

CION Ares Diversified Credit Fund

CLASS I CADUX

FUND OVERVIEW

CION Ares Diversified Credit Fund (CADC) is a diversified, unlisted closed-end management investment company registered under the 1940 Act as an interval fund. The Fund will seek to capitalize on market inefficiencies and relative value opportunities by dynamically allocating 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 which, under normal circumstances, will represent at least 80% of the Fund's assets.

KEY FACTS

| | |
|--|-----------|
| CLASS I INCEPTION | 7/12/2017 |
| TOTAL MANAGED ASSETS** | ~\$695M |
| TOTAL ISSUES | 370 |
| DISTRIBUTIONS ¹ | Monthly |
| CURRENT DISTRIBUTION RATE ² | 5.37% |
| CLASS I SHARPE RATIO (ANNUALIZED) | 2.01 |
| CLASS I STANDARD DEVIATION | 2.56% |

FUND PERFORMANCE

| | MTD | YTD | TTM | Since Inception (Cumulative) |
|---------------|-------|-------|-------|------------------------------|
| CLASS I CADUX | 1.91% | 9.54% | 9.54% | 18.95% |

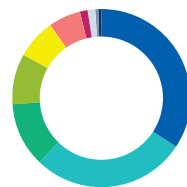
Returns include reinvestment of distributions and reflect fund expenses inclusive of expense support which will remain in effect at least until July 31, 2020 and may be subject to reimbursement in the future. The net expense ratio, inclusive of expense support, is 4.55% as of October 31, 2019. The gross expense ratio, without expense support, is 3.87% as of October 31, 2019. Expense ratios are annualized and calculated as a percentage of 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.

PORTFOLIO CHARACTERISTICS



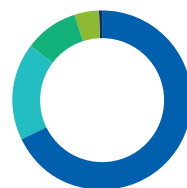
FIXED VS. FLOATING RATE*

● Fixed 6.9% ● Floating Rate 93.1%



ALLOCATION BY ASSET TYPE**

| | | | |
|-------------------------|-------|----------------------|------|
| US Direct Lending | 34.4% | High Yield Bonds | 6.0% |
| Syndicated Loans | 27.9% | Private Asset-Backed | 1.4% |
| European Direct Lending | 11.6% | Opportunistic | 1.2% |
| CLO Debt | 9.2% | Real Estate Debt | 0.8% |
| CLO Equity | 7.1% | Cash | 0.3% |



ALLOCATION BY GEOGRAPHY**

| | | | |
|-----------------------|-------|--------------|------|
| United States | 67.9% | Australia | 0.0% |
| Broader North America | 17.3% | Broader Asia | 0.0% |
| United Kingdom | 9.8% | Other | 0.0% |
| Broader Europe | 4.6% | Cash | 0.3% |

* Excludes cash, other net assets and equity instruments.

** Holdings and allocations, unless otherwise indicated, are based on the total managed assets and subject to change without notice. Total managed assets is defined as the total assets (including any assets attributable to financial leverage) minus accrued liabilities (other than debt representing financial leverage). Data shown is for informational purposes only and not a recommendation to buy or sell any security.

PERFORMANCE OF CADUX MONTH-OVER-MONTH (SINCE INCEPTION)

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
|------|-------|-------|-------|-------|-------|-------|-------|--------|-------|--------|--------|--------|
| 2017 | - | - | - | - | - | - | 0.51% | 0.39% | 0.74% | 1.27% | 0.42% | 0.83% |
| 2018 | 0.94% | 0.18% | 0.55% | 0.92% | 0.58% | 0.53% | 0.70% | 0.81% | 0.64% | 0.54% | -0.41% | -1.85% |
| 2019 | 2.32% | 1.21% | 0.46% | 1.35% | 0.22% | 0.48% | 0.54% | -0.24% | 0.72% | -0.71% | 0.92% | 1.91% |

Returns include reinvestment of distributions and reflect fund expenses inclusive of expense support which will remain in effect at least until February 29, 2020 and may be subject to reimbursement in the future. The net expense ratio, inclusive of expense support, is 4.55% as of October 31, 2019. The gross expense ratio, without expense support, is 3.87% as of October 31, 2019. Expense ratios are annualized and calculated as a percentage of 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.

TOP 10 HOLDINGS % OF PORTFOLIO

| | |
|--|------|
| True Potential Group Limited | 1.6% |
| Nelipak Holding Company | 1.5% |
| Bearcat Buyer, Inc. | 1.3% |
| Capnor Connery Holdco A/S | 1.1% |
| DFC Global Facility Borrower III LLC | 1.1% |
| Reddy Ice LLC | 1.1% |
| Cheyenne Petroleum Company Limited Partnership | 1.0% |
| Immucor, Inc. | 1.0% |
| Blackwood Midco Limited | 0.9% |
| Old Oak Holdings Limited | 0.9% |

ALLOCATION BY INDUSTRY % OF PORTFOLIO

| | |
|--|-------|
| Structured Products (CLOs & Private ABS) | 18.4% |
| Healthcare | 14.4% |
| Financial | 12.5% |
| Service | 11.1% |
| Information Technology | 9.5% |
| Energy | 5.0% |
| Gaming/Leisure | 3.7% |
| Manufacturing | 3.2% |
| Other | 21.8% |
| Cash | 0.3% |

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RISK DISCLOSURES & GLOSSARY

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.

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.

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.

¹ **Monthly Distributions** – There is no assurance monthly distributions paid by the fund will be maintained at the targeted level or paid at all.

² **Current Distribution Rate** – Current distribution rate is expressed as a percentage equal to the projected annualized distribution amount (which is calculated by annualizing the current cash distribution per share without compounding), divided by the current net asset value. The current distribution rate shown may be rounded.

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 October 31, 2019, 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.

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 piece. Please read the prospectus prior to making any investment decision and consider the risks, charges, expenses and other important information described therein. Additional copies of the prospectus may be obtained by contacting CION Securities at 800.435.5697 or by visiting cioninvestments.com.

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.

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.

MANAGEMENT TEAM

- **Mitch Goldstein**, *Co-Head of Ares Credit Group*
25 Years of Experience
- **Greg Margolies**, *Head of Markets, Ares Management*
31 Years of Experience
- CADC's allocation committee consists of an additional 15 members, averaging nearly 25 years of experience.

ABOUT CION INVESTMENTS

CION Investments is a leading manager of investment solutions designed to redefine the way individual investors can build their portfolios and help meet their long-term investment goals. With more than 30 years of experience in the alternative asset management industry, CION strives to level the playing field. CION currently manages CION Investment Corporation, a leading non-traded BDC, and sponsors, through CION Ares Management, CION Ares Diversified Credit Fund, a globally diversified interval fund.

ABOUT ARES MANAGEMENT

Ares Management, L.P. (Ares) is a publicly traded, leading global alternative asset manager with approximately \$144 billion of assets under management* and over 1,200 employees. Ares seeks to deliver attractive performance to its investors across its investment groups and strategies, including credit (high yield bonds, syndicated loans, alternative credit, and direct lending in the U.S. and Europe), private equity (corporate private equity, special opportunities, energy opportunities, and infrastructure and power) and real estate (equity and debt). The firm is headquartered in Los Angeles with offices across the United States, Europe, Asia, and Australia. Its common units are traded on the New York Stock Exchange under the ticker symbol "ARES".

* As of September 30, 2019, 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.