

CIION Ares Diversified Credit Fund

INVESTOR BROCHURE





Expect **more** for your portfolio.

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 brochure. 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.

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.

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.

Why CION Ares Diversified Credit Fund?

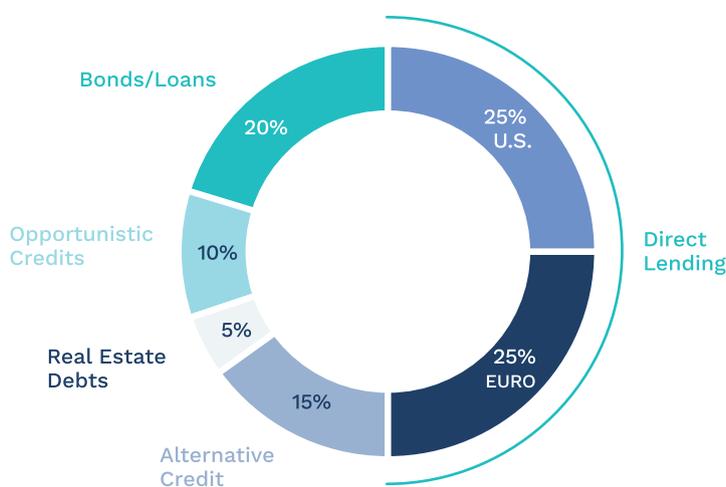
**ACCESS TO A DYNAMICALLY
MANAGED, BEST IDEAS
INVESTMENT STRATEGY**

CION Ares Diversified Credit Fund (CADC) is unique in providing access to a full range of income-producing credit strategies and assets in one portfolio, with low minimums and full transparency. The strategy involves deploying capital globally, across liquid and illiquid credit investments.

The fund offers true credit portfolio diversification*, which can potentially create a favorable risk/return profile with lower correlation to traditional public market investments.

*Diversification does not eliminate the risk of investment losses

HYPOTHETICAL PORTFOLIO ALLOCATION**



Dynamic portfolio allocation targeting attractive risk-adjusted returns

** The hypothetical allocation is intended to provide a visual representation of a particular allocation strategy. There is no guarantee that the final portfolio allocation will be identical to this hypothetical representation.

**CADC INVESTS ACROSS THE
MODERN CREDIT SPECTRUM**

CADC's flexible investment mandate was constructed to leverage the breadth and depth of the Ares credit platform. By having the ability to invest across various liquid and illiquid credit instruments within the global credit spectrum, CADC is able to tactically deploy investor capital as relative value opportunities present themselves.

Why Diversified Credit, Why Now?

THE TRADITIONAL FIXED INCOME PORTFOLIO IS BROKEN

A traditional portfolio allocation to 40% fixed income assets worked for decades because rates were substantially higher. The dependable yield of the bonds used to provide income and cushion a portfolio when equity markets declined.

Since 2008, yields have consistently dropped and are now at historically low levels and are likely to stay there. The traditional allocation to bonds no longer works as well for today's investor.

	2000 Yield	2010 Yield	2022 Yield
Treasury Bonds ¹	5.46%	4.33%	2.45%
Municipal Bonds ²	5.30%	5.50%	3.31%
Corporate Bonds ³	7.36%	4.02%	3.60%
Certificates of Deposit ⁴	6.28%	0.96%	0.34%

Past performance is no guarantee of future results. Although CDs are insured and offer a fixed rate of return, U.S. Government Bonds and Treasury Bills are only guaranteed as to the timely payment of principal and interest. The amount of interest paid can vary. Corporate Bonds carry higher risk than Government issued debt as their interest payments are not guaranteed and are typically based on the expectation that a company will make timely repayments of its debt.

Chart compiled by CION Investments.

¹ Treasury bonds represented by US Generic Government 30 Year Bond Index (USGG30YR Index) as of December 31st of each year noted. 2022 data as of March 31, 2022.

² Municipal bonds represented by Moody's Municipal Bond Yield Average Composite 20 Year Index (MMBA20 Index) as of December 31st of each year noted. 2022 data as of March 31, 2022.

³ IG corporate bonds represented by Bloomberg US Corporate Total Return Value Unhedged USD Index (LUACTRUU Index) as of December 31st of each year noted. 2022 data as of March 31, 2022.

⁴ Certificates of deposit represented by Bankrate.com US 1 Year CD National Average Index (ILSYNAVG Index) as of December 31st of each year noted. 2022 data as of March 31, 2022.

THE CREDIT SPECTRUM HAS BEEN EXPANDED AND REDEFINED

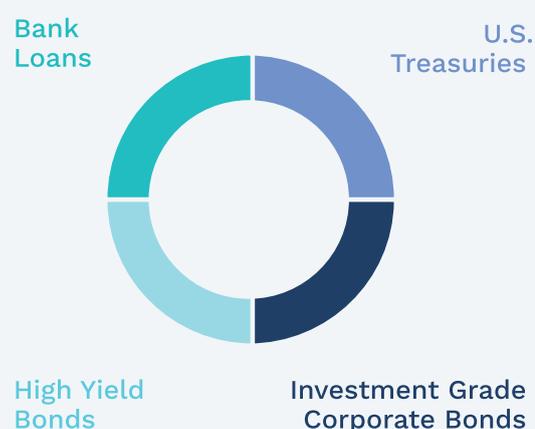
A potential solution may be to incorporate a strategy that can access a broad global spectrum of assets. These may include liquid credit investments such as high yield bonds and leveraged loans as well as private credit direct lending assets, which do not trade on exchanges and are illiquid.

The strategy may also tactically invest in alternative income assets, such as private asset-backed securities and collateralized loan obligations.

This strategy seeks interest income and capital gains. Maximizing both price appreciation and current income is central to the investment philosophy. At the same time, because the strategy can hold assets that are not publicly traded it may offer lower volatility than public markets and may reduce the correlation between equity and traditional bond holdings.

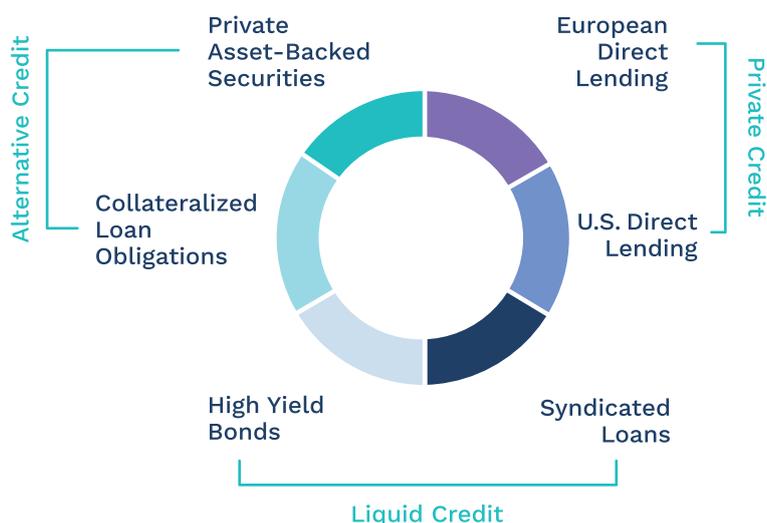
Traditional Credit Portfolio

- U.S. only investments
- Dependent on high coupon rates
- Typically tracks a benchmark so limited ability to make either strategic or tactical shifts
- Limited ability to control duration across market cycles



Expanded Credit Portfolio

- Globally diversified
- Flexibility to source yield during market dislocations
- Dynamically allocates across assets, sectors, instruments, geographies, industries, etc.
- Lower duration



Risks

As with any asset class, there are certain risks associated with non-investment grade debt. Credit risk is the risk of nonpayment of scheduled interest or principal payments on a debt investment. The risk of default may be greater. Should a borrower fail to make a payment, or default, this may affect the overall return to the lender. Further, illiquid investments require longer investment time horizons than other investments. For these and other reasons, this asset class is considered speculative and may not be suitable for everyone.

**ACCESS TO AN
INSTITUTIONAL ASSET
MANAGER WITH DEEP CREDIT
INVESTING EXPERTISE**

Affiliates of CION Investments and Ares Management have joined forces to form CION Ares Management, LLC (CAM). As the advisor to CION Ares Diversified Credit Fund (CADC), CAM brings together two alternative asset managers to level the playing field for individual investors by providing access to a global, institutionally managed credit strategy.

The size, scale and operating history of the Ares platform allows CADC to access potential investment opportunities that are not typically available to smaller alternative lenders.

Ares' management team of 65 partners averages 24 years of experience and oversees more than 325+ dedicated investment professionals.



- Fully integrated sponsor and manager of differentiated alternative credit strategies
- Currently manages approximately \$2 billion in credit assets

- Global alternative asset manager with approximately \$325 billion in assets under management*
- Publicly traded on New York Stock Exchange under the ticker: ARES

**ARES LOCAL MARKET
PRESENCE ACROSS 25+ OFFICES**



*As of March 31, 2022. 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 advisor.

ARES MANAGEMENT: A GLOBAL LEADER IN ALTERNATIVES

CREDIT

\$196.9B

A leading participant in the non-investment grade corporate credit markets

KEY

Liquid Credit, Alternative Credit

STRATEGIES

Direct Lending

PRIVATE EQUITY

\$33.6B

One of the most consistent private equity managers in the U.S. with a growing international presence

KEY

Corporate Private Equity, Special

STRATEGIES

Opportunities

REAL ESTATE

\$58.5B

A leading participant in the real estate private equity markets and a growing direct lender

KEY

Real Estate Equity, Real Estate

STRATEGIES

Debt, Infrastructure Opportunities, Infrastructure Debt

SECONDARY SOLUTIONS

\$23.5B

A leading participant in the secondaries market across a range of alternative asset classes

KEY

Private Equity & Credit Secondaries

STRATEGIES

Real Estate Secondaries, Infrastructure Secondaries

STRATEGIC INITIATIVES

\$12.5B

A leading credit platform in Asia-Pacific with proprietary opportunities through direct origination

KEY

Ares SSG, Ares Insurance

STRATEGIES

Solutions¹, Ares Acquisition Corp.

As of March 31, 2022, 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 advisor.

¹ 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.

CION Ares Diversified Credit Fund

FEATURES



Daily NAV



**Monthly
Distribution
Objective**



**Quarterly
Repurchase
Offers**



**15 Member Investment
Allocation Committee**



Global Diversification*

* Diversification does not eliminate the risk of experiencing investment losses.



INTERVAL FUNDS

Interval funds must make periodic repurchase offers of no less than 5% of the outstanding shares at intervals of 3, 6, 9 or 12 months, and must hold enough liquid investments to cover them. This structure is a type of closed end fund, and has the advantages of transparency, low minimum investments, and simple tax reporting by Form 1099.

HOW INTERVAL FUNDS DIFFER FROM TRADITIONAL ALTERNATIVES AND MUTUAL FUNDS

	TRADITIONAL ALTERNATIVES ¹	INTERVAL FUNDS	TRADITIONAL OPEN END MUTUAL FUNDS
Eligibility	Qualified Purchasers and/or Accredited Investors	All Investors	All Investors
Offering	One-Time Raise	Continuous	Continuous
Minimum Investment	Typically High Minimums	Typically Low Minimums	Varies
Liquidity	Multi-Year Lock-Up	Periodic Repurchase	Daily Redemption
Pricing/Valuation	Annually with Third Party Valuation	Daily @ NAV	Daily @ NAV
Maximum Allowed Illiquid Assets	No Limit	No limit ²	15%
Taxed	Schedule K-1	Form 1099	Form 1099

¹ Examples include direct participation programs such as private equity, loan funds, equipment leasing and finance funds, oil and gas programs, and real estate investment trusts.

² Must have liquid assets to cover repurchase offers, otherwise no limit.

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 capitalize on market inefficiencies and relative value opportunities throughout the entire global credit spectrum.

INVESTMENT STRATEGY

The Fund will invest 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 which, under normal circumstances, will represent at least 80% of the Fund's assets.

SYMBOL

Class I: CADUX

Class U-2: CADSX

STRUCTURE

1940 Act continuously offered closed-end interval fund

MINIMUM INVESTMENT

Class I

Initial: \$1,000,000

Subsequent: No Minimum

Class U-2

Non-Qualified Accounts: \$2,500

Qualified Accounts: \$1,000

DIVIDEND REINVESTMENT PLAN

Automatic participation, unless otherwise elected

LIMITED LIQUIDITY/REPURCHASE OFFER

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

TAX REPORTING

1099-DIV



For more information about CION Ares Diversified Credit Fund visit:

[Cioninvestments.com/cadc](https://cioninvestments.com/cadc)



CADC-BR-0220 | CAD000164-1222

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