds may face risks relating to undiversified investments. While diversification is generally an objective of our funds, there can be no assurance as to the degree of diversification, if any, that will be achieved in any fund investments. Difficult market conditions or volatility or slowdowns affecting a particular asset class, geographic region, industry or other category of investment could have a significant adverse impact on a fund if its investments are concentrated in that area, which would result in lower investment returns. This lack of diversification may expose a fund to losses disproportionate to market declines in general if there are disproportionately greater adverse price movements in the particular investments. If a fund holds investments concentrated in a particular issuer, security, asset class or geographic region, such fund may be more susceptible than a more widely diversified investment partnership to the negative consequences of a single corporate, economic, political or regulatory event. Accordingly, a lack of diversification on the part of a fund could adversely affect a fund' s performance and, as a result, our financial condition and results of operations. Our funds may be forced to dispose of investments at a disadvantageous time. Furthermore, we may have to waive management fees for certain of our funds in certain circumstances. Our funds may make investments that they do not advantageously dispose of prior to the date the applicable fund is dissolved, either by expiration of such fund' s term or otherwise. Although we generally expect that investments will be disposed of prior to dissolution or be suitable for in- kind distribution at dissolution, and the general partners of the funds have only a limited ability to extend the term of the fund with the consent of fund investors or the advisory board of the fund, as applicable, our funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. This would result in a lower than expected return on the investments and, perhaps, on the fund itself. In addition, our limited partners may require that we waive management fees during periods after the contractual term of a fund, which would reduce the amount of management fees we earn and therefore could negatively impact our revenues and results of operations. Our real estate funds are subject to the risks inherent in the ownership and operation of real estate and the construction and development of real estate. Investments in our real estate funds will be subject to the risks inherent in the ownership and operation of real estate and real estate- related businesses and assets. These risks include the following: • those associated with the burdens of ownership of real property; • general and local economic conditions; • changes in supply of and demand for competing properties in an area (as a result, for example, of overbuilding); • fluctuations in the average occupancy and room rates for hotel properties; • the financial resources of tenants; • changes in building, environmental and other laws; • energy and supply shortages; • various uninsured or uninsurable risks; • liability for " slip- and- fall " and other accidents on properties held by our funds; • natural disasters, extreme weather events and other physical risks related to climate change; • changes in government regulations (such as rent control and tax laws); • changes in real property tax and transfer tax rates; • changes in interest rates; • the reduced availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; • negative developments in the economy that depress travel activity; • environmental liabilities; • contingent liabilities on disposition of assets; • unexpected cost overruns in connection with development projects; • terrorist attacks, war and other factors that are beyond our control; and • dependence on local operating partners. If our real estate funds acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non- income producing, they will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of our fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. Additionally, our funds' properties may be managed by a third party, which makes us dependent upon such third parties and subjects us to risks associated with the actions of such third parties. Any of these factors may cause the value of the investments in our real estate funds to decline, which may have a material impact on our results of operations. Certain of our funds invest in the power, infrastructure and energy sector which is subject to significant market volatility. As such, the performance of investments in the energy sector is subject to a high degree of business and market risk. The power, infrastructure and energy companies in which certain of our funds invest have been and may be negatively impacted by material declines in power and energy related commodity prices and are subject to other risks, including among others, supply and demand risk, operational risk, regulatory risk, depletion risk, reserve risk, reputational risk, severe weather, climate change and catastrophic event risk **(including of cyber- attacks)** . Commodity prices fluctuate for several reasons, including changes in market and economic conditions, the impact of weather on demand, climate initiatives of government entities, levels of domestic production and international production, policies implemented by the Organization of Petroleum Exporting Countries, power and energy conservation, domestic and foreign governmental regulation and taxation and the availability of local, intrastate and interstate transportation systems. Climate change ~~legislation~~ , **climate change- related** ~~regulatory~~ **regulation** and other efforts to reduce climate change **and address sustainability concerns** could adversely affect our business. Climate change is widely considered to be a significant threat to the global economy. Our business operations, our **funds'** portfolio companies, and the companies in which our funds invest may face risks associated with climate change, including **"** transition risks **"** such as risks related to the impact of climate- related legislation and regulation (both domestically and internationally), risks related to climate- related business trends **(such as the process of transitioning to a lower- carbon economy)** and risks stemming from the physical impacts of climate change, such as the increasing frequency or severity of extreme weather events and rising sea levels and temperatures. ~~The~~ **Significant chronic or acute physical effects of climate change including extreme weather events such as hurricanes or floods, may have an adverse impact on certain of our funds' portfolio companies and investments, especially our real asset investments and portfolio companies that rely on physical factories, plants or**

stores located in the affected areas, or that focus on tourism or recreational travel. For some of our products and our products' portfolio companies, physical risks of climate change may also pose systemic risks for their businesses. For example, to the extent weather conditions are affected by climate change, energy use by us, our products or our products' portfolio companies could increase or decrease depending on the duration and magnitude of any changes. As the effects of climate change increase, we expect the frequency and impact of weather and climate related events and conditions to increase as well. See " — Risks Related to Our Funds — Our real estate funds are subject to the risks inherent in the ownership and operation of real estate and the construction and development of real estate. " In addition, the current Presidential administration has focused on climate change policies and has re- joined the Paris Agreement, which includes commitments from countries to reduce their greenhouse gas emissions, among other commitments. The Paris Agreement and other regulatory and voluntary initiatives launched by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose our business operations, portfolio companies, funds and the companies in which they invest to ~~so- called "~~ transition risks ~~"~~ **related to climate change** in addition to physical risks, such as: (i) political and policy risks, (including changing regulatory incentives, and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business operations) ~~,~~ **;** (ii) regulatory and litigation risks, (including changing legal requirements that could result in increased permitting, tax and compliance costs, **enhanced disclosure obligations,** changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to impacts related to climate change) ~~,~~ **;** (iii) technology and market risks, (including declining market for investments in industries seen as greenhouse gas intensive, like fossil fuels, or less effective than alternatives in reducing greenhouse gas emissions **, and increased cost of insurance for assets in high risk sectors**) ~~,~~ **;** (iv) business trend risks, (including **capital expenditures, product or service redesigns, and changes to operations and supply chains to meet changing customer expectations and** the increased attention to ESG considerations by our investors, including in connection with their determination of whether to invest in our funds or portfolio companies) ~~,~~ **;** and (v) potential harm to our reputation if certain stakeholders, such as our limited partners or shareholders, believe that we are not adequately or appropriately responding to climate change, including through the way in which we operate our business, the composition of our funds' existing portfolios, the new investments made by our funds, or the decisions we make to continue to conduct or change our activities in response to climate change considerations. **See " — Risks Related to Regulation — Increasing scrutiny from stakeholders and regulators with respect to ESG matters could impact our or our funds' portfolio companies' reputation, the cost of our or their operations, or result in investors ceasing to allocate their capital to us, all of which could adversely affect our business and results of operations. "** Investments in energy, manufacturing, infrastructure and certain other assets may expose us to increased environmental risks and liabilities that are inherent in the ownership of real assets. Ownership of real assets in our funds or vehicles may increase our risk of liability under environmental laws that impose, regardless of fault, joint and several liability for the cost of remediating contamination and compensation for damages. In addition, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of acquisition. Even in cases where we are indemnified by a seller against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or our ability to achieve enforcement of such indemnities. Our investments in infrastructure assets may expose us to increased risks and liabilities. Investments in infrastructure assets may expose us to increased risks and liabilities that are inherent in the ownership of real assets. For example, • Ownership of infrastructure assets may also present additional risk of liability for personal and property injury or impose significant operating challenges and costs with respect to, for example, compliance with zoning, environmental or other applicable laws. • Infrastructure asset investments may face construction risks including, without limitation: (~~a~~ **i**) labor disputes, shortages of material and skilled labor, or work stoppages; (~~b~~ **ii**) slower than projected construction progress and the unavailability or late delivery of necessary equipment; (~~c~~ **iii**) less than optimal coordination with public utilities in the relocation of their facilities; (~~d~~ **iv**) adverse weather conditions and unexpected construction conditions; (~~e~~ **v**) accidents or the breakdown or failure of construction equipment or processes; and (~~f~~ **vi**) catastrophic events such as explosions, fires, terrorist activities and other similar events. These risks could result in substantial unanticipated delays or expenses (which may exceed expected or forecasted budgets) and, under certain circumstances, could prevent completion of construction activities once undertaken. Certain infrastructure asset investments may remain in construction phases for a prolonged period and, accordingly, may not be cash generative for a prolonged period. Recourse against the contractor may be subject to liability caps or may be subject to default or insolvency on the part of the contractor. • The operation of infrastructure assets is exposed to potential unplanned interruptions caused by significant catastrophic or force majeure events **, including cyber- attacks** . These risks could, among other effects, adversely impact the cash flows available from investments in infrastructure assets, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, litigation, or penalties for regulatory or contractual noncompliance. Force majeure events that are incapable of, or too costly to, cure may also have a permanent adverse effect on an investment. • The management of the business or operations of an infrastructure asset may be contracted to a third- party management company unaffiliated with us. Although it would be possible to replace any such operator, the failure of such an operator to adequately perform its duties or to act in ways that are in our best interest, or the breach by an operator of applicable agreements or laws, rules and regulations, could have an adverse effect on the investment' s financial condition or results of operations. Infrastructure investments may involve the subcontracting of design and construction activities in respect of projects, and as a result our investments are subject to the risks that contractual provisions passing liabilities to a subcontractor could be ineffective, the subcontractor fails to perform services which it has agreed to perform and the subcontractor becomes insolvent. Infrastructure investments often involve an ongoing commitment to a municipal, state, federal or foreign government or

regulatory agencies. The nature of these obligations exposes us to a higher level of regulatory control than typically imposed on other businesses and may require us to rely on complex government licenses, concessions, leases or contracts, which may be difficult to obtain or maintain. Infrastructure investments may require operators to manage such investments and such operators' failure to comply with laws, including prohibitions against bribing of government officials, may adversely affect the value of such investments and cause us serious reputational and legal harm. Revenues for such investments may rely on contractual agreements for the provision of services with a limited number of counterparties, and are consequently subject to counterparty default risk. The operations and cash flow of infrastructure investments are also more sensitive to inflation and, in certain cases, commodity price risk. Furthermore, services provided by infrastructure investments may be subject to rate regulations by government entities that determine or limit prices that may be charged. Similarly, users of applicable services or government entities in response to such users may react negatively to any adjustments in rates and thus reduce the profitability of such infrastructure investments. Hedging strategies may adversely affect the returns on our funds' investments. When managing our exposure to market risks, we may (on our own behalf or on behalf of our funds) from time to time use forward contracts, options, swaps, caps, collars, floors, foreign currency forward contracts, currency swap agreements, currency option contracts, among other strategies. Currency fluctuations in particular can have a substantial effect on our cash flow and financial condition. The success of any hedging or other derivative transactions generally will depend on our ability to correctly predict market or foreign exchange changes, the degree of correlation between price movements of a derivative instrument and the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while we may enter into a transaction to reduce our exposure to market or foreign exchange risks, the transaction may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases. While such hedging arrangements may reduce certain risks, such arrangements themselves may entail certain other risks. These arrangements may require the posting of cash collateral at a time when a fund has insufficient cash or illiquid assets such that the posting of the cash is either impossible or requires the sale of assets at prices that do not reflect their underlying value. Moreover, these hedging arrangements may generate significant transaction costs, including potential tax costs, that reduce the returns generated by a fund **. Our risk management strategies and procedures may leave us exposed to unidentified or unanticipated risks. Risk management applies to our investment management operations as well as to the investments we make for our specialized funds and customized separate accounts. We have developed and continue to update strategies and procedures specific to our business for managing risks, which include market risk, liquidity risk, operational risk and reputational risk. Management of these risks can be very complex. These strategies and procedures may fail under some circumstances, particularly if we are confronted with risks that we have underestimated or not identified, including those related to difficult market or geopolitical conditions. Given the large number and size of our funds, we often have large positions with a single counterparty. For example, we and most of our funds have credit lines. If the lender under one or more of those credit lines were to freeze the account in response to sanctions or become insolvent, we may have difficulty replacing the credit line and the affected fund (s) or we may face liquidity challenges, which may adversely affect our business operations or the fund' s ability to close on an investment. If that counterparty is unable to perform its obligations or performs below our standards, we, our specialized funds, customized separate accounts and other investments may be adversely affected. In addition, some of our methods for managing the risks related to our clients' investments are based upon our analysis of historical private markets behavior. Statistical techniques are applied to these observations in order to arrive at quantifications of some of our risk exposures. Historical analysis of private markets returns requires reliance on valuations performed by fund managers, which may not be reliable measures of current valuations. These statistical methods may not accurately quantify our risk exposure if circumstances arise that were not observed in our historical data. In particular, as we introduce new types of investment structures, products or services, our historical data may be incomplete. Failure of our risk management techniques could materially and adversely affect our business, financial condition and results of operations, including our right to receive incentive fees. Restrictions on our ability to collect and analyze data regarding our clients' investments could adversely affect our business. Our database of private markets investments includes funds and direct investments that we monitor and report on for our specialized funds, customized separate accounts and advisory accounts. We rely on our database to provide regular reports to our clients, to research developments and trends in private markets and to support our investment processes. We depend on the continuation of our relationships with the general partners and sponsors of the underlying funds and investments in order to maintain current data on these investments and private markets activity. The termination of such relationships or the imposition of restrictions on our ability to use the data we obtain for our reporting and monitoring services could adversely affect our business, financial condition and results of operations. We are also highly dependent upon the technology platforms within which our data is stored and analyzed, and any disruption in the services provided by such platforms, whether temporary or permanent, could have a material adverse effect on our ability to effectively continue to operate our business without interruption** . Risks Related to Our Organization and Structure If we were deemed to be an " investment company " under the Investment Company Act, applicable restrictions could make it impractical for us to continue our businesses as contemplated and could have a material adverse effect on our businesses. An entity will generally be deemed to be an " investment company " for purposes of the Investment Company Act if: • it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or • absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. We believe that we are engaged primarily in the business of providing investment management services and not primarily in the business of investing, reinvesting or trading in securities. We hold ourselves out as an asset management firm and do not propose to engage primarily in the business of investing, reinvesting or trading in securities.

Accordingly, we do not believe that we are an " orthodox " investment company as defined in Section 3 (a) (1) (A) of the Investment Company Act and described in the first bullet point above. Furthermore, we have no material assets other than interests in certain direct and indirect wholly owned subsidiaries (within the meaning of the Investment Company Act), which in turn have no material assets other than partnership units in the **AOG** ~~Ares Operating Group~~ entities. These wholly owned subsidiaries are the general partners of certain of the **AOG** ~~Ares Operating Group~~ entities and are vested with all management and control over such **AOG** ~~Ares Operating Group~~ entities. We do not believe that the equity interests of AMC in its wholly owned subsidiaries or the partnership units of these wholly owned subsidiaries in the **AOG** ~~Ares Operating Group~~ entities are investment securities. Moreover, because we believe that the capital interests of the general partners of our funds in their respective funds are neither securities nor investment securities, we believe that less than 40 % of Ares Management Corporation' s total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis are composed of assets that could be considered investment securities. Accordingly, we do not believe that AMC is an inadvertent investment company by virtue of the 40 % test in Section 3 (a) (1) (C) of the Investment Company Act as described in the second bullet point above. The Investment Company Act and the rules thereunder contain detailed parameters for the organization and operation of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, generally prohibit the issuance of options and impose certain governance requirements. We intend to conduct our operations so that we will not be deemed to be an investment company under the Investment Company Act. If anything were to happen that would cause us to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on capital structure, the ability to transact business with affiliates and the ability to compensate senior employees, could make it impractical for us to continue our businesses as currently conducted, impair the agreements and arrangements between and among the Ares Operating Group, us, our funds and our senior management, or any combination thereof, and have a material adverse effect on our businesses, financial condition and results of operations. In addition, we may be required to limit the amount of investments that we make as a principal or otherwise conduct our businesses in a manner that does not subject us to the registration and other requirements of the Investment Company Act. Due to the disparity in voting power among the classes of our common stock, holders of our Class A common stock will generally have no influence over matters on which holders of our common stock vote and limited ability to influence decisions regarding our business. Unless otherwise provided in our certificate of incorporation and bylaws or required by the ~~Delaware General Corporation Law (the "~~ DGCL ~~")~~ or the rules of the ~~New York Stock Exchange (the "~~ NYSE ~~")~~, holders of our common stock vote together as a single class on all matters on which stockholders generally are entitled to vote under the DGCL. On any date on which the Ares Ownership Condition is satisfied, the shares of our Class B common stock held by the Class B Stockholder entitles it to a number of votes, in the aggregate, equal to (x) four times the aggregate number of votes attributable to the shares of our Class A common stock minus (y) the aggregate number of votes attributable to the shares of our Class C common stock. On any date on which the Ares Ownership Condition is not satisfied, the shares of our Class B common stock held by the Class B Stockholder will not be entitled to vote on any matter submitted to a vote of our stockholders. Ares Voting LLC, as the initial holder of the shares of our Class C common stock (in such capacity, the " Class C Stockholder "), is generally entitled to a number of votes equal to the number of AOG Units held of record by each limited partner of the **AOG** ~~Ares Operating Group~~ entities (other than us and our subsidiaries). When AOG Units are exchanged for shares of our Class A common stock, the number of votes to which the shares of our Class C common stock are entitled shall be reduced by the number of AOG Units so exchanged. However, so long as the Ares Ownership Condition is satisfied, the issuance of shares of our Class A common stock would increase the number of votes to which holders of our Class B common stock are entitled. As a result, so long as the Ares Ownership Condition is satisfied, practically all matters submitted to our stockholders will be decided by the vote of the holder of our Class B common stock, Ares Management GP LLC (in such capacity, the " Class B Stockholder "), and Class C Stockholder. Our certificate of incorporation also provides that the number of authorized shares of our Class A common stock may be increased solely by the holders of a majority of the voting power of our outstanding capital stock entitled to vote thereon, voting together as a single class, and no other vote of the holders of any class or series of our stock, voting together or separately as a class, shall be required therefor. As a result, holders of our Class A common stock will have very limited or no ability to influence stockholder decisions, including decisions regarding our business. The voting rights of holders of our Class A common stock are further restricted by provisions in our certificate of incorporation stating that any of our shares of stock held by a person or group that beneficially owns 20 % or more of any class of stock then outstanding (other than the holders of our Class B common stock, Ares Owners Holdings L. P. (" Ares Owners "), any Holdco Member or any of their respective affiliates, or a direct or subsequently approved transferee of the foregoing) cannot be voted on any matter. The Class B Stockholder and Class C Stockholder are both exempt from this limitation. These limits on the ability of the holders of our Class A common stock to exercise voting rights restrict the ability of the holders of our Class A common stock to influence matters subject to a vote of our stockholders. The Holdco Members are able to significantly influence the outcome of any matter that may be submitted for a vote of holders of our common stock. The Class B Stockholder and Class C Stockholder, entities wholly owned by Ares Partners Holdco LLC, which is in turn owned and controlled by the Holdco Members, hold the shares of our Class B common stock and the shares of our Class C common stock, respectively. On any date on which the Ares Ownership Condition is satisfied, the shares of our Class B common stock held by the Class B Stockholder entitles it to a number of votes, in the aggregate, equal to (x) four times the aggregate number of votes attributable to the shares of our Class A common stock minus (y) the aggregate number of votes attributable to the shares of our Class C common stock. On any date on which the Ares Ownership Condition is not satisfied, the shares of our Class B common stock held by the Class B Stockholder will not be entitled to vote on any matter submitted to a vote of our stockholders. The Class C Stockholder, as the holder of our Class C common stock, is entitled to a number of votes equal to the number of AOG Units held of record by each limited partner of the

AOG ~~Ares Operating Group~~ entities (other than us and our subsidiaries). In addition, Ares Partners Holdco LLC, in its capacity as general partner of Ares Owners, is entitled to direct the vote of all the shares of our Class A common stock held by Ares Owners. Accordingly, the Holdco Members have sufficient voting power to determine the outcome of matters submitted for a vote of our common stockholders. Furthermore, our certificate of incorporation provides that special meetings of our stockholders may be called at any time only by or at the direction of our board of directors, a record holder of our Class B common stock or stockholders representing 50 % or more of the voting power of the outstanding stock of the class or classes of stock which are entitled to vote at such meeting. Our Class A common stock and our Class C common stock are considered the same class of common stock for this purpose. Each year, our board of directors determines whether, as of January 31, the total voting power held by **:** (i) holders of our Class C common stock ~~,~~ **;** (ii) then- current or former Ares personnel (including indirectly through related entities) ~~,~~ **;** and (iii) Ares Owners, without duplication, is at least 10 % of the voting power of the shares of our Class A common stock and the shares of our Class C common stock, voting together as a single class (the " Designated Stock ") (the " Ares Ownership Condition "). For purposes of determining whether the Ares Ownership Condition is satisfied, our board of directors will treat as outstanding, and as held by the foregoing persons, all shares of our common stock deliverable to such persons pursuant to equity awards granted to such persons. The Ares Ownership Condition is currently satisfied because Ares Owners owns a number of shares of our Class A common stock and AOG Units such that the Class C Stockholder and Ares Owners control over 70 % of the voting power of the Designated Stock. In addition, certain Ares personnel (including the Holdco Members) also hold shares of our Class A common stock and are entitled to shares of our Class A common stock pursuant to equity awards. All such additional shares of our Class A common stock would be considered in determining whether the Ares Ownership Condition is satisfied. If the Ares Ownership Condition is satisfied, our certificate of incorporation provides that our board of directors will be divided into two classes: Class I directors and Class II directors. Mr. Antony P. Ressler, a Holdco Member, is the only Class I director and will continue to be a Class I director until his ownership of our common stock decreases below certain specified thresholds. All other directors are Class II directors. Furthermore, so long as the Ares Ownership Condition is satisfied, (x) a quorum for the transaction of business at any meeting of our board of directors and (y) any act of our board of directors, requires a majority of the board of directors, which majority must include the Class I director. This effectively provides Mr. Ressler a veto right over all actions taken by our board of directors. As a result of these matters and the provisions referred to under " — Due to the disparity in voting power among the classes of our common stock, holders of our Class A common stock will generally have no influence over matters on which holders of our common stock vote and limited ability to influence decisions regarding our business, " holders of our Class A common stock may be deprived of an opportunity to receive a premium for their shares of our Class A common stock in the future through a sale of AMC, and the trading prices of shares of our Class A common stock may be adversely affected by the absence or reduction of a takeover premium in the trading price. Potential conflicts of interest may arise among the Class B Stockholder and the Class C Stockholder, on the one hand, and the holders of our Class A common stock, on the other hand. The Class B Stockholder and the Class C Stockholder are controlled by the Holdco Members, certain of whom also serve on our board of directors and all of whom serve as executive officers. As a result, conflicts of interest may arise among the Class B Stockholder and the Class C Stockholder, and their respective controlling persons, on the one hand, and us and the holders of our Class A common stock, on the other hand. The Class B Stockholder and the Class C Stockholder, and thereby the Holdco Members, have the ability to influence our business and affairs through their ownership of the shares of our Class B common stock and the shares of our Class C common stock, respectively, and provisions under our certificate of incorporation requiring the approval of the holders of our Class B common stock for certain corporate actions. Due to the disparity in voting power among the classes of our common stock, the Class B Stockholder and the Class C Stockholder will effectively control the election of directors while the Ares Ownership Condition is satisfied, and holders of our Class A common stock will generally have limited ability to elect directors and no ability to remove any of our directors, with or without cause. As such, the Class B Stockholder and Class C Stockholder, and thereby the Holdco Members, have the ability to indirectly, and in some cases directly, influence the determination of the amount and timing of the Ares Operating Group' s investments and dispositions, cash expenditures, including those relating to compensation, indebtedness, issuances of additional partner interests, tax liabilities and amounts of reserves, each of which can affect the amount of cash that is available for distribution to holders of AOG Units. In addition, conflicts may arise relating to the selection and structuring of investments or transactions, declaring dividends and other distributions. For example, certain of our principals and senior professional owners indirectly hold their AOG Units through Ares Owners, which, unlike us, is not subject to corporate income taxation. See " — Tax consequences to the direct and indirect holders of AOG Units or to general partners in our funds may give rise to conflicts of interests. " Certain actions by our board of directors require the approval of the Class B Stockholder, which is controlled by the Holdco Members. Although the affirmative vote of a majority of our directors (which, so long as the Ares Ownership Condition is satisfied, must include the Class I director) is required for any action to be taken by our board of directors, certain specified actions will also require the approval of the Class B Stockholder, which is controlled by the Holdco Members. These actions consist of the following: • certain amendments to our certificate of incorporation (including amendments to the definition of " Ares Ownership Condition " therein), or the amendment or repeal, in whole or in part, of certain provisions of our bylaws relating to our board of directors and officers (including the adoption of any provision inconsistent therewith); • the sale or exchange of all or substantially all of our and our subsidiaries' assets, taken as a whole, in a single transaction or a series of related transactions; and • the merger, consolidation or other combination of our company with or into any other person. As a " controlled company, " we qualify for some exemptions from the corporate governance and other requirements of the NYSE. We are a " controlled company " within the meaning of the corporate governance standards of the NYSE. Under the NYSE rules, a company of which more than 50 % of the voting power for the election of directors is held by an individual, group or another company is a " controlled company " and may elect, and we have elected, and expect to continue to elect, not to comply with certain corporate governance

requirements of the NYSE, including the ~~requirements~~ - **requirement** ~~: (i)~~ that the listed company have a nominating and corporate governance committee that is composed entirely of independent directors ~~; (ii) that the listed company have a compensation committee (with authority over customary compensation matters) that is composed entirely of independent directors; and (iii) that the compensation committee be required to consider certain independence factors when engaging compensation consultants, legal counsel and other committee advisers~~ . Accordingly, holders of our Class A common stock do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. Our certificate of incorporation states that the Class B Stockholder is under no obligation to consider the separate interests of our other stockholders and contains provisions limiting the liability of the Class B Stockholder. Due to the disparity in the voting power of the classes of our common stock, holders of our Class A common stock will generally have no influence over matters on which holders of our common stock vote. As a result, on any date on which the Ares Ownership Condition is satisfied, nearly all matters submitted to a vote of the holders of our common stock will be determined by the vote of the Class B Stockholder. Although controlling stockholders may owe duties to minority stockholders, our certificate of incorporation contains provisions limiting the duties owed by the Class B Stockholder and contains provisions allowing the Class B Stockholder to favor its own interests and the interests of its controlling persons over us and the holders of our Class A common stock. Our certificate of incorporation contains provisions stating that the Class B Stockholder is under no obligation to consider the separate interests of our other stockholders (including the tax consequences to such stockholders) in deciding whether or not to cause us to take (or decline to take) any action as well as provisions stating that the Class B Stockholder shall not be liable to our other stockholders for monetary damages or equitable relief for losses sustained, liabilities incurred or benefits not derived by such stockholders in connection with such decisions. See " — Potential conflicts of interest may arise among the Class B Stockholder and the Class C Stockholder, on the one hand, and the holders of our Class A common stock, on the other hand. " The Class B Stockholder will not be liable to us or holders of our Class A common stock for any acts or omissions unless there has been a final and non- appealable judgment determining that the Class B Stockholder acted in bad faith or with criminal intent, and we have also agreed to indemnify other designated persons to a similar extent. Even if there is deemed to be a breach of the obligations set forth in our certificate of incorporation, our certificate of incorporation provides that the Class B Stockholder will not be liable to us or the holders of our Class A common stock for any acts or omissions unless there has been a final and non- appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Class B Stockholder acted in bad faith or with criminal intent. These provisions are detrimental to the holders of our Class A common stock because they restrict the remedies available to our stockholders for actions of the Class B Stockholder. In addition, we have agreed to indemnify and hold harmless (~~a~~ **i**) each member of our board of directors and each of our officers, (~~b~~ **ii**) each holder of record of our Class B common stock, (~~c~~ **iii**) Ares Management GP LLC, in its capacity as the former general partner of our company when we were a Delaware limited partnership, and any successor or permitted assign, (~~d~~ **iv**) any person who is or was a " tax matters partner " (as defined in the Section 6231 of the Code prior to amendment by P. L. 114- 74) or " partnership representative " (as defined in Section 6223 of the Code after amendment by P. L. 114- 74), member, manager, officer or director of any holder of record of our Class B common stock or Ares Management GP LLC, and (~~e~~ **v**) any member, manager, officer or director of any holder of record of our Class B common stock or Ares Management GP LLC who is or was serving at the request of any holder of record of our Class B common stock or Ares Management GP LLC as a director, officer, manager, employee, trustee, fiduciary, partner, tax matters partner, partnership representative, member, representative, agent or advisor of another person (collectively, the " Indemnitees "), in each case, to the fullest extent permitted by law, on an after tax basis from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interests, settlements or other amounts arising from any and all threatened, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, and including appeals, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee, whether arising from acts or omissions to act occurring on, before or after the date of our certificate of incorporation. We have agreed to provide this indemnification unless there has been a final and non- appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or with criminal intent. The provision of our certificate of incorporation requiring exclusive venue in the Court of Chancery in the State of Delaware for certain types of lawsuits may have the effect of discouraging lawsuits against us and our directors, officers and stockholders. Our certificate of incorporation requires, to the fullest extent permitted by law, that any claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, and including appeals, arising out of or relating in any way to our certificate of incorporation or any of our stock may only be brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, any other court in the State of Delaware with subject matter jurisdiction. This provision may have the effect of discouraging lawsuits against us and our directors, officers and stockholders. Our ability to pay dividends to the holders of our Class A and non- voting common stock may be limited by our holding company structure, applicable provisions of Delaware law and contractual restrictions or obligations. As a holding company, our ability to pay dividends will be subject to the ability of our subsidiaries to provide cash to us. AMC has no material assets other than investments in the **AOG** ~~Ares Operating Group~~ entities, either directly or through subsidiaries. We have no independent means of generating revenues. Accordingly, we intend to cause the **AOG** ~~Ares Operating Group~~ entities to fund any dividends we may declare on shares of our Class A and non- voting common stock. If the **AOG** ~~Ares Operating Group~~ entities make distributions to fund such dividends, all holders of AOG Units will be entitled to receive equivalent distributions pro rata based on their partnership interests in the Ares Operating Group. Because as a U. S. corporation we will be subject to entity- level corporate income taxes and may be obligated to make payments under the **TRA** ~~tax receivable agreement~~ , the amount of dividends ultimately paid by us to holders of our Class A and non- voting common stock are generally expected to be less, on a per share

basis, than the amounts distributed by the Ares Operating Group to the holders of AOG Units (including us) in respect of their or our AOG Units. For a further discussion of related tax consequences and risks, see " — Risks Related to Taxation — We are a corporation, and applicable taxes will reduce the amount available for dividends to holders of our Class A and non- voting common stock in respect of such investments and could adversely affect the value of our Class A and non- voting common stockholders' investment. " Our dividend policy contemplates a steady quarterly dividend for each calendar year that will be based on fee related earnings after an allocation of current taxes paid. The declaration, payment and determination of the amount of quarterly dividends, if any, will be at the sole discretion of our board of directors, and reassessed each year based on the level and growth of our fee related earnings after an allocation of current taxes paid. We may change our dividend policy at any time. There can be no assurance that any dividends, whether quarterly or otherwise, can or will be paid. Our ability to make cash dividends to holders of our Class A and non- voting common stock depends on a number of factors, including among other things, general economic and business conditions, our strategic plans and prospects, our businesses and investment opportunities, our financial condition and operating results, working capital requirements and other anticipated cash needs, contractual restrictions and obligations, including fulfilling our current and future capital commitments, legal, tax and regulatory restrictions, restrictions and other implications on the payment of dividends by us to our common stockholders or by our subsidiaries to us, payments required to be made pursuant to the **TRA** ~~tax receivable agreement~~ and such other factors as our board of directors may deem relevant. Under the DGCL, we may only pay dividends to our stockholders out of **:** (i) our surplus, as defined and computed under the provisions of the DGCL ~~,~~ or (ii) our net profits for the fiscal year in which the dividend is declared and / or the preceding fiscal year. If we do not have sufficient surplus or net profits, we will be prohibited by law from paying any such dividend. In addition, the terms of the Credit Facility or other financing arrangements may from time to time include covenants or other restrictions that could constrain our ability to make dividends. Furthermore, the Ares Operating Group' s cash flow may be insufficient to enable them to make required minimum tax distributions to their members and partners, in which case the Ares Operating Group may have to borrow funds or sell assets, which could have a material adverse effect on our liquidity and financial condition. Our certificate of incorporation contains provisions authorizing us, subject to the approval of our stockholders, to issue additional classes or series of stock that have designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to shares of our Class A common stock. Furthermore, by making cash dividends to our stockholders rather than investing that cash in our businesses, we risk slowing the pace of our growth, or not having a sufficient amount of cash to fund our operations, new investments or unanticipated capital expenditures, should the need arise. The Class B Stockholder or the Class C Stockholder may transfer their interests in the shares of our Class B common stock or the shares of our Class C common stock, respectively, which could materially alter our operations. Subject to certain restrictions outlined in our certificate of incorporation, our stock is freely transferable and the Class B Stockholder or the Class C Stockholder may transfer their shares of our Class B common stock and our Class C common stock, respectively, to a third party without the consent of the holders of any other class or series of our stock. Further, the members of the Class B Stockholder or the Class C Stockholder may sell or transfer all or part of their limited liability company interests in the Class B Stockholder or the Class C Stockholder, respectively, at any time without restriction. Any such transfer could constitute or cause a change of control under the Investment Advisers Act, the Credit Facility or other debt instruments and / or governing documents of our funds and other vehicles, which could require consents or waivers or cause defaults under any such documents. In addition, a new holder of shares of our Class B common stock or shares of our Class C common stock, or new controlling members of the Class B Stockholder or Class C Stockholder, may choose to vote for the election of directors to our board of directors who may not be willing or able to cause us to form new funds and could cause us to form funds that have investment objectives and governing terms that differ materially from those of our current funds. A new holder of our Class B common stock or our Class C Common Stock, new controlling members of the Class B Stockholder or Class C Stockholder and / or the directors they each respectively may appoint to our board of directors could also have a different investment philosophy, cause us or our affiliates to employ investment professionals who are less experienced, be unsuccessful in identifying investment opportunities or have a track record that is not as successful as our track record. If any of the foregoing were to occur, we could experience difficulty in making new investments, and the value of our existing investments, our business, our results of operations and our financial condition could materially suffer. Our certificate of incorporation also provides us with a right to acquire shares of our Class A common stock under specified circumstances, which may adversely affect the price of shares of our Class A common stock. Our certificate of incorporation provides that, if at any time, either **:** (i) less than 10 % of the total shares of any class of our stock then outstanding (other than our Class B common stock, and our Class C common stock) is held by persons other than a record holder of our Class B common stock, any person who is, was or will be a member of Ares Partners Holdco LLC or their respective affiliates ~~,~~ or (ii) we are required to register as an investment company under the Investment Company Act, we may exercise our right to purchase shares of our Class A common stock or assign this right to a record holder of our Class B common stock or any of its affiliates. As a result, a stockholder may have his or her shares of our Class A common stock purchased from him or her at an undesirable time or price. Other anti- takeover provisions in our charter documents could delay or prevent a change in control. In addition to the provisions described elsewhere relating to the relative voting power of our classes of common stock, other provisions in our certificate of incorporation and bylaws may discourage, delay or prevent a merger or acquisition that a holder of our Class A common stock may consider favorable by, for example: • permitting our board of directors to issue one or more series of preferred stock; • providing for the loss of voting rights for certain series or classes of our capital stock; • imposing supermajority voting requirements for certain amendments to our certificate of incorporation; • requiring advance notice for stockholder proposals and nominations at annual and special meetings of our stockholders; and • placing limitations on convening stockholder meetings. These provisions may also discourage acquisition proposals or delay or prevent a change in control. We will be required to pay the TRA Recipients for most of the benefits relating to our use of attributes we receive from prior and future exchanges of AOG Units and related

transactions. In certain circumstances, payments to the TRA Recipients may be accelerated and / or could significantly exceed the actual tax benefits we realize. The holders of AOG Units, subject to any applicable transfer restrictions and other provisions, may, on a quarterly basis, exchange their AOG Units for shares of our Class A common stock on a one- for- one basis or, at our option, for cash. A holder of AOG Units must exchange one AOG Unit in the Ares Operating Group entity to effect an exchange for a share of Class A common stock of AMC. These exchanges are expected to result in increases (for U. S. federal income tax purposes) in the tax basis of the tangible and intangible assets of the relevant Ares Operating Group entity. These increases in tax basis generally will increase (for U. S. federal income tax purposes) depreciation and amortization deductions and potentially reduce gain on sales of assets and, therefore, reduce the amount of tax that we would otherwise be required to pay in the future, although the IRS may challenge all or part of these deductions and tax basis increases, and a court could sustain such a challenge. We have entered into a **TRA** ~~tax receivable agreement~~ with certain direct and indirect holders of AOG Units (the " TRA Recipients ") that provides for the payment **(" Tax Receivable Payment ")** by us to the TRA Recipients of 85 % of the amount of cash tax savings, if any, in U. S. federal, state, local and foreign income tax or franchise tax that we actually realize (or are deemed to realize in the case of an early termination payment by us or a change of control, as discussed below) as a result of increases in tax basis and certain other tax benefits related to our entering into the **TRA** ~~tax receivable agreement~~ , including tax benefits attributable to payments under the ~~tax~~ **TRA. Pursuant to an amendment to the TRA, dated May 1, 2023, to the extent Ares Owners Holdings L. P. would have been a TRA Recipient of a Tax** ~~receivable~~ **Receivable** ~~agreement~~ **Payment under the TRA prior to the amendment, Ares Owners Holdings L. P. will no longer be entitled to any Tax Receivable Payment for taxable exchanges on or after May 1, 2023** . The payments we may make to the TRA Recipients could be material in amount and we may need to incur debt to finance payments under the **TRA** ~~tax receivable agreement~~ if our cash resources are insufficient to meet our obligations under the **TRA** ~~tax receivable agreement~~ as a result of timing discrepancies or otherwise. The actual increase in tax basis (and our ability to achieve the corresponding tax benefits), as well as the amount and timing of any payments under the **TRA** ~~tax receivable agreement~~ , will vary depending upon a number of factors, including the timing of exchanges, the price of a share of our Class A common stock at the time of the exchange, the extent to which such changes are taxable and the amount and timing of our income. **In** ~~As a result, in~~ certain circumstances, payments to the TRA Recipients under the **TRA** ~~tax receivable agreement~~ could be in excess of our cash tax savings. If the IRS were to challenge a tax basis increase (or the ability to amortize such increase), the TRA Recipients will not reimburse us for any payments previously made to them under the **TRA** ~~tax receivable agreement~~ . In addition, the **TRA** ~~tax receivable agreement~~ provides that, upon a change of control, or if, at any time, we elect an early termination of the **TRA** ~~tax receivable agreement~~ , our obligations under the **TRA** ~~tax receivable agreement~~ with respect to exchanged or acquired shares of our Class A common stock (whether exchanged or acquired before or after such change of control) would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the **TRA** ~~tax receivable agreement~~ and, in the case of an early termination election, that any AOG Units that have not been exchanged are deemed exchanged for the market value of shares of our Class A common stock at the time of termination. Assuming that the market value of a share of our Class A common stock were to be equal to $ ~~68~~ **118** . ~~44~~ **92** , which is the closing price per share of our Class A common stock as of December 31, ~~2022~~ **2023** , and that ~~LIBOR~~ **SOFR** were to be 5. ~~48~~ **38** % and a blended federal and state corporate tax rate of 24. 0 %, we estimate that the aggregate amount of these termination payments would be approximately $ 1. ~~0~~ **7** billion on the 117 million AOG Units that have not been exchanged for Class A common stock. The foregoing amount is merely an estimate and the actual payments could differ materially. As a result of the tax gain inherent in our assets held by the Ares Operating Group, upon a realization event, certain direct and indirect holders of AOG Units may incur different and potentially significantly greater tax liabilities as a result of the disproportionately greater allocations of items of taxable income and gain to such holders. As these direct and indirect holders will not receive a correspondingly greater distribution of cash proceeds, they may, subject to applicable fiduciary or contractual duties, have different objectives regarding the appropriate pricing, timing and other material terms of any sale, refinancing, or disposition, or whether to sell such assets at all. Decisions made with respect to an acceleration or deferral of income or the sale or disposition of assets with unrealized built- in tax gains may also influence the timing and amount of payments that are received by the TRA Recipients (including, among others, the Holdco Members and other executive officers) under the **TRA** ~~tax receivable agreement~~ . In general, we anticipate that disposition of assets with unrealized built- in tax gains following an exchange will tend to accelerate such payments and increase the present value of payments under the **TRA** ~~tax receivable agreement~~ , and disposition of assets with unrealized built- in tax gains in a tax year before an exchange generally will increase an exchanging holder' s tax liability without giving rise to any rights to any payments under the **TRA** ~~tax receivable agreement~~ . Decisions made regarding a change of control also could have a material influence on the timing and amount of payments received by the TRA Recipients pursuant to the **TRA** ~~tax receivable agreement~~ . Moreover, we may receive carried interest or incentive fees from our funds if specified returns are achieved by those funds. In certain circumstances, we may prefer to structure the fees as a special allocation of income, which we refer to as a carried interest, rather than as an incentive fee. The general partner of our funds may be entitled to receive carried interest from our funds and a significant portion of that carried interest may consist of long- term capital gains. As a U. S. corporation, we will not receive preferential treatment for long- term capital gains and we may be limited in deducting capital losses. As a result, the general partners of our funds may have interests that are not entirely aligned with our stockholders and thus, subject to their fiduciary duties to fund investors, may be incentivized to seek investment opportunities that maximize favorable tax treatment to the general partners. The market price and trading volume of shares of our Class A common stock may be volatile, which could result in rapid and substantial losses for holders of our Class A common stock. The market price of shares of our Class A common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in shares of our Class A common stock may fluctuate and cause significant price variations to occur. If the market price of shares of our Class A

common stock declines significantly, holders of our Class A common stock may be unable to resell their shares of our Class A common stock at or above their purchase price, if at all. The market price of shares of our Class A common stock may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of shares of our Class A common stock or result in fluctuations in the price or trading volume of shares of our Class A common stock include: • variations in our quarterly operating results or dividends, which variations we expect will be substantial; • our policy of taking a long- term perspective on making investment, operational and strategic decisions, which is expected to result in significant and unpredictable variations in our quarterly returns; • our creditworthiness, results of operations and financial condition; • the prevailing interest rates or rates of return being paid by other companies similar to us and the market for similar securities; • failure to meet analysts' earnings estimates; • publication of research reports about us or the investment management industry or the failure of securities analysts to cover shares of our Class A common stock; • additions or departures of our senior professionals and other key management personnel; • adverse market reaction to any indebtedness we may incur or securities we may issue in the future; • changes in market valuations of similar companies; • speculation in the press or investment community; • changes or proposed changes in laws or regulations or differing interpretations thereof affecting our businesses or enforcement of these laws and regulations, or announcements relating to these matters; • a lack of liquidity in the trading of shares of our Class A common stock; • announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments; • adverse publicity about the asset management industry generally or, more specifically, private equity fund practices or individual scandals; and • general market and economic, financial, geopolitical, regulatory or judicial events or conditions that affect us or the financial markets. In the past few years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company' s securities, securities class action litigation has often been instituted against public companies. This type of litigation, if instituted against us, could result in substantial costs and a diversion of our management' s attention and resources. The market price of shares of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the market and non- voting common stock, to the extent that sales happen in the future or the perception that such sales could occur, including pursuant to Rule 10b5- 1 trading plans. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell shares of our Class A common stock in the future at a time and at a price that we deem appropriate. We may freely issue and sell in the future additional shares of our Class A common stock. In addition, some of our directors and executive officers have entered into, or may enter into, Rule 10b5- 1 trading plans pursuant to which they may sell shares of our Class A common stock from time to time in the future. As of December 31, ~~2022~~ **2023** , our professionals owned, indirectly, an aggregate of 117, ~~231~~ **024** , ~~288~~ **758** AOG Units. We have entered into an exchange agreement with the holders of AOG Units so that such holders may, up to four times each year (subject to the terms of the exchange agreement and any contractual lock- up arrangements), exchange their AOG Units for shares of our Class A common stock on a one- for- one basis, subject to customary conversion rate adjustments for splits, stock dividends and reclassifications, or, at our option, for cash. A holder of AOG Units must exchange one AOG Unit in the Ares Operating Group entity to effect an exchange for a share of Class A common stock of AMC. Ares Owners Holdings L. P. has the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act shares of Class A common stock delivered in exchange for AOG Units or shares of Class A common stock of AMC otherwise held by them. In addition, we may be required to make available shelf registration statements permitting sales of shares of our Class A common stock into the market from time to time over an extended period. Lastly, Ares Owners Holdings L. P. will have the ability to exercise certain piggyback registration rights in respect of shares of our Class A common stock held by them in connection with registered offerings requested by other registration rights holders or initiated by us. As of December 31, ~~2022~~ **2023** , there were options outstanding to purchase ~~5~~ **79** , **524** ~~170, 219~~ shares of our Class A common stock and ~~16~~ **17** , ~~662~~ **359** , ~~999~~ **829** restricted units outstanding to be settled in shares of our Class A common stock, both of which are subject to specified vesting requirements, and were granted to certain of our senior professionals under the ~~2014~~ **2023 Ares Management Corporation** Equity Incentive Plan ~~, as amended and restated on March 1, 2018, further amended and restated effective on November 26, 2018, and further amended and restated effective on April 1, 2021~~ (the " Equity Incentive Plan "). As of December 31, ~~2022~~ **2023** , ~~44~~ **69** , ~~488~~ **150** , ~~640~~ **100** shares of our Class A common stock were available to be issued under the Equity Incentive Plan. We have filed a registration statement on Form S- 8 with the SEC covering the shares of our Class A common stock issuable under the Equity Incentive Plan. Subject to vesting arrangements such shares of our Class A common stock are freely tradable. Vesting of those shares of restricted units would dilute the ownership interest of existing stockholders. In addition, the governing agreements of the **AOG** ~~Ares Operating Group~~ entities authorize the direct subsidiaries of AMC which are the general partners of those entities to issue an unlimited number of additional units of the Ares Operating Group entity with such designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to the AOG Units, and which may be exchangeable for shares of our Class A common stock. Because we are taxed as a corporation for U. S. federal income tax purposes, we could be liable for entity- level U. S. federal income taxes and applicable state and local income taxes that would not otherwise be incurred if we were treated as a partnership for U. S. federal income tax purposes, which could reduce the amount of cash available for dividends to holders of our Class A and non- voting common stock and adversely affect the value of their investment. Overview of certain relevant U. S. tax laws. Tax laws, regulations or treaties newly enacted or enacted in the future may cause us to revalue our net deferred tax assets and have a material change to our effective tax rate and tax liabilities **. Moreover, significant management judgment is involved applying tax laws, regulations and treaties to us and our funds such that tax authorities could challenge our interpretation, resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate** . For example, on March 11, 2021, the American Rescue Plan Act of 2021 (Pub. L. No. 117- 2) (the " ARPA ") was enacted. The ARPA added a new subsection to Section 162 (m) of the Code to expand the disallowance for deduction of certain compensation paid by

publicly held corporations to cover the next five most highly compensated employees for the taxable year, which expansion will be effective for tax years beginning after December 31, 2026. The expansion of Section 162 (m) is expected to generally reduce the amount of tax deductions available to us. In addition, on August 16, 2022, the Inflation Reduction Act (Pub. L. No. 117-169) (the " IRA ") was signed into law. The IRA introduces a 15 % minimum tax for corporations whose average annual adjusted financial statement income for any consecutive three- tax- year period preceding the tax year exceeds $ 1 billion and a 1 % excise tax on the fair market value of stock repurchased by certain corporations after December 31, 2022. We do not currently expect that the IRA will have a material impact on our income tax liability for ~~2023~~ **2024** . The impact on taxable years thereafter will depend on the facts and circumstances of such years. Under Sections 1471 to 1474 of the Code (such Sections, along with the Treasury Regulations promulgated thereunder, " FATCA "), a broadly defined class of foreign financial institutions are required to comply with a U. S. tax reporting regime or be subject to certain U. S. withholding taxes. The reporting obligations imposed under FATCA require foreign financial institutions to enter into agreements with the IRS to obtain and disclose information about certain account holders and investors to the IRS (or in the case of certain foreign financial institutions that are resident in a jurisdiction that has entered into an intergovernmental agreement (the " IGA ") to implement this legislation, to comply with comparable foreign laws implementing the IGA). Additionally, certain foreign entities that are not foreign financial institutions are required to provide certain certifications or other information regarding their U. S. beneficial ownership or be subject to certain U. S. withholding taxes under FATCA. Failure to comply with these requirements could expose us and / or our investors to a 30 % withholding tax on certain U. S. payments, and possibly limit our ability to open bank accounts and secure funding in the global capital markets. There are uncertainties regarding the implementation of FATCA and it is difficult to determine at this time what impact any future administrative guidance may have. The administrative and economic costs of compliance with FATCA may discourage some foreign investors from investing in U. S. funds, which could adversely affect our ability to raise funds from these investors or reduce the demand for shares of our Class A common stock. Moreover, we expect to incur additional expenses related to our compliance with FATCA, which could increase our tax compliance costs generally. As discussed below, other countries, such as the U. K., Luxembourg, and the Cayman Islands, have implemented regimes similar to that of FATCA, and a growing number of countries have adopted (or are in process of introducing) similar legislation designed to provide increased transparency about our investors and their tax planning and profile. One or more of these information exchange regimes are likely to apply to our funds, and we may be obligated to collect and share with applicable taxing authorities information concerning investors in our funds (including identifying information and amounts of certain income allocable or distributable to them). Overview of certain relevant foreign tax laws. HM Treasury, the Organization for Economic Co- operation and Development (the " OECD ") and other government agencies in jurisdictions where we and our affiliates invest or conduct business have maintained a focus on issues related to the taxation of businesses, including multinational entities. The U. K. has implemented two corporate criminal offenses: failure to prevent facilitation of U. K. tax evasion and failure to prevent facilitation of overseas tax evasion. Liability under these offences can be mitigated where the relevant business has in place reasonable prevention procedures. The scope of these offences is extremely wide and could have an impact on Ares' global businesses. The U. K. has also implemented transparency legislation that requires many large businesses to publish their U. K. tax strategies and their approach to dealing with the U. K. tax authority on their websites. Our U. K. tax policy statement is published on our website. These developments show that the U. K. is seeking to bring tax matters further into the public domain. As a result, tax matters may pose an increased reputational risk to our business. The EU, the U. K. and many other countries have implemented the OECD' s Common Reporting Standard for the automatic exchange of financial account information in tax matters (the " CRS "). EU Council Directive 2011 / 16 / EU requires a mandatory automatic exchange of information regime on administrative co- operation in the field of taxation (as amended) (the " Directive on Administrative Co- Operation " or the " DAC "). The DAC, which effectively incorporates (among other items) the CRS into European law, like the CRS, requires governments to obtain detailed account information from financial institutions and exchange that information automatically with other jurisdictions annually. Neither the CRS nor the DAC imposes withholding taxes. EU Council Directive 2018 / 822 (" DAC 6 ") amended the DAC to require ' intermediaries' (as defined in DAC 6) and, in some cases, taxpayers to disclose information to tax authorities about cross- border arrangements bearing specific hallmarks involving one or more EU member states. Certain cross- border arrangements are reportable to relevant taxing authorities. Similar reporting rules may apply or be introduced in other jurisdictions which implement the OECD mandatory disclosure rules (" OECD MDR "). With effect from December 31, 2020, the U. K. narrowed the scope of DAC 6 and the corresponding arrangements that need to be reported in the U. K. pursuant to DAC 6 (as implemented under U. K. law by the International Tax Enforcement (Disclosable Arrangements) Regulations 2020 (the " U. K. Regulations ") **)** . The U. K. intends to transition from and replace the U. K. Regulations (as amended) with the OECD MDR during the first half of 2023. The EU has also signed separate automatic exchange of information agreements with certain non- EU countries, under which the EU and the relevant jurisdiction will automatically exchange information on the financial accounts of each other' s residents. Investors in our funds will be required **:** (i) to consent to the taking of any action in connection with FATCA, the CRS, the DAC (including DAC 6), the OECD MDR and / or any local law relating to, implementing or having similar effect to any of these regimes, including the disclosure of information to tax authorities which may in turn be exchanged between other tax authorities ~~,~~ **;** and (ii) to agree to provide the AIFM and / or the general partner with the information they require to comply with FATCA, the CRS, the DAC (including DAC 6), the OECD MDR and / or any local law relating to, implementing or having similar effect to any of these regimes in any relevant jurisdiction. The breadth of the disclosure requirements under such tax reporting regimes will likely create costs and administrative burdens and penalties and withholding taxes could be imposed for non- compliance. Pursuant to the OECD' s Base Erosion and Profit Shifting (" BEPS ") Project, many individual jurisdictions have now introduced domestic legislation implementing certain of the BEPS actions. Several of the areas of tax law (including double taxation treaties) on which the BEPS Project focuses are relevant to the ability of our funds to efficiently realize income or capital gains and to

efficiently repatriate income and capital gains from the jurisdictions in which they arise to partners and, depending on the extent to and manner in which relevant jurisdictions have implemented (or implement, as the case may be) changes in such areas of tax law (including double taxation treaties), the ability of our funds to do these things may be adversely impacted. Changes in tax laws as a result of the BEPS Project may, for example, result in: (~~a~~ **i**) the restriction or loss of existing access by partners in our funds or their subsidiaries to tax relief under applicable double taxation treaties or EU directives, such as the EU Interest and Royalties Directive; (~~b~~ **ii**) restrictions on permitted levels of deductibility of expenses (such as interest) for tax purposes; (~~c~~ **iii**) rules affecting profit allocation and local nexus requirements, transfer pricing, or the treatment of hybrid entities / investments; or (~~d~~ **iv**) an increased risk of activity undertaken in a jurisdiction constituting a permanent establishment of our funds and / or any of their subsidiaries. Many of the jurisdictions in which our funds will make investments have now ratified, accepted and approved the OECD' s draft Multilateral Instrument (" MLI ") which brings into force a number relevant changes to double tax treaties within scope. The MLI is intended to facilitate the speedy introduction by participating states of double tax treaty-related BEPS recommendations. While these changes continue to be introduced, there remains significant uncertainty as to whether and, if so, to what extent our funds or their subsidiaries may benefit from the protections afforded by such treaties and whether our funds may look to their partners in order to derive tax treaty or other benefits. This position is likely to remain uncertain for a number of years. In ~~July 2016, the EU adopted the Anti- Tax Avoidance Directive 2016 / 1164 (commonly referred to as " ATAD I "), which directly implements some of the BEPS Project actions points within EU law. On~~ May ~~29,~~ 2017, the Council of the EU formally adopted the Council Directive amending Directive (EU) 2016 / 1164 as regards hybrid mismatches with third countries (commonly referred to as " ATAD II "), which came into force in member states on January 1, 2020 (subject to relevant derogations) and which contains a set of anti- hybrid rules. ATAD II was implemented into Luxembourg domestic law by way of a law dated December 20, 2019. ~~The anti- hybrid rules apply for fiscal years starting on or after January 1, 2020, except for the rules governing reverse hybrid mismatches which were applicable as of January 1, 2022.~~ ATAD II covers inter alia hybrid mismatches and imported hybrid mismatches resulting from the different characterization of a financial instrument or an entity leading to situations of deduction without inclusion or double deduction. For hybrid mismatches resulting in a situation of deduction without inclusion, the primary rule is that the member state of the payor shall deny such deduction. For hybrid mismatches resulting in a situation of double deduction, a deduction shall only be given to the member state where the payment has its source. However, if, the jurisdiction of the payee does not deny the deduction, the secondary rule would oblige the jurisdiction of the payor to deny the deduction at the level of the payor. If ATAD II anti- hybrid rules apply, they can act to deny (to a greater or lesser extent) deductibility in Luxembourg corporate entities of interest / expenses. However, these anti- hybrid rules only apply to arrangements **:** (i) between associated enterprises ~~,~~ or (ii) that constitute " structured arrangements. " In the context of hybrid mismatches resulting from the different characterization of a financial instrument, an entity will need to hold a direct or indirect interest of 25 % or more of the voting rights, capital interests or rights to share a profit to be considered an associated enterprise. The 25 % requirement is replaced by a 50 % requirement if the hybrid mismatch results from a different characterization of an entity (i. e., a hybrid entity). With respect to the computation of this 25 % or 50 % threshold requirement, ATAD II makes reference to the OECD concept of " persons acting together ", as it is specifically mentioned that for purposes of the anti- hybrid rules under ATAD II, " a person who acts together with another person in respect of the voting rights or capital ownership of an entity shall be treated as holding a participation in all of the voting rights or capital ownership of that entity that are held by the other person. " However, the Luxembourg law implementing ATAD II provides that an investor in an investment fund who holds directly or indirectly less than 10 % of the interest in the investment fund and who is entitled to receive less than 10 % of the fund' s profits is presumed not to act together with the other investors in the same investment fund (since the investors have in principle no effective control over the investments realized by the fund), unless proved otherwise (the de minimis rule). As a consequence of this rebuttable presumption, any investor holding less than 10 % in an investment fund should not be regarded as an " associated enterprise " of the fund and of any underlying Luxembourg entities. Any investor holding more than 10 % will only be regarded as an " associated enterprise " if it meets the requisite threshold in its own right, or it can be demonstrated that it is acting together with other investors, which would cause it to be deemed to reach the requisite threshold. Our funds have sought their own tax advice in relation to these proposed new rules and their potential impact on future investments. The impacts of ATAD II on interest and other finance costs in the context of European investments are jurisdiction specific and will be examined on an investment- by-investment basis. Further to the BEPS Project, and in particular BEPS Action 1 (" Addressing the Tax Challenges of the Digital Economy "), the OECD published a Report on May 31, 2019 entitled " Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy " (as updated on several occasions **since** and most recently on October 8, 2021 by the " Statement on a Two- Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy "), which proposes fundamental changes to the international tax system. The proposals (commonly referred to as " BEPS 2. 0 ") are based on two " pillars ", involving the reallocation of taxing rights (**" Amount A of** Pillar One **"**) **,** and a new global minimum corporate tax rate (**"** Pillar Two **"**). Under **Amount A of** Pillar One, multinational enterprises (**"** MNEs **"**) with total group revenues exceeding EUR 20 billion (or equivalent) in a given period and pre- tax profitability exceeding 10 % calculated using an averaging mechanism will be subject to rules allocating 25 % of profits in excess of a 10 % profit margin to the jurisdictions within which they carry on business (subject to threshold rules). Certain entities are excluded, including certain investment funds and real estate investment vehicles (as respectively defined) which are the ultimate parent entity of the MNE group (and certain holding vehicles of such entities). There are also specific exclusions for MNEs carrying on specific low- risk activities, including " regulated financial services " (as defined). Pillar Two imposes a minimum effective tax rate of 15 % on MNEs that have consolidated revenues of at least EUR 750 million in at least two out of the last four years (i. e., broadly those MNEs which are required to undertake country by country reporting). Pillar Two introduces two ~~relates~~ **related** tax measures (the **"** GloBE ~~rules~~ **Rules "**): the income inclusion rule (" IIR ") imposes a top up tax on a parent entity where a constituent

member of the MNE group has low taxed income while the undertaxed payment rule (" UTPR ") applies **as a backstop** ~~to intra group payments~~ if the constituent member' s income is not ~~taxes~~ **taxed** by an IIR ~~. Additionally, a subject to tax rule will permit source jurisdictions to impose limited withholding taxes on low taxed related party payments, which will be creditable against the GloBE rules tax liability~~ . Specified classes of entities which are typically exempt from tax are outside the scope of **the** Pillar Two **GloBE Rules** , including investment funds and real estate investment vehicles (as respectively defined) which are the ultimate parent entity of the MNE group (and certain holding vehicles of such entities). **Additionally,** ~~The implementation of the Pillar One~~ and **part of** Pillar Two ~~proposals~~ **but separate from the GloBE Rules, a subject to tax rule (" STTR ") will permit source jurisdictions to impose limited additional taxation on certain cross- border related party payments where the recipient** is ~~scheduled for 2024 and 2023~~ **subject to a nominal corporate income tax rate** (~~respectively~~ **subject, in some circumstances, to certain adjustments**) **below 9 %** , ~~with~~ **which will be creditable against** the **GloBE Rules tax liability** ~~UTPR coming into effect in 2024~~ . **The GloBE Rules must be implemented through domestic legislation** ~~An implementation plan on BEPS 2. 0 was agreed in the OECD Statement of October 8~~ , **and** ~~2021 (as updated with respect to Pillar One by a " Progress Report on Amount A of Pillar One " published on July 11, 2022). Pursuant to this plan,~~ on December 20, 2021 ~~,~~ the OECD released Pillar Two model rules providing a template for **this purpose. Many** jurisdictions **have begun that process** ~~to translate the GloBE rules into domestic law (and in this respect the European Commission~~ , **including EU member states pursuant to the EU minimum tax directive and the U. K., with a view to the IIR and the UTPR taking effect for fiscal years beginning** on **or after** December ~~22~~ **31** , ~~2021~~ **2023 and December 31** , **2024** ~~issued a proposal for a Council Directive on ensuring a global minimum level of taxation for multinational groups in the EU)~~ , **respectively. Amount A of** ~~although much more detail (including implementation details on~~ Pillar One **will** ~~) is still to~~ be ~~provided over~~ **implemented through a multilateral convention and** the ~~coming months~~ **STTR will be implemented, where applicable, either through modifications to bilateral tax treaties or alternatively through a multilateral instrument. The timeline for implementation of both Amount A of Pillar One and the STTR remains uncertain** . Subject to the development and implementation of both **Amount A of** Pillar One and Pillar Two (including the ~~related~~ **implementation of the** EU ~~Council~~ **minimum tax** ~~Directive~~ **directive** ~~proposal~~ **by EU member states)** and the details of any domestic legislation, double taxation treaty amendments and multilateral agreements which are necessary to implement them ~~)~~, effective tax rates could increase within ~~Ares'~~ **the fund** structure or on its investments, including by way of higher levels of tax being imposed than is currently the case, possible denial of deductions or increased withholding taxes and / or profits being allocated differently **and / or penalties could be due** . This could adversely affect the returns of investors in our funds **. The implementation of BEPS 2. 0 in relevant jurisdictions is complex and likely to remain uncertain for a number of years** . On December 22, 2021, the European Commission issued a proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes within the EU (the " Unshell Proposal "). Whilst the European Commission **initially** ~~has stated that it expects~~ **expected** the Unshell Proposal to be adopted and published into EU member states' national laws by ~~mid-~~ **June 30,** 2023, and to come into effect as of January 1, 2024, **the proposal has not yet been adopted and** there is considerable uncertainty surrounding the development of the proposal and its implementation. If adopted in its current form, the proposal could result in additional reporting and disclosure obligations for ~~investment~~ funds and / or their subsidiaries (which may require the sharing with applicable taxing or other governmental authorities of information concerning investors) and / or additional tax being suffered by investors, ~~investment~~ funds or their subsidiaries. Effective April 1, 2022, the U. K. implemented a domestic ' Qualifying Asset Holding Company' regime, with a view to broadly making the U. K. a more attractive holding company jurisdiction. The extent to which this regime may be applicable or beneficial to and / or utilized by our funds (or their subsidiaries) remains under consideration. Certain U. S. stockholders are subject to additional tax on " net investment income. " U. S. stockholders that are individuals, estates or trusts are subject to a surtax of 3. 8 % on " net investment income " (or undistributed " net investment income, " in the case of estates and trusts) for each taxable year, with such tax applying to the lesser of such income or the excess of such person' s adjusted gross income (with certain adjustments) over a specified amount. Net investment income includes earnings from dividends and net gain attributable to the disposition of investment property. It is anticipated that dividends and net gain attributable to an investment in shares of our Class A common stock will be included in a U. S. holder' s " net investment income " subject to this surtax. ~~Certain stockholders that are individuals, estates, or trusts may be subject to additional tax on " modified adjusted gross income " in excess of a certain threshold pursuant to legislation recently proposed by the Presidential administration and the U. S. Congress. The Presidential administration and the U. S. Congress have recently proposed legislation that would impose a new 5. 0 % or 3. 0 % tax on individuals and taxable trusts and estates with " modified adjusted gross income " (MAGI) above certain amounts. Dividends and net gain attributable to an investment in shares of our Class A common stock are generally expected to be included in a holder' s MAGI and thus, may be subject to this surtax.~~ Limitations on the amount of interest expense that we may deduct could materially increase our tax liability and negatively affect an investment in shares of our Class A common stock. Our deduction of net business interest expenses for each taxable year is limited generally to 30 % of our " adjusted taxable income " for the relevant taxable year. ~~Starting with taxable years beginning after December 31, 2022, the addback of depreciation, depletion and amortization previously allowed in determining " adjusted taxable income " no longer applies due to an automatic change to Section 163 (j) of the Code scheduled when the Tax Cuts and Jobs Act was enacted in 2017.~~ Any excess business interest not allowed as a deduction in a taxable year as a result of the limitation generally will carry forward to the next year. There is no grandfather provision for outstanding debt prior to the effective date of these rules. Any failure to properly manage or address the foregoing risks may have a material adverse effect on our business, results and financial condition. General Risk Factors Cybersecurity failures and data security incidents could adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential, personal or other sensitive information and / or damage to our business relationships or reputation, any of which could negatively impact our business, financial condition and operating results. The efficient operation of our business is dependent on computer

hardware and software systems, as well as data processing systems and the secure processing, storage and transmission of information, all of which are potentially vulnerable to security breaches and cyber ~~incidents~~ **- attacks** or other ~~data~~ security breaches, which may include intentional attacks or accidental losses ~~that~~ **, either of which may** result in unauthorized access to, or corruption of, our hardware, software, or data processing systems, or to our confidential, personal, or other sensitive information. In addition, we and our employees may be the target of fraudulent emails or other targeted attempts to gain unauthorized access to confidential, personal, or other sensitive information. The result of any cyber **- attack** or other security incidents may include disrupted operations, misstated or unreliable financial data, fraudulent transfers or requests for transfers of money, liability for stolen assets or information **(including personal information)** , fines or penalties, investigations, increased cybersecurity protection and insurance costs, litigation, ~~and~~ **or** damage to our business relationships ~~,~~ and reputation **, in each case,** causing our business and results of operations to suffer. **The rapid evolution and increasing prevalence of artificial intelligence technologies may also increase our cybersecurity risks. Although we are not currently aware of any cyber- attacks or other incidents that, individually or in the aggregate, have materially affected, or would reasonably be expected to materially affect, our operations or financial condition,** ~~There~~ **there** has been an increase in the frequency and sophistication of the cyber and security threats that we face, with attacks ranging from those common to businesses generally to more advanced and persistent attacks. **Cyber- attacks and other security threats could originate from a wide variety of sources, including cyber criminals, nation state hackers, hacktivists and other outside or inside parties. We, or our third- party providers, may face a heightened risk of a security breach or disruption with respect to confidential, personal or other sensitive information resulting from an attack by foreign governments or cyber terrorists.** We may be a target for attacks because, as an alternative asset management firm, we hold confidential and other ~~price~~ sensitive information, including price information ~~,~~ about existing and potential investments. ~~We~~ **Further, we** are dependent on third- party ~~vendors~~ **service providers** for hosting ~~solutions~~ **hardware, software** and ~~technologies~~ **data processing systems** that we do not control. We also rely on third- party service providers for certain aspects of our businesses, including for certain information systems, technology and administration of our funds and compliance matters. While we perform risk assessments on our third- party providers, our reliance on them and their potential reliance on other third- ~~parties could adversely affect us,~~ **party service providers removes certain cybersecurity functions from outside of** our ~~business~~ **immediate control,** and ~~our reputation. Cyber~~ **cyber** - attacks ~~and other security threats could originate from a wide variety of sources, including cyber criminals, nation state hackers, hacktivists and other outside or inside parties. We, or our third- party providers, may face a heightened risk of a security breach or disruption with respect to confidential, personal or other sensitive information resulting from an attack by foreign governments or cyber terrorists. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by others, including by our third- party vendors. As our reliance~~ on ~~computer hardware and software systems, data processing systems, and other technology has increased, so have the risks posed to such systems, both those we control and those provided by~~ our third- party service providers **could adversely affect us, our business and our reputation** . **The costs related to cyber- attacks or other security threats or disruptions may not be fully insured or indemnified by others, including by our third- party service providers. As our reliance on computer hardware and software systems, data processing systems, and other technology has increased, so have the risks posed to such systems, both those we control and those provided by our third- party service providers. Cyber- attacks may originate from a wide variety of sources, and** ~~While~~ **while** we have implemented processes, procedures and internal controls designed to mitigate cybersecurity risks and cyber ~~intrusions, including various securities measures and technology, these measures, as well as our increased awareness of the nature and extent of a risk of a cyber~~ - ~~incident~~ **attacks** , these measures do not guarantee that a cyber- ~~incident~~ **attack** will not occur ~~and /~~ or that our financial results, operations or confidential **information, personal or other sensitive** information will not be negatively impacted by such an incident, especially because the techniques of threat actors change frequently and are often not recognized until launched **. We rely on industry accepted security measures** and ~~because threats may originate from a wide variety~~ **technology to securely maintain confidential and proprietary information maintained on our information systems, as well as our policies and procedures to protect against the unauthorized or unlawful disclosure** of **confidential, personal or other sensitive information. Although we take protective measures and endeavors to strengthen our computer systems, software, technology assets and networks to prevent and address potential cyber- attacks, there can be no assurance that any of these measures prove effective. We expect to be required to devote increasing levels of funding and** ~~sources~~ **resources to comply with evolving cybersecurity and privacy laws and regulations and to continually monitor and enhance our cybersecurity procedures and controls** . ~~These~~ **Cybersecurity** risks are exacerbated by the rapidly increasing volume of highly sensitive data, including our proprietary business information and intellectual property, ~~and~~ personal information of our employees, our investors and others ~~,~~ **and other sensitive information** that we collect, process and store in our data centers and on our networks ~~,~~ or those of our third- party ~~vendors~~ **service providers** . The secure processing, maintenance and transmission of this information are critical to our operations. A significant actual or potential theft, loss, corruption, exposure, fraudulent use or misuse of investor, employee or other personal information ~~or~~ **,** proprietary business data **or other sensitive information** , whether by third parties or as a result of employee malfeasance or otherwise, non- compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant investigation, remediation and other costs, fines, penalties, litigation or regulatory actions against us and significant reputational harm **, any of which could harm our business and results of operations** . Our funds' portfolio companies also rely on similar systems and face similar risks. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. Our funds may invest in strategic assets having a national or regional profile or in infrastructure assets, the nature of which could expose them to a greater risk of being subject to a terrorist attack or ~~security breach~~ **cyber- attack** than other assets or businesses. Such an event may have material adverse consequences on our investment or assets of the same type or may require applicable portfolio

companies to increase preventative security measures or expand insurance coverage. In addition, we operate in businesses that are highly dependent on information systems and technology. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Cybersecurity has become a priority for regulators in the U. S. and around the world. In the latter half of 2021, the SEC brought three charges, sanctioning eight companies, all of which were registered as broker dealers, investment advisory firms or both, for deficient cybersecurity policies and procedures, and settled charges in two separate actions against public companies for deficient disclosure controls and procedures violations related to a cybersecurity ~~vulnerabilities~~ **vulnerability** that exposed sensitive customer information. ~~More recently~~ **In 2023** , the SEC **charged a broker- dealer for allegedly making materially false and misleading statements and omissions regarding its efforts for preventing misuse of sensitive customer information. The SEC has also** proposed new rules related to cybersecurity risk management for registered investment advisers, and registered investment companies and business development companies (funds), as well as amendments to certain rules that govern investment adviser and fund disclosures. **In July 2023, the SEC also adopted rules requiring public companies to disclose material cybersecurity incidents on Form 8- K and periodic disclosure of a registrant' s cybersecurity risk management, strategy, and governance in annual reports. The rules became effective beginning with annual reports for fiscal years ending on or after December 15, 2023 and beginning with Form 8- Ks on December 18, 2023.** With the SEC particularly focused on cybersecurity, we expect increased scrutiny of our policies and systems designed to manage our cybersecurity risks and our related disclosures. **We also expect to face increased costs to comply with the new SEC rules, including increased costs for cybersecurity training and management.** Many jurisdictions in which we operate have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, the CCPA, the New York SHIELD Act, the GDPR and the U. K. GDPR. In addition, the SEC has indicated in recent periods that one of its examination priorities for the Office of Compliance Inspections and Examinations is to continue to examine cybersecurity procedures and controls, including testing the implementation of these procedures and controls. There may be substantial financial penalties **or fines** for breach of privacy laws **(which may include insufficient security for our personal or other sensitive information)** . For example, the maximum penalty for breach of the GDPR is the greater of 20 million Euros and 4 % of group annual worldwide turnover **, and fines for each violation of the CCPA are $ 2, 500, or $ 7, 500 per violation for intentional violations** . Non- compliance with any applicable privacy or data security laws represents a serious risk to our business. Some jurisdictions have also enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal ~~data~~ **information** . Breaches in security could potentially jeopardize our, our employees' or our fund investors' or counterparties' confidential or other information processed and stored in, or transmitted through, our computer systems and networks (or those of our third- party ~~vendors~~ **service providers**), or otherwise cause interruptions or malfunctions in our, our employees', our fund investors', our counterparties' or third parties' operations, which could result in significant losses, increased costs, disruption of our business, liability to our fund investors and other counterparties, fines or penalties, litigation, regulatory intervention or reputational damage, which could also lead to loss of investors or clients. ~~Although we are not currently aware of any cyber- attacks or other incidents that, individually or in the aggregate, have materially affected, or would reasonably be expected to materially affect, our operations or financial condition, there can be no assurance that the various procedures and controls we utilize to mitigate these threats will be sufficient to prevent disruptions to our systems, especially because the cyberattack techniques used change frequently and are often not recognized until launched, the full scope of a cyberattack may not be realized until an investigation has been performed and cyber- attacks can originate from a wide variety of sources. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems, as well as our policies and procedures to protect against the unauthorized or unlawful disclosure of confidential, personal or other sensitive information. Although we take protective measures and endeavors to strengthen our computer systems, software, technology assets and networks to prevent and address potential cyber- attacks, there can be no assurance that any of these measures prove effective. We expect to be required to devote increasing levels of funding and resources to comply with evolving cybersecurity and privacy laws and regulations and to continually monitor and enhance our cybersecurity procedures and controls.~~ We may be subject to litigation risks and may face liabilities and damage to our professional reputation ~~as a result~~ . In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against investment managers have been increasing. We make investment decisions on behalf of investors in our funds that could result in substantial losses. This may subject us to the risk of legal liabilities or actions alleging misconduct, breach of fiduciary duty or breach of contract. Further, we may be subject to third- party litigation arising from allegations that we improperly exercised control or influence over portfolio investments. In addition, we and our affiliates that are the investment managers and general partners of our funds, our funds themselves and those of our employees who are our, our subsidiaries' or the funds' officers and directors are each exposed to the risks of litigation specific to the funds' investment activities and portfolio companies and, in the case where our funds own controlling interests in public companies, to the risk of shareholder litigation by the public companies' other shareholders. Moreover, we are exposed to risks of litigation or investigation by investors or regulators relating to our having engaged, or our funds having engaged, in transactions that presented conflicts of interest that were not properly addressed. ~~The~~ **We and our funds and their investment advisers are more generally subject to extensive regulation, which, from time to time, results in requests for information from us or our funds and their investment advisers or regulatory proceedings or investigations against us or our funds and their investment advisers, respectively. We may incur significant costs and expenses in connection with any such information requests, proceedings or investigations. Such investigations have previously and may in the future result in penalties and other sanctions. Regulatory actions and initiatives, including by the** SEC **, can have an** ~~recently proposed new rules for private fund advisers~~ -- **adverse** ~~that~~ **effect on our financial results, including as a result of the imposition of a sanction, a limitation on our or our personnel' s activities, or changing our historic practices. Even** if **an investigation** ~~enacted, would prohibit seeking reimbursement, indemnification, exculpation, or~~

~~limitation of liability for~~ - **or** ~~breach of fiduciary duty~~ **proceeding did not result in a sanction** , **or the sanction imposed against us or** ~~willful malfeasance, bad faith, negligence, or~~ **our** ~~recklessness~~ **personnel by a regulator were small** in ~~providing services~~ **monetary amount, the adverse publicity relating** to **the investigation, proceeding or imposition of** ~~the~~ **these** ~~fund~~ **sanctions could harm our reputation** . Legal liability could have a material adverse effect on our businesses, financial condition or results of operations or cause reputational harm to us, which could harm our businesses. We depend, to a large extent, on our business relationships and our reputation for integrity and high- caliber professional service offerings to attract and retain investors and to pursue investment opportunities for our funds. As a result, allegations of improper conduct asserted by private litigants or regulators, regardless of whether the ultimate outcome is favorable or unfavorable to us, as well as negative publicity and press speculation about us, our investment activities or the investment industry in general, whether valid or not, may harm our reputation, which may be damaging to our businesses. In addition, the laws and regulations governing the limited liability of such issuers and portfolio companies vary from jurisdiction to jurisdiction, and in certain contexts, the laws of certain jurisdictions may provide not only for carve- outs from limited liability protection for the issuer or portfolio company that has incurred the liabilities, but also for recourse to assets of other entities under common control with, or that are part of the same economic group as such issuer. ~~In addition, we~~ **We may not be able to maintain sufficient insurance to cover us for potential litigation or other risks. We** may not be able to obtain or maintain sufficient insurance on commercially reasonable terms or with adequate coverage levels against potential liabilities we may face in connection with potential claims, which could have a material adverse effect on our business. We may face a risk of loss from a variety of claims, including related to securities, antitrust, contracts, cybersecurity, fraud and various other potential claims, whether or not such claims are valid. Insurance and other safeguards might only partially reimburse us for our losses, if at all, and if a claim is successful and exceeds or is not covered by our insurance policies, we may be required to pay a substantial amount in respect of such claim. Certain losses of a catastrophic nature, such as losses arising as a result of wars, earthquakes, typhoons, terrorist attacks or other similar events, may be uninsurable or may only be insurable at rates that are so high that maintaining coverage would cause an adverse impact on our business, our ~~investment~~ funds and their portfolio companies. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all- risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total cost of casualty insurance for a property. As a result, we, our ~~investment~~ funds and their portfolio companies may not be insured against terrorism or certain other catastrophic losses. Events which harm our reputation or brand may impact our ability to attract and retain investors and raise new capital. As fiduciaries and stewards of our client' s capital, we value and depend on the trust they place in us. Reputation is a significant factor that increases our competitive risk. See " — Risks Related to Our Businesses — The investment management business is intensely competitive. " Increased regulatory scrutiny, actions or fines, litigation, employee misconduct, failures or perceived failures to appropriately mitigate and manage ESG incidents, conflicts of interest, data breaches and management of tax disputes, could among other events, harm our reputation and thus our ability to attract and retain investors and raise new capital for our funds, adversely affecting our business. While we have a robust compliance program in place and have successfully instituted a culture of compliance through our policies and procedures aimed to mitigate potential risks and enhanced regulatory action, we may be subject to new and heighted enforcement activity resulting in public sanctions or fines which could adversely impact our reputation. See " — Risks Related to Regulation. " Similarly, to the extent we experience material litigation **, employee turnover** or employee misconduct, our businesses and our reputation could be adversely affected, and a loss of investor confidence could result, which could adversely impact our ability to raise future funds. Our ability to appropriately mitigate, manage and address conflicts of interests among our stakeholders could also result in increased reputational risk. Further, the impact of events which may harm our reputation and brand are heightened given media and public focus on the externalities of activities unrelated to our business, the pervasiveness of social media and public interest in the financial services and alternative investment management industry generally. ~~96~~ **The increasing prevalence of artificial intelligence may lead to faster and wider dissemination of any adverse publicity or inaccurate information about us, making effective remediation more difficult and further magnifying the reputational risks associated with negative publicity.**