

CION Ares Diversified Credit Fund

Looking beyond traditional bonds for income,
diversification and lower volatility

MARCH 2024



CAD000238-1225



Disclosure

This is neither an offer to sell nor a solicitation to purchase the securities described herein. An offering is made only by the prospectus which must precede or accompany this presentation. Please read the prospectus prior to making any investment decisions and consider the risks, charges, and expenses and other information described therein. Additional copies of the prospectus may be obtained by contacting CION Securities at 800.435.5697 or by visiting cioninvestments.com.

Risks and limitations include, but are not limited to, the following: investment instruments may be susceptible to economic downturns; most of the underlying credit instruments are rated below investment grade and considered speculative; there is no guarantee all shares can be repurchased; the Fund's business and operations may be impacted by fluctuations in the capital markets; the Fund is a diversified, closed-end investment company with limited operating history; diversification does not eliminate the risk of investment losses.

Please be aware that the Fund, the Advisers, the Distributor or the Wholesale Marketing Agent and their respective officers, directors, employees and affiliates do not undertake to provide impartial investment advice or to give advice in a Fiduciary capacity in connection with the Fund's public offering of shares to retail investors.

CION Securities, LLC (CSL) is the wholesale marketing agent for CION Ares Diversified Credit Fund, advised by CION Ares Management, LLC (CAM) and distributed by ALPS Distributors, Inc (ADI). CSL, member FINRA, and CAM are not affiliated with ADI, member FINRA.

Risks

An investment in shares of the Fund's common stock involves a high degree of risk and considered speculative. Potential investors should carefully consider the risk factors described in the prospectus before deciding to invest. An investment in the Fund is subject to, among others, the following risks:

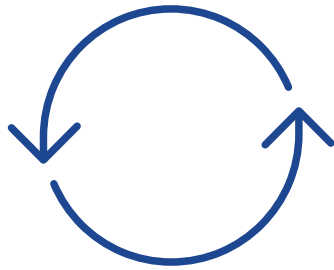
- There is not expected to be any secondary trading market in the Shares.
- Unlike an investor in most closed-end funds, Shareholders should not expect to be able to sell their Shares regardless of how the Fund performs. An investment in the Fund is considered illiquid.
- If a Shareholder is able to sell its Shares outside the quarterly repurchase process, the Shareholder likely will receive less than their purchase price and the then current NAV per Share.
- An investor may pay a sales load of up to 5.75% depending on the share class.
- Unlike most closed-end funds, the Shares are not listed on any securities exchange. The Fund intends to provide liquidity through quarterly offers to repurchase a limited amount of the Fund's Shares (at least 5%).
- There is no assurance that monthly distributions paid by the Fund will be maintained at the targeted level or that dividends will be paid at all.
- The Fund's distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Fund for investment. Any capital returned to Shareholders through distributions will be distributed after payment of fees and expenses.

Risks (continued)

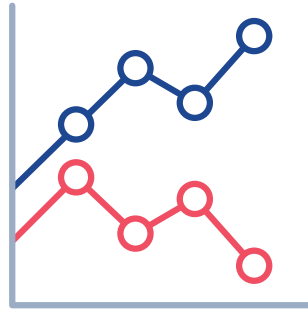
- A return of capital to Shareholders is a return of a portion of their original investment in the Fund, thereby reducing the tax basis of their investment. As a result from such reduction in tax basis, Shareholders may be subject to tax in connection with the sale of Fund Shares, even if such Shares are sold at a loss relative to the Shareholder's original investment.
- The Fund's distributions may result from expense reimbursements from CION Ares Management, LLC (CAM or the Advisor), which are subject to repayment by the Fund. Shareholders should understand that any such distributions are not based on the Fund's investment performance, and can only be sustained if the Fund achieves positive investment performance in future periods and/or CAM continues to make such expense reimbursements. Shareholders should also understand that the Fund's future repayments will reduce the distributions that a Shareholder would otherwise receive.

Most of the credit instruments in which the Fund invests will be rated below investment grade by rating agencies or would be rated below investment grade if they were rated. Credit instruments that are rated below investment grade (commonly referred to as "high yield" securities or "junk bonds") are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Because of the risks associated with investing in high yield securities, an investment in the Fund should be considered speculative. Some of the credit instruments will have no credit rating at all.

The Role of Income Investments



Income
Generation



Low Correlation
with Equities



Capital
Preservation

Traditional Retail Alternative Products Aren't Measuring Up



Barriers to Entry

Older generation alternatives limit participation to accredited investors and require large investment minimums (\$100,000-1,000,000)



Lack of Transparency

Traditional alternatives tend to provide irregular updates on performance, minimal information on underlying asset holdings, a lack of uniform reporting standard



Narrow Strategies

Many alternative managers and strategies have a singular focus, lacking the flexibility to adjust the investment approach as the market ebbs and flows while typically using aggressive leverage to deliver returns



Total Illiquidity

Older generation alternatives are subject to a lock-up period of typically 5-7 years and liquidity/exit events are uncertain



How can you adapt your
income strategy for
today's environment?

CION Ares Diversified Credit

FOCUS

CADC is focused on **harnessing the power of Ares'** global credit platform by **dynamically allocating** across the full breadth of **liquid and illiquid credit** assets in the U.S. and Europe

FLEXIBILITY

The fund's **strategy** seeks to maneuver **flexibly** to capitalize on market inefficiencies and **relative value** opportunities

FIT

The fund is designed to be a **core** product for the **income** side of a portfolio. By making use of a wide range of **credit assets**, the fund's objective is to provide superior risk adjusted returns across various market cycles by investing in a diversified portfolio of liquid and illiquid asset classes

A Familiar Structure, Evolved

	LISTED CLOSED-END FUND	INTERVAL FUND	OPEN-ENDED MUTUAL FUND
Offering	One Time via IPO	Continuous	Continuous
Liquidity	Exchange Traded	Periodic Repurchase	Daily redemption
Pricing	Market	NAV	NAV
Valuation	Daily	Daily	Daily
Maximum Allowed Illiquid Assets	No Limit	No Limit ¹	15%
Taxed	Form 1099	Form 1099	Form 1099

¹ Must have liquid assets to cover repurchase offers, otherwise no limit.



The Manager for the Mandate

To execute on a diversified credit strategy CION sought out a manager with experience across the breadth of liquid and illiquid credit assets and a track record of performance.

CION Ares Management – A Joint Venture



Solutions-Based Alternative Investments

CION provides investors with direct access to solutions-based credit focused alternative investments that are not readily available through traditional investment managers. Our alternative investments platform offers differentiated product solutions, experienced portfolio management, and investments targeting underserved markets — features that are not easily replicated or commoditized.

With a foundation built on more than 30 years of credit investing, CION is an expert in originating, underwriting, managing and distributing credit strategies.

A Global Leader in Alternative Investments

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating three integrated businesses across Credit, Private Equity and Real Estate. Ares Management’s investment groups collaborate to deliver innovative investment solutions and consistent and attractive investment returns for fund investors throughout market cycles. Ares Management’s global platform had \$419 billion of assets under management as of December 31, 2023 with over 2,850 employees in 35+ offices in more than 10 countries. Please visit www.aresmgmt.com for additional information.

Ares Management – A Global Leader in Alternatives



Profile

Founded: 1997

AUM: \$419B

Employees: ~2,850

Investment Professionals: ~990

Global Offices: 35+

Direct Institutional Relationships: ~2,300

Listing: NYSE – Market Capitalization: \$42.0B¹

Direct Origination Professionals: 175+

The Ares Edge

Power of a broad and scaled platform enhancing investment capabilities

20+ year track record of compelling risk adjusted returns through market cycles

Deep management team with integrated and collaborative approach

Pioneer and a leader in leveraged finance, private credit and secondaries

Global Footprint²



	Credit	Private Equity	Real Assets	Secondaries	Other Businesses
AUM	\$284.8B	\$39.1B	\$65.4B	\$24.7B	\$4.8B
Strategies	Direct Lending	Corporate Private Equity	Real Estate Equity	Private Equity Secondaries	Ares Insurance Solutions ³
	Liquid Credit	Special Opportunities	Real Estate Debt	Real Estate Secondaries	Ares Acquisition Corporation ⁴
	Alternative Credit	APAC Private Equity	Infrastructure Opportunities	Infrastructure Secondaries	
	APAC Credit		Infrastructure Debt	Credit Secondaries	

Note: As of December 31, 2023. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results.

1. Source: NASDAQ IR as of February 9, 2024.

2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.

3. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares’ investment groups or invested in Ares funds and investment vehicles.

4. AUM includes Ares Acquisition Corporation (“AAC”) and Ares Acquisition Corporation II (“AACH”).

Credit – Ares' Core Business

Lender of the year in
North America¹

\$284.8B
IN CREDIT²

Fund Manager of the
Year
Global Winner³

~180
Origination
Professionals²

Act as arranger in
~80% of deals²

¹ Private Equity International Awards 2022.

² Ares filings. As of December 31, 2023, AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and a registered investment adviser.

³ Source: Private Debt Investor Awards 2022.



The Strategy & Portfolio

Rationale for Diversified Credit

1	DOWNSIDE MANAGEMENT	Portfolio consists predominantly of floating rate, senior secured loans underwritten by professionals across the Ares Credit Group
2	YIELD PREMIUM	Seeks enhanced yield due to the premium associated with less liquid assets
3	FLEXIBILITY	Managers identify and dynamically allocate to what they believe are the best relative value opportunities in credit
4	LOW CORRELATION	Asset classes have become increasingly more correlated over time, making diversification less effective against short-term market volatility
5	DIVERSIFICATION	Well-diversified portfolio across credit strategies and issuer concentration levels seeks to provide optimal risk-return profile

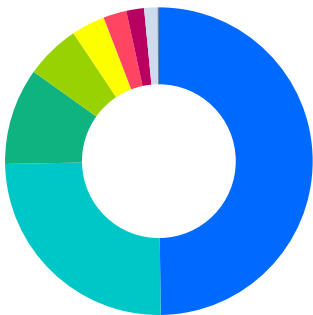
Note: Diversification does not assure profit or protect against market loss.

Current Portfolio Snapshot (as of 3/31/24)

Characteristics

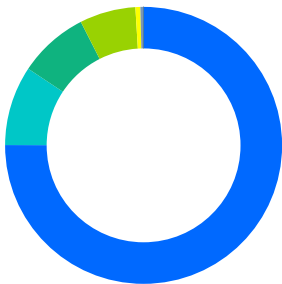
Number of Issuers	716
Top Ten Issuers	9.44%
Distribution Rate*	9.18%
Floating Rate Assets	88.5%
Annualized Return Since Inception 7/12/2017 (I Share)	6.59%
Standard Deviation (I Share)	3.79%
Sharpe Ratio (I Share)	1.10

Allocation By Asset Type



US Direct Lending	51.2%	Private Asset-Backed	2.5%
Syndicated Loans	25.6%	Opportunistic	1.9%
European Direct Lending	10.4%	CLO Debt	1.4%
High Yield Bonds	5.9%	Real Estate Debt	0.1%
CLO Equity	3.6%	Cash	-2.8%

Allocation By Geography



United States	77.2%	Other	0.6%
Broader Europe	9.6%	Australia	0.4%
Broader North America	8.4%	Broader Asia	0.0%
United Kingdom	6.7%	Cash	-2.8%

Note: Portfolio characteristics of CADC are as March 31, 2024 and are subject to change. Returns include reinvestment of distributions and reflect fund expenses. The estimated expense ratio is 3.63% when excluding interest payments on borrowed funds of 1.84%. See disclosures on slide 20 for full breakdown of expenses. Expense ratios are annualized and calculated as a percentage of estimated average net assets. Share values will fluctuate, therefore if repurchased, they may be worth more or less than their original cost. Past performance is not indicative of future results. Current performance may differ and can be obtained at cioninvestments.com. Additional details can be found in Offering Profile located in the Appendix.

*Based on a Current NAV of \$25.35 as of March 31, 2024. Distribution rate is expressed as a percentage equal to the projected annualized distribution amount (which is calculated by annualizing the current daily cash distribution per share without compounding), divided by the relevant net asset value per share. A portion of distributions may be a direct result of expense support payments provided by CION Ares Management, LLC (CAM), which are subject to repayment by CADC within three years. The purpose of this arrangement is to ensure that CADC bears an appropriate level of expenses. Any such distributions may not be entirely based on investment performance and can only be sustained if positive investment performance is achieved in future periods and/or CAM continues to make such expense support payments. Future repayments will reduce cash otherwise potentially available for distributions. There can be no assurance that such performance will be achieved in order to sustain these distributions. CAM has no obligation to provide expense support payments in future periods.

CADC may fund distributions from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital, as well as net income from operations, capital and non-capital gains from the sale of assets, dividends or distributions from equity investments and expense support payments from CAM, which are subject to repayment. For the year ending December 31, 2022 distributions were paid from taxable income and did not include a return of capital for tax purposes. It is not anticipated that the current distribution rate will contain a return of capital. If expense support payments from CAM were not provided, some or all of the distributions may have been a return of capital which would reduce the available capital for investment. The sources of distributions may vary periodically. Please refer to the semi-annual or annual reports filed with the SEC for the sources of distributions.

Why the CION Ares Diversified Credit Fund?

ILLIQUIDITY CAN BE A POWERFUL TOOL

Illiquid credit assets can provide enhanced yield in exchange for daily liquidity

CAM OFFERS EXPERIENCED MANAGEMENT

CAM gives individual investors direct access to the Ares credit platform for the first time

A DIVERSIFIED STRATEGY BRINGS FLEXIBILITY

Dynamically managed to seek relative value opportunities and superior risk-adjusted returns

CADC – Offering Profile

FUND OBJECTIVE

To provide superior risk adjusted returns across various market cycles by investing in a diversified portfolio of liquid and illiquid asset classes. The Fund seeks to achieve this objective by capitalizing on market inefficiencies and relative value opportunities throughout the entire global credit spectrum.

INVESTMENT UNIVERSE

The Fund invests primarily in a portfolio of directly originated loans, secured floating and fixed rate syndicated loans, corporate bonds, asset-backed securities, commercial real estate loans and other types of credit instruments.

The Structure

1940 Act continuously offered unlisted closed-end interval fund

Symbol

Class A: CADEX
Class C: CADCX

Class I: CADUX
Class L: CADWX

Class U-2: CADSX
Class U: CADZX

Inception Date

Class A: January 2017
Class C: July 2017

Class I: July 2017
Class L: November 2017

Class U-2: April 2020
Class U: July 2019

Tax Reporting

1099-DIV

Limited Liquidity / Repurchase Offer

Quarterly at NAV. No less than 5% of the outstanding shares

Dividend Reinvestment Plan

Automatic participation, unless otherwise elected

Sales Load

Class A: Up to 5.75% front-end load^{2,4}
Class C: No front-end load^{1,2,3,4}

Class I: No load⁴
Class L: Up to 4.25% front-end load^{2,3,4}

Class U-2: Up to 2.50% front-end load^{2,3,4}
Class U: No front-end load^{3,4,5}

¹ Subject to a 1.00% contingent deferred sales charge if redeemed during the first 365 days after purchase.

² Subject to a shareholder servicing fee of up to 0.25% per year.

³ Subject to a 0.75% (Class C, Class U), 0.25% (Class L), 0.50% (Class U-2) annual distribution fee.

⁴ Subject to management fees and other expenses.

⁵ Subject to selling dealer discretion.

Glossary of Terms & Additional Disclosures

Duration - is a measure of the degree of likely change in value if interest rates were to rise or fall. The higher the number, the higher the sensitivity to changes in interest rates.

Floating Rate Asset - refers to any type of debt instrument, such as a loan, bond, mortgage, or credit, that does not have a fixed rate of interest over the life of the instrument.

Standard Deviation – a widely used measure of an investment’s performance volatility. Standard deviation shows how much variation from the mean exists with a larger number indicating the data points are more spread out over a larger range of values.

Sharpe Ratio – a risk adjusted measure that measures reward per unit of risk. The higher the Sharpe Ratio, the better. The numerator is the difference between a portfolio’s return and the return of a risk-free instrument. The denominator is the portfolio’s standard deviation.

Collateralized Loan Obligations (CLOs) - a form of securitization where payments from multiple middle sized and large business loans are pooled together and passed on to different classes of owners in various tranches. A CLO is a type of collateralized debt obligation.

Bank of America Merrill Lynch US High Yield Total Return Index - the index tracks the performance of below-investment-grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Bloomberg US Aggregate Bond Index - the index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. **Credit Suisse Leveraged Loan Index** - the index represents tradable, senior-secured, U.S.-dollar-denominated non-investment-grade loans.

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Additional Disclosure – Estimated Annual Fund Expenses: Management Fee 1.79%; Incentive Fee 1.30%; Interest Payments on Borrowed Funds 1.84%; Remaining Other Expenses 0.54%. Expenses are annualized and calculated as a percentage of estimated average net assets.

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