

CION 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 newly organized, diversified, closed-end investment company with no operating history; diversification does not eliminate the risk of investment losses.

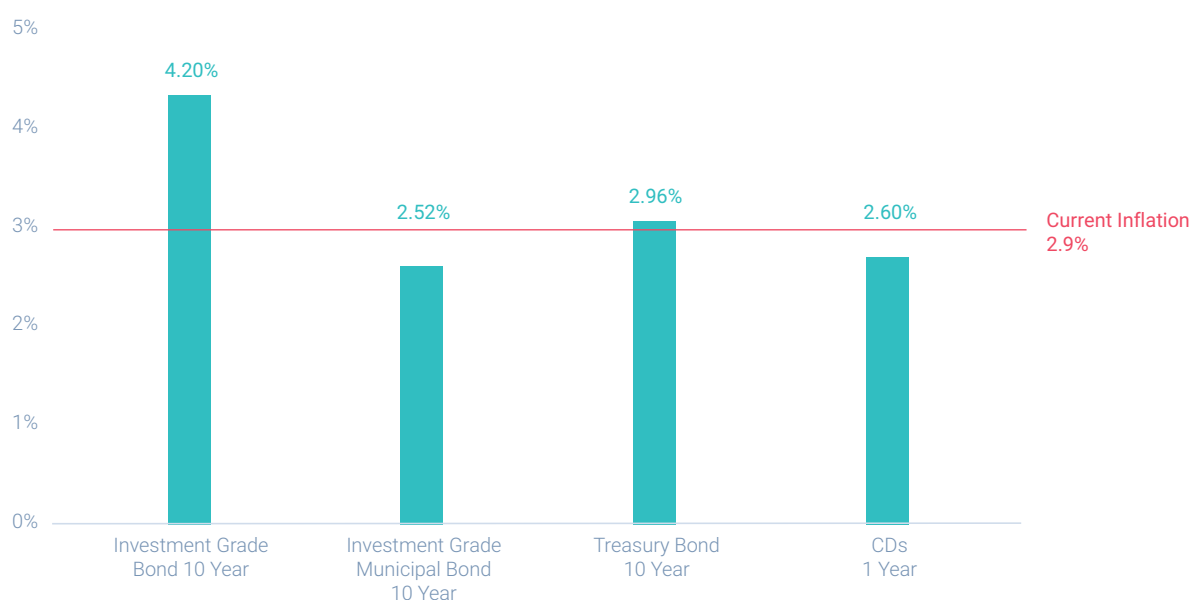
Please be aware that the Fund, the Advisers, the Distributor or the Wholesale Marketing Agent and their respective officers, directors, employees and affiliates do not undertake to provide impartial investment advice or to give advice in a Fiduciary capacity in connection with the Fund's public offering 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 Diversified Credit, Why Now?

Traditional fixed income yields remain depressed

Investors are struggling to find yield with traditional fixed income vehicles.^{1,2}



Some traditional fixed income investments are producing negative returns when accounting for inflation.

Chart compiled by CION Investments as of August 8, 2018.

¹ The yields quoted for Investment Grade Bond 10 Year, Investment Grade Municipal Bond 10 Year, Treasury Bond 10 Year, and CDs 1 Year are sourced from the FINRA-Bloomberg U.S. Corporate Bond Index, Bloomberg - BVAL Muni Benchmark 10Y Index, U.S. Department of Treasury Daily Bond Rate and Bankrate.com "Best 1-year CD Rates" respectively. All yields as of August 8, 2018. Investment Grade ranges from "AAA/Aaa" (Prime) to "BBB-/Baa3" (Lower Medium Grade) as rated by Nationally Recognized Statistical Rating Organizations such as Moody's, Standard & Poor's or Fitch. Ratings only pertain to the underlying bonds used for comprising a composite bond rate and not the composite bond rate itself. Inflation data for the twelve months ending July 31, 2018.

² 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.

Fixed income instruments struggle in periods of rising rates

With the Fed expected to continue raising the fed funds rate during the remainder of 2018 and into 2019, it is reasonable to expect interest rates 12 months from now to be higher than they are today.

Dates	Number of Days	Change in 10-Year Treasury Yield	Overall Bond Market Return* (%)
Sep 22, 2011 – Oct 27, 2011	35	+70 bps	-1.68
Jul 25, 2012 – Mar 11, 2013	229	+64 bps	-0.44
May 1, 2013 – Sep 5, 2013	127	+132 bps	-4.85
Feb 2, 2015 – Jun 10, 2015	128	+82 bps	-2.8
Jul 5, 2016 – Mar 13, 2017	252	+123 bps	-3.68

Source: Bloomberg and TIAA Investments.

* Overall bond market returns depicted by Bloomberg Barclays Aggregate Bond Index values.

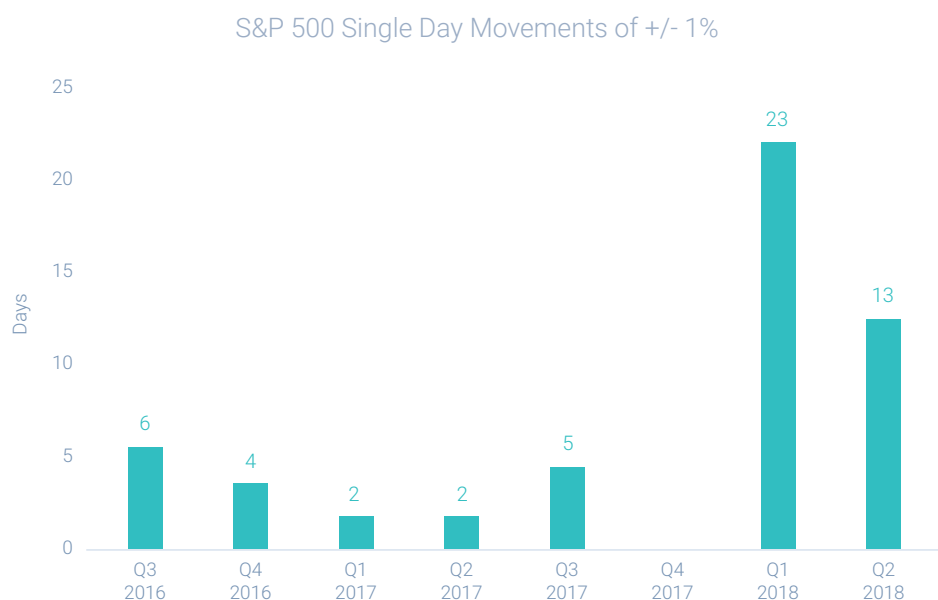
In the last five periods in which the 10-year Treasury yield rose by 60 basis points or more, bonds have delivered inconsistent returns.

Volatility is wreaking havoc on traditional balanced portfolios

Global financial markets in 2017 featured uncharacteristically low volatility – the lowest level seen since 1963. Early signs in 2018 are showing volatility reverting to historical averages.

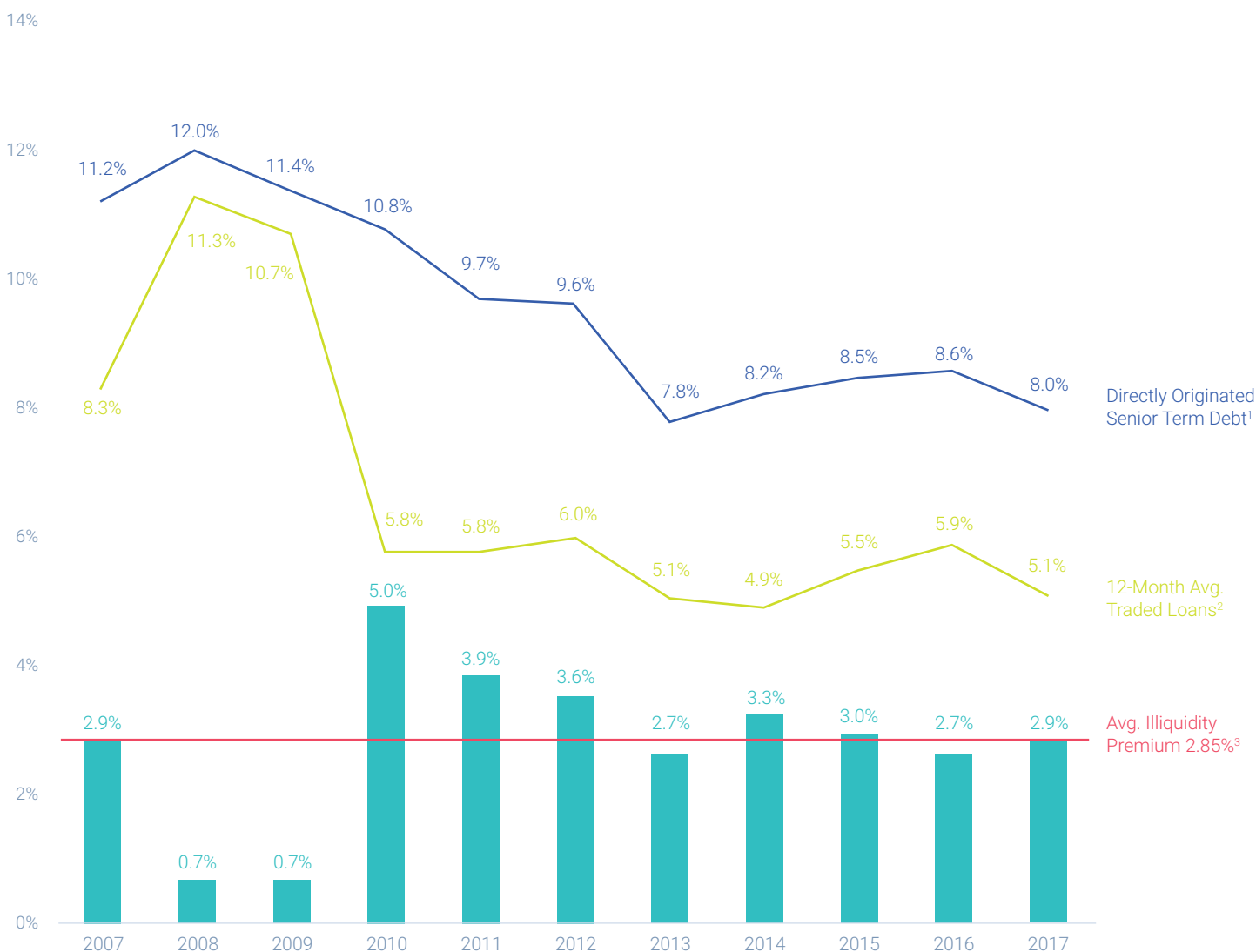
The S&P 500 experienced 9 days with moves of 1 percent or more in all of 2017. In the first half of 2018 there were 36 such days.

Chart compiled by CION Investments as of June 30, 2018.



Diversified credit portfolios can include illiquid debt

There exists a significant and growing illiquidity premium for illiquid debt assets compared to their publicly traded counterparts. Diversified credit portfolios are able to take advantage of this premium.



Private loans have delivered an average of 2.85% premium over equivalent traded loans.⁴

¹ Source: Ares company filings as of September 30, 2017. Includes all first lien investments of the Credit Group's U.S. direct lending team (excluding venture investments, oil & gas investments, investments warehoused or held for seasoning or syndication purposes (including investments held for less than 30 days and other investments determined to be temporarily held by Ares in conjunction with syndication processes), and investments inherited from portfolio acquisitions), including investments made through Ares Capital Corporation (NASDAQ: ARCC) and from separately managed accounts and other funds. Yield reflects the weighted average yield on debt and other income producing securities and is computed as (a) annual stated interest rate of yield earned plus the net annual amortization of original issue discount and market discount of premium earned on accruing debt and other income producing securities, divided by (b) total accruing debt and other income producing securities at fair value.

² KKR Credit Analysis sourced from Bloomberg as of September 30, 2017.

³ Represents the annual difference between Directly Originated Senior term debt and the 12-Month Avg. Traded Loans.

⁴ Illiquid private loans are typically rated below investment grade and considered speculative.

Historical premiums are not reflective of the Fund's actual performance nor is it indicative of future results.

CION Ares Diversified Credit Fund

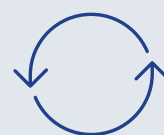
Features



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.

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 A: CADEX

Class C: CADCX

Class I: CADUX

Class L: CADWX

STRUCTURE

1940 Act continuously offered closed-end interval fund

MINIMUM INVESTMENT

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

Why CION Ares Diversified Credit Fund?

Access to a world class 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.



- Fully integrated sponsor and manager of differentiated alternative credit strategies
- Currently manages approximately \$2 billion in credit assets
- Approximately \$2 billion in capital raised since 2008



- Global alternative asset manager with approximately \$125 billion in assets under management*
- Publicly traded on New York Stock Exchange under the ticker: ARES

MANAGES 3 DISTINCT BUT COMPLEMENTARY INVESTMENT GROUPS

Credit
~\$91.5B

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

Key Strategies: High Yield Bonds, Syndicated Loans, Structured Credit, Direct Lending

Private Equity
~\$23.0B

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

Key Strategies: Corporate Private Equity, Special Opportunities, Energy Opportunities, Infrastructure & Power

Real Estate
~\$10.6B

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

Key Strategies: Real Estate Debt, Real Estate Private Equity

* As of September 30, 2018, 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.

Access to a robust, global investment platform

CADC offers individual investors direct access to one of the largest, established alternative credit platforms across the United States and Europe. The size, scale and successful operating history of the Ares platform allows CADC to partake in potential investment opportunities that are typically not available to smaller alternative lenders – in terms of both size and global footprint.

ARES LOCAL MARKET PRESENCE ACROSS 12 OFFICES



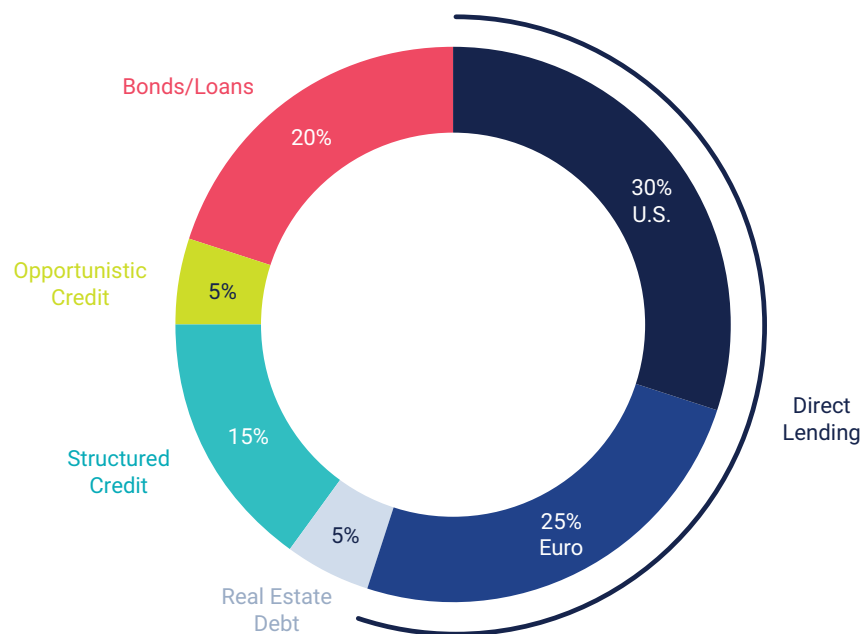
- Ares credit platform manages approximately \$91.5 billion in assets*
- Highly experienced management team: 30 partners averaging 24 years' experience oversee the platform's operations
- 250+ dedicated investment professionals

Access to a dynamically managed, best ideas investment strategy

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

HYPOTHETICAL PORTFOLIO ALLOCATION**

Dynamic portfolio allocation targeting attractive risk-adjusted returns



* As of September 30, 2018, 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.

** The hypothetical portfolio 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.

For more information about
CION Ares Diversified Credit Fund visit:

cioninvestments.com/cadc



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