ARES CAPITAL CORP
Form 497
January 08, 2018

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The information in this prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus Supplement dated January 8, 2018

PROSPECTUS SUPPLEMENT
(To Prospectus dated August 4, 2017)

$

% Notes due

We are offering $ in aggregate principal amount of % notes due , which we refer to as the Notes. The Notes will mature on , . We will pay interest on the Notes on and of each year, beginning , . We may redeem the Notes in whole or in part at any time or from time to time at the redemption price discussed under the caption "Description of Notes Optional Redemption" in this prospectus supplement. In addition, holders of the Notes can require us to repurchase the Notes at 100% of their principal amount upon the occurrence of a Change of Control Repurchase Event (as defined herein). The Notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The Notes will be our direct senior unsecured obligations and rank pari passu, or equally, with all outstanding and future unsecured unsubordinated indebtedness issued by Ares Capital Corporation.

Ares Capital Corporation is a specialty finance company that is a closed-end, non-diversified management investment company incorporated in Maryland. We have elected to be regulated as a business development company under the Investment Company Act of 1940. Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first lien senior secured loans (including "unitranche" loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component. To a lesser extent, we also make preferred and/or common equity investments.

We are externally managed by our investment adviser, Ares Capital Management LLC, a subsidiary of Ares Management, L.P., a publicly traded, leading global alternative asset manager. Ares Operations LLC, a subsidiary of Ares Management, L.P., provides certain administrative and other services necessary for us to operate.

Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page S-12 of this prospectus supplement and page 25 of the accompanying prospectus, including the risk of leverage.

This prospectus supplement and the accompanying prospectus concisely provide important information about us that you should know before investing in the Notes. Please read this prospectus supplement and the accompanying prospectus before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information with the SEC. This information is available free of charge by calling us collect at (310) 201-4200 or on our website at www.arescapitalcorp.com. The SEC also maintains a website at www.sec.gov that contains such information. The information on the websites referred to herein is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

	Per Note	Total
Public offering price(1)	%	$
Underwriting discount (sales load)	%	$
Proceeds, before expenses, to Ares Capital Corporation(2)	%	$

(1) The public offering price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from January , 2018 and must be paid by the purchaser if the Notes are delivered after January , 2018.

(2) Before deducting expenses payable by us related to this offering, estimated at $.

THE NOTES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the Notes in book-entry form only through The Depository Trust Company will be made on or about January , 2018.

BofA Merrill Lynch Wells Fargo Securities SunTrust Robinson Humphrey

BMO Capital Markets J.P. Morgan SMBC Nikko

The date of this prospectus supplement is January , 2018.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front cover of this prospectus supplement or the accompanying prospectus, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date. This prospectus supplement may add, update or change information contained in the accompanying prospectus. If information in this prospectus supplement is inconsistent with the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

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FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus supplement and the accompanying prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this prospectus supplement and the accompanying prospectus involve a number of risks and uncertainties, including statements concerning:

our, or our portfolio companies', future business, operations, operating results or prospects;

the return or impact of current and future investments;

the impact of a protracted decline in the liquidity of credit markets on our business;

the impact of fluctuations in interest rates on our business;

the impact of changes in laws or regulations (including the interpretation thereof) governing our operations or the operations of our portfolio companies or the operations of our competitors;

the valuation of our investments in portfolio companies, particularly those having no liquid trading market;

our ability to successfully integrate our business with the business of American Capital (as defined below), including rotating out of certain investments acquired in connection therewith and re-deploying such capital effectively and on favorable terms;

our ability to recover unrealized losses;

our ability to successfully invest any capital raised in this offering;

market conditions and our ability to access alternative debt markets and additional debt and equity capital and our ability to manage our capital resources effectively;

our contractual arrangements and relationships with third parties, including parties to our co-investment program;

the general economy and its impact on the industries in which we invest;

uncertainty surrounding the financial stability of the United States, Europe and China;

the social, geopolitical, financial, trade and legal implications of Brexit;

Middle East turmoil and the potential for volatility in energy prices and its impact on the industries in which we invest;

the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;

our expected financings and investments;

our ability to successfully complete and integrate any other acquisitions;

the outcome and impact of any litigation or other regulatory matters acquired in connection with the American Capital Acquisition (as defined below);

the impact to the periods following the completion of the American Capital Acquisition;

the adequacy of our cash resources and working capital;

the timing, form and amount of any dividend distributions;

the timing of cash flows, if any, from the operations of our portfolio companies; and

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the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments.

We use words such as "anticipates," "believes," "expects," "intends," "will," "should," "may" and similar expressions to identify forward- looking statements, although not all forward-looking statements include these words. Our actual results and condition could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" in this prospectus supplement and in the accompanying prospectus and the other information included in this prospectus supplement and the accompanying prospectus.

We have based the forward-looking statements included in this prospectus supplement and the accompanying prospectus on information available to us as of their respective dates, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the U.S. Securities and Exchange Commission (the "SEC"), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

The forward-looking statements in this prospectus supplement and the accompanying prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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THE COMPANY

This summary highlights some of the information contained elsewhere in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information set forth under "Risk Factors" in this prospectus supplement and in the accompanying prospectus and the other information included in this prospectus supplement and the accompanying prospectus. Except where the context suggests otherwise, the terms "we," "us," "our," "the Company" and "Ares Capital" refer to Ares Capital Corporation and its consolidated subsidiaries; "Ares Capital Management" and "our investment adviser" refer to Ares Capital Management LLC; "Ares Operations" and "our administrator" refer to Ares Operations LLC; and "Ares" and "Ares Management" refer to Ares Management, L.P. and its affiliated companies (other than portfolio companies of its affiliated funds).

Overview

Ares Capital, a Maryland corporation, is a specialty finance company that is a closed-end, non-diversified management investment company. We have elected to be regulated as a business development company, or a "BDC," under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder or the "Investment Company Act." We were founded on April 16, 2004, were initially funded on June 23, 2004 and completed our initial public offering on October 8, 2004. As of September 30, 2017, we were the largest BDC with approximately $12.0 billion of total assets.

We are externally managed by our investment adviser, Ares Capital Management, a subsidiary of Ares Management, a publicly traded, leading global alternative asset manager. Our administrator, Ares Operations, a subsidiary of Ares Management, provides certain administrative and other services necessary for us to operate.

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in U.S. middle-market companies, where we believe the supply of primary capital is limited and the investment opportunities are most attractive. However, we may from time to time invest in larger or smaller companies. We generally use the term "middle-market" to refer to companies with annual EBITDA between $10 million and $250 million. As used herein, EBITDA represents net income before net interest expense, income tax expense, depreciation and amortization. We invest primarily in first lien senior secured loans (including "unitranche" loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component. First and second lien senior secured loans generally are senior debt instruments that rank ahead of subordinated debt of a given portfolio company. Mezzanine debt is subordinated to senior loans and is generally unsecured. Our investments in corporate borrowers generally range between $30 million and $500 million each and investments in project finance/power generation projects generally range between $10 million and $200 million. However, the investment sizes may be more or less than these ranges and may vary based on, among other things, our capital availability, the composition of our portfolio and general micro- and macro-economic factors.

To a lesser extent, we also make preferred and/or common equity investments, which have generally been non-control equity investments of less than $20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments. Also, as a result of the American Capital Acquisition (as defined below), American Capital's equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio.

The proportion of these types of investments will change over time given our views on, among other things, the economic and credit environment in which we are operating. In connection with our investing activities, we may make commitments with respect to indebtedness or securities of a potential portfolio company substantially in excess of our final investment. In such situations, while we may initially agree to fund up to a certain dollar amount of an investment, we may subsequently syndicate or sell a portion of such amount (including, without limitation, to vehicles managed by our portfolio company, Ivy Hill Asset Management, L.P. ("IHAM")), such that we are left with a smaller investment than what was reflected in our original commitment. In addition to originating investments, we may also acquire investments in the secondary market (including purchases of a portfolio of investments).

The first and second lien senior secured loans in which we invest generally have stated terms of three to 10 years and the mezzanine debt investments in which we invest generally have stated terms of up to 10 years, but the expected average life of such first and second lien loans and mezzanine debt is generally between three and seven years. However, we may invest in loans and securities with any maturity or duration. The instruments in which we invest typically are not rated by any rating agency, but we believe that if such instruments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service, lower than "BBB " by Fitch Ratings or lower than "BBB " by Standard & Poor's Ratings Services), which, under the guidelines established by these entities, is an indication of having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as "high yield bonds" or "junk bonds." We may invest without limit in debt or other securities of any rating, as well as debt or other securities that have not been rated by any nationally recognized statistical rating organization.

We believe that our investment adviser, Ares Capital Management, is able to leverage the current investment platform, resources and existing relationships of Ares Management with financial sponsors, financial institutions, hedge funds and other investment firms to provide us with attractive investment opportunities. In addition to deal flow, the Ares investment platform assists our investment adviser in analyzing, structuring and monitoring investments. Ares has been in existence for over 15 years and its partners have an average of over 24 years of experience in leveraged finance, private equity, distressed debt, commercial real estate finance, investment banking and capital markets. We have access to Ares' investment professionals and administrative professionals, who provide assistance in accounting, finance, legal, compliance, operations, information technology and investor relations. As of September 30, 2017, Ares had approximately 395 investment professionals and approximately 605 administrative professionals.

While our primary focus is to generate current income and capital appreciation through investments in first and second lien senior secured loans and mezzanine debt and, to a lesser extent, equity securities of eligible portfolio companies, we also may invest up to 30% of our portfolio in non-qualifying assets, as permitted by the Investment Company Act. See "Regulation" in the accompanying prospectus. Specifically, as part of this 30% basket, we may invest in entities that are not considered "eligible portfolio companies" (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act.

The American Capital Acquisition

On January 3, 2017, we completed our acquisition (the "American Capital Acquisition") of American Capital, Ltd. ("American Capital"), in a cash and stock transaction valued at approximately $4.2 billion. In connection with the stock consideration, we issued approximately 112 million shares of our common stock to American Capital's then-existing stockholders (including holders of outstanding in-the-money American Capital stock options), thereby resulting in our then-existing stockholders owning approximately 73.7% of the combined company and then-existing American Capital stockholders owning approximately 26.3% of the combined company. See Note 14 to our consolidated

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financial statements for the three and nine months ended September 30, 2017 and Note 16 to our consolidated financial statements for the year ended December 31, 2016 for additional information regarding the American Capital Acquisition.

In connection with the American Capital Acquisition, Ares Capital Management has agreed to waive up to $100 million in income based fees from us for the first ten calendar quarters beginning with the second quarter of 2017, in an amount equal to the lesser of (1) $10 million of the income based fees and (2) the amount of income based fees for each such quarter, in each case, to the extent earned and payable by us in such quarter pursuant to and as calculated under our investment advisory and management agreement.

Senior Direct Lending Program

We established a joint venture with Varagon Capital Partners ("Varagon") to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle-market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. (NYSE:AIG) and other partners. The joint venture is called the Senior Direct Lending Program (the "SDLP"). The SDLP may generally commit and hold individual loans of up to $300 million. We may directly co-invest with the SDLP to accommodate larger transactions. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of the Company and Varagon (with approval from a representative of each required).

We provide capital to the SDLP in the form of subordinated certificates (the "SDLP Certificates"), and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of September 30, 2017, we and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates.

As of September 30, 2017, we and Varagon and its clients have agreed to make capital available to the SDLP of $2.9 billion in the aggregate, of which approximately $2.1 billion has been funded. As of September 30, 2017, we agreed to make available to the SDLP (subject to the approval of the investment committee of the SDLP as described above) $591 million, of which $437 million was funded. As of September 30, 2017 the SDLP had commitments to fund delayed draw loans to certain of its portfolio companies of $156 million, which had been approved by the investment committee of the SDLP as described above, of which $33 million was committed by us. As of September 30, 2017, the amortized cost and fair value of the SDLP Certificates held by us were $437 million and $437 million, respectively, which represented approximately 3.8% of our total portfolio at fair value. As of September 30, 2017, the SDLP had 18 different underlying borrowers. For more information on the SDLP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity Senior Direct Lending Program."

Ivy Hill Asset Management, L.P.

As of September 30, 2017, our portfolio company, IHAM, an SEC-registered investment adviser, managed 22 vehicles and served as the sub-manager/sub-servicer for two other vehicles (such vehicles, the "IHAM Vehicles"). As of September 30, 2017, IHAM had assets under management of approximately $4.2 billion. As of September 30, 2017, Ares Capital had invested approximately $244 million (at amortized cost) in IHAM. In connection with IHAM's registration as a registered investment adviser, on March 30, 2012, we received exemptive relief from the SEC allowing us to, subject to certain conditions, own directly or indirectly up to 100% of IHAM's outstanding equity interests and make additional investments in IHAM. From time to time, IHAM or certain IHAM Vehicles may purchase investments from us or sell investments to us, in each case for a price equal to the fair market value of such investments determined at the time of such transactions.

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On May 19, 2017, pursuant to approval granted at a special meeting of stockholders of American Capital Senior Floating, Ltd. ("ACSF"), IHAM entered into a new management agreement with ACSF, a Maryland corporation that has elected to be regulated as a BDC under the Investment Company Act, pursuant to which IHAM serves as ACSF's investment adviser.

See Note 4 to our consolidated financial statements for the year ended December 31, 2016 and the three and nine months ended September 30, 2017 for more information about IHAM and Note 16 to our consolidated financial statements for the year ended December 31, 2016 and Note 14 to our consolidated financial statements for the three and nine months ended September 30, 2017 for information related to IHAM's role in the American Capital Acquisition.

Ares Capital Management LLC

Ares Capital Management, our investment adviser, is served by an origination, investment and portfolio management team of approximately 100 U.S.-based investment professionals as of September 30, 2017 and led by certain partners of the Ares Credit Group: Michael Arougheti, Kipp deVeer, Mitchell Goldstein and Michael Smith. Ares Capital Management leverages off of Ares' investment platform and benefits from the significant capital markets, trading and research expertise of Ares' investment professionals. Ares Capital Management's investment committee has eight members comprised of certain of the U.S.-based partners of the Ares Credit Group.

Recent Developments

In October 2017, we entered into an agreement to amend the $1.0 billion revolving funding facility of our consolidated subsidiary, Ares Capital CP Funding LLC (the "Revolving Funding Facility"), that among other things, (a) modified the interest rate charged on the Revolving Funding Facility from a rate based on LIBOR plus 2.30% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.30% per annum, to a rate based on LIBOR plus 2.15% per annum or a "base rate" plus 1.15% per annum and (b) modified certain loan portfolio concentration limits.

From October 1, 2017 through December 28, 2017, we made new investment commitments of approximately $1,492 million, of which $1,453 million were funded. Of these new commitments, 73% were in first lien senior secured loans, 18% were in second lien senior secured loans, 5% were in senior subordinated loans, 3% were in investments in the SDLP Certificates to make co-investments with Varagon and its clients in floating rate first lien senior secured loans through the SDLP and 1% were in other equity securities. Of the approximately $1,492 million of new investment commitments, 96% were floating rate, 3% were fixed and 1% was non-interest bearing. The weighted average yield of debt and other income producing securities funded during the period at amortized cost was 9.2%. We may seek to sell all or a portion of these new investment commitments, although there can be no assurance that we will be able to do so.

From October 1, 2017 through December 28, 2017, we exited approximately $1,293 million of investment commitments, including $203 million of investment commitments acquired in the American Capital Acquisition. Of the total investment commitments, 48% were second lien senior secured loans, 33% were first lien senior secured loans, 12% were preferred equity securities, 4% were collateralized loan obligations, 2% were senior subordinated loans and 1% were other equity securities. Of the approximately $1,293 million of exited investment commitments, 80% were floating rate, 5% were fixed rate and 15% were non-interest bearing. The weighted average yield of debt and other income producing securities exited or repaid during the period at amortized cost was 9.8% and the weighted average yield on total investments exited or repaid during the period at amortized cost was 8.3%. Included within the $1,293 million of investment commitments exited above were approximately $125 million of investment commitments from our early-stage and/or venture capital-backed portfolio companies. Also on the approximately $1,293 million of investment commitments exited above, we recognized total net realized losses of approximately $120 million. These net realized losses included a realized loss of approximately $140 million as a result of the sale of certain investments in a for-profit education company. We reversed unrealized depreciation previously recorded on such investments of approximately $140 million upon their sale.

In addition, as of December 28, 2017, we had an investment backlog and pipeline of approximately $1,030 million and $230 million, respectively. Investment backlog includes transactions approved by our investment adviser's investment committee and/or for which a formal mandate, letter of intent or a signed commitment have been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment have been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, we may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. We cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.

Our Corporate Information

Our administrative offices are located at 2000 Avenue of the Stars, 12th Floor, Los Angeles, California 90067, telephone number (310) 201-4200, and our executive offices are located at 245 Park Avenue, 44th Floor, New York, New York 10167, telephone number (212) 750-7300.

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SPECIFIC TERMS OF THE NOTES AND THE OFFERING

This prospectus supplement sets forth certain terms of the Notes that we are offering pursuant to this prospectus supplement and supplements the accompanying prospectus that is attached to the back of this prospectus supplement. This section outlines the specific legal and financial terms of the Notes. You should read this section together with the more general description of the Notes under the heading "Description of Notes" in this prospectus supplement and in the accompanying prospectus under the heading "Description of Our Debt Securities" before investing in the Notes. Capitalized terms used in this prospectus supplement and not otherwise defined shall have the meanings ascribed to them in the accompanying prospectus or in the indenture governing the Notes (as amended from time to time, the "indenture").

Issuer	Ares Capital Corporation
Title of the Securities	% Notes due
Initial Aggregate Principal Amount Being Offered	$
Initial Public Offering Price	% of the aggregate principal amount of Notes
Interest Rate	%
Yield to Maturity	%
Trade Date	January , 2018
Issue Date	January , 2018
Maturity Date	,
Interest Payment Dates	and , commencing , 2018.
Ranking of Notes	The Notes will be our general unsecured obligations that rank senior in right of payment to all of our future indebtedness that is expressly subordinated, or junior, in right of payment to the Notes. The Notes will rank pari passu, or equally, in right of payment with all of our existing and future senior liabilities that are not so subordinated, or junior, effectively subordinated, or junior, to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness, and structurally subordinated, or junior, to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

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	As of December 28, 2017, our total consolidated indebtedness was approximately $4.9 billion principal amount, of which approximately $395.0 million was secured indebtedness at the Ares Capital level, and of which an aggregate of approximately $660.0 million was indebtedness of our subsidiaries. After giving effect to the issuance of the Notes and assuming the proceeds therefrom are used to repay outstanding borrowings under our $2.1 billion revolving credit facility (the "Revolving Credit Facility"), the Revolving Funding Facility, and/or the $400 million revolving funding facility of our consolidated subsidiary, Ares Capital JB Funding LLC (the "SMBC Funding Facility" and, together with the Revolving Credit Facility and the Revolving Funding Facility, the "Facilities"), our total consolidated indebtedness would have been approximately $ billion principal amount as of December 28, 2017. See "Capitalization."
Denominations	We will issue the Notes in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Optional Redemption	We may redeem some or all of the Notes at any time, or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the Notes to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using the applicable Treasury Rate plus basis points, plus, in each case, accrued and unpaid interest to the redemption date; *provided*, however, that if we redeem any Notes on or after , (the date falling prior to the maturity date of the Notes), the redemption price for the Notes will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.
Sinking Fund	The Notes will not be subject to any sinking fund. A sinking fund is a reserve fund accumulated over a period of time for the retirement of debt.
Offer to Purchase upon a Change of Control Repurchase Event	If a Change of Control Repurchase Event (as defined herein) occurs prior to maturity, holders will have the right, at their option, to require us to repurchase for cash some or all of the Notes at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date.

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Legal Defeasance	The Notes are subject to legal defeasance by us, which means that, subject to the satisfaction of certain conditions, including, but not limited to, (i) depositing in trust for the benefit of the holders of the Notes a combination of money and/or U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates and (ii) delivering to the Trustee an opinion of counsel as described herein under "Description of Notes Satisfaction and Discharge; Defeasance," we can legally release ourselves from all payment and other obligations on the Notes.
Covenant Defeasance	The Notes are subject to covenant defeasance by us, which means that, subject to the satisfaction of certain conditions, including, but not limited to, (i) depositing in trust for the benefit of the holders of the Notes a combination of money and/or U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates and (ii) delivering to the Trustee an opinion of counsel as described herein under "Description of Notes Satisfaction and Discharge; Defeasance," we will be released from some of the restrictive covenants in the indenture.
Form of Notes	The Notes will be represented by global securities that will be deposited and registered in the name of The Depository Trust Company ("DTC") or its nominee. This means that, except in limited circumstances, you will not receive certificates for the Notes. Beneficial interests in the Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Notes through either DTC, if they are a participant, or indirectly through organizations that are participants in DTC.
Trustee, Paying Agent, Registrar and Transfer Agent	U.S. Bank National Association
Events of Default	If an event of default (as described herein under "Description of Notes") on the Notes occurs, the principal amount of the Notes, plus accrued and unpaid interest, may be declared immediately due and payable, subject to conditions set forth in the indenture. These amounts automatically become due and payable in the case of certain types of bankruptcy or insolvency events involving us.

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Other Covenants	In addition to the covenants described in the accompanying prospectus, the following covenants shall apply to the Notes:
	We agree that for the period of time during which the Notes are outstanding, we will not violate, whether or not we are subject to, Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act or any successor provisions, giving effect to any exemptive relief granted to us by the SEC.
	If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the Notes and the trustee, for the period of time during which the Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable United States generally accepted accounting principles ("GAAP").
No Established Trading Market	The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or quoted on any automated dealer quotation system. Although the underwriters have informed us that they intend to make a market in the Notes, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any such market making activities at any time without notice. See "Underwriting." Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Global Clearance and Settlement Procedures	Interests in the Notes will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the trustee or the paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.
Governing Law	The Notes and the indenture will be governed by and construed in accordance with the laws of the State of New York.

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RISK FACTORS

You should carefully consider the risk factors described below and under the caption "Risk Factors" in the accompanying prospectus, together with all of the other information included in this prospectus supplement and the accompanying prospectus, including our consolidated financial statements and the related notes thereto, before you decide whether to make an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. If any of the following events occur, our business, financial condition and results of operations could be materially adversely affected.

RISKS RELATING TO THE NOTES

The Notes will be unsecured and therefore will be effectively subordinated to any secured indebtedness we have currently incurred or may incur in the future.

The Notes will not be secured by any of our assets or any of the assets of our subsidiaries. As a result, the Notes are effectively subordinated, or junior, to any secured indebtedness we or our subsidiaries have currently incurred and may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Notes. As of December 28, 2017, we had $395.0 million aggregate principal amount of outstanding indebtedness under the Revolving Credit Facility. The Revolving Credit Facility is secured by certain assets in our portfolio and excludes investments held by Ares Capital CP Funding LLC ("Ares Capital CP") under the Revolving Funding Facility, those held by Ares Capital JB Funding LLC ("ACJB") under the SMBC Funding Facility, those held by Ares Venture Finance, L.P. ("AVF LP") under Small Business Administration ("SBA")-guaranteed debentures (the "SBA Debentures") and certain other investments; the indebtedness thereunder is therefore effectively senior to the Notes to the extent of the value of such assets.

The Notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The Notes are obligations exclusively of Ares Capital and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the Notes and the Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. A significant portion of the indebtedness required to be consolidated on our balance sheet is held through subsidiary financing vehicles and secured by certain assets of such subsidiaries. For example, the secured indebtedness with respect to the Revolving Funding Facility, the SMBC Funding Facility and the SBA Debentures is held through our consolidated subsidiaries, Ares Capital CP, ACJB and AVF LP, respectively. The assets of such subsidiaries are not directly available to satisfy the claims of our creditors, including holders of the Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Financial Condition, Liquidity and Capital Resources Debt Capital Activities" for more detail on the Revolving Funding Facility, the SMBC Funding Facility and the SBA Debentures.

Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors (including trade creditors) and holders of preferred stock, if any, of our subsidiaries will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Notes will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. As of December 28, 2017, we had $600.0 million aggregate principal amount of outstanding indebtedness under the Revolving Funding Facility, $60.0 million aggregate principal amount of outstanding indebtedness under the SMBC Funding Facility and no SBA Debentures issued and outstanding. All of such indebtedness would be structurally senior to the Notes. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the Notes.

The indenture will contain limited protection for holders of the Notes.

The indenture offers limited protection to holders of the Notes. The terms of the indenture and the Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on your investment in the Notes. In particular, the terms of the indenture and the Notes will not place any restrictions on our or our subsidiaries' ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act or any successor provisions (giving effect to any exemptive relief granted to us by the SEC);

- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the Notes;

- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);

- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;

- enter into transactions with affiliates;

- make investments; or

- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

Furthermore, the terms of the indenture and the Notes do not protect holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the Notes may have important consequences for you as a holder of the

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Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes.

Certain of our current debt instruments include more protections for their holders than the indenture and the Notes. See in the accompanying prospectus "Risk Factors Risks Relating to Our Business In addition to regulatory requirements that restrict our ability to raise capital, the Facilities, the Convertible Unsecured Notes, the Unsecured Notes and the SBA Debentures contain various covenants that, if not complied with, could accelerate repayment under the Facilities, the Convertible Unsecured Notes, the Unsecured Notes and SBA Debentures, thereby materially and adversely affecting our liquidity, financial condition and results of operations." In addition, other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Notes.

We may not be able to repurchase the Notes upon a Change of Control Repurchase Event.

Upon the occurrence of a Change of Control Repurchase Event, as defined in the indenture, as supplemented, subject to certain conditions, we will be required to offer to repurchase all outstanding Notes at 100% of their principal amount, plus accrued and unpaid interest. The source of funds for that purchase of Notes will be our available cash or cash generated from our operations or other potential sources, including borrowings, investment repayments, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any Change of Control Repurchase Event to make required repurchases of Notes tendered. The terms of our Facilities provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under the Facilities at that time and to terminate the Facilities. In addition, the indentures governing our Convertible Unsecured Notes (as defined below), the 2018 Notes (as defined below), the 2020 Notes (as defined below), the January 2022 Notes (as defined below) and the 2023 Notes (as defined below) contain a provision that would require us to offer to purchase the Convertible Unsecured Notes, the 2018 Notes, the 2020 Notes, the January 2022 Notes or the 2023 Notes upon the occurrence of a fundamental change or a change of control repurchase event, as applicable. A failure to purchase any tendered Convertible Unsecured Notes, 2018 Notes, 2020 Notes, January 2022 Notes or the 2023 Notes would constitute an event of default under the indentures for the Convertible Unsecured Notes, the 2018 Notes, the 2020 Notes, the January 2022 Notes or the 2023 Notes, as applicable, which would, in turn, constitute a default under the Facilities and the indenture. Our future debt instruments also may contain similar restrictions and provisions. If the holders of the Notes exercise their right to require us to repurchase all the Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could cause a default under our future debt instruments, even if the Change of Control Repurchase Event itself would not cause a default. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of the Notes and/or our other debt. See "Description of Notes Offer to Repurchase Upon a Change of Control Repurchase Event."

If an active trading market does not develop for the Notes, you may not be able to resell them.

The Notes are a new issue of debt securities for which there currently is no trading market. We do not intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. If no active trading market develops, you may not be able to resell your Notes at their fair market value or at all. If the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, general economic conditions, our financial condition, performance and prospects and other factors. The underwriters have advised us that they intend to make a market in the Notes, but they are not obligated to do so. The underwriters may

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discontinue any market-making in the Notes at any time at their sole discretion. Accordingly, we cannot assure you that a liquid trading market will develop for the Notes, that you will be able to sell your Notes at a particular time or that the price you receive when you sell will be favorable. To the extent an active trading market does not develop, the liquidity and trading price for the Notes may be harmed. Accordingly, you may be required to bear the financial risk of an investment in the Notes for an indefinite period of time.

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SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA OF ARES CAPITAL

The following selected financial and other data as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 are derived from our consolidated financial statements, which have been audited by KPMG LLP, an independent registered public accounting firm whose report thereon is included elsewhere in the accompanying prospectus. The selected financial and other data as of and for the nine months ended September 30, 2017 and September 30, 2016 and other quarterly financial information is derived from our unaudited financial statements, but in the opinion of management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results of such interim periods. Interim results as of and for the nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. The data should be read in conjunction with our consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities," which are included elsewhere in this prospectus supplement or the accompanying prospectus.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
SELECTED FINANCIAL DATA
As of and For the Nine Months Ended September 30, 2017 and September 30, 2016 and
As of and For the Years Ended December 31, 2016, 2015, 2014, 2013 and 2012
(dollar amounts in millions, except per share data and as otherwise indicated)

	As of and For the Nine Months Ended September 30,		As of and For the Year Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)	(unaudited)					
Total Investment Income	$ 853	$ 752	$ 1,012	$ 1,025	$ 989	$ 882	$ 748
Total Expenses	468	383	497	499	533	437	388
Net Investment Income Before Income Taxes	385	369	515	526	456	445	360
Income Tax Expense, Including Excise Tax	14	13	21	18	18	14	11
Net Investment Income	371	356	494	508	438	431	349
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies, Extinguishment of Debt and Other Assets	64	43	(20)	(129)	153	58	159
Net Increase in Stockholders' Equity Resulting from Operations	$ 435	$ 399	$ 474	$ 379	$ 591	$ 489	$ 508
Per Share Data:							
Net Increase in Stockholder's Equity Resulting from Operations:							
Basic	$ 1.02	$ 1.27	$ 1.51	$ 1.20	$ 1.94	$ 1.83	$ 2.21
Diluted	$ 1.02	$ 1.27	$ 1.51	$ 1.20	$ 1.94	$ 1.83	$ 2.21
Cash Dividends Declared and Payable(1)	$ 1.14	$ 1.14	$ 1.52	$ 1.57	$ 1.57	$ 1.57	$ 1.60
Net Asset Value	$ 16.49	$ 16.59	$ 16.45	$ 16.46	$ 16.82	$ 16.46	$ 16.04
Total Assets(2)	$ 12,041	$ 9,136	$ 9,245	$ 9,507	$ 9,454	$ 8,094	$ 6,361
Total Debt (Carrying Value)(2)	$ 4,640	$ 3,721	$ 3,874	$ 4,114	$ 3,881	$ 2,939	$ 2,155
Total Debt (Principal Amount)	$ 4,733	$ 3,801	$ 3,951	$ 4,197	$ 3,999	$ 3,079	$ 2,294
Total Stockholders' Equity	$ 7,028	$ 5,209	$ 5,165	$ 5,173	$ 5,284	$ 4,904	$ 3,988
Other Data:							
Number of Portfolio Companies at Period End(3)	325	215	218	218	205	193	152
Principal Amount of Investments Purchased(4)	$ 4,187	$ 2,401	$ 3,490	$ 3,905	$ 4,534	$ 3,493	$ 3,162
Principal Amount of Investments Acquired as part of the American Capital Acquisition on the Acquisition Date	$ 2,543						
Principal Amount of Investments Sold and Repayments	$ 4,239	$ 2,656	$ 3,655	$ 3,651	$ 3,213	$ 1,801	$ 2,483
Total Return Based on Market Value(5)	6.3%	16.8%	26.4%	1.3%	(3.3)%	10.5%	23.6%
Total Return Based on Net Asset Value(6)	7.3%	7.7%	9.2%	7.2%	11.8%	11.4%	14.3%
Weighted Average Yield of Debt and Other Income Producing Securities at Fair Value(7):	9.7%	9.8%	9.4%	10.3%	10.1%	10.4%	11.3%
Weighted Average Yield of Debt and Other Income Producing Securities at Amortized Cost(7):	9.6%	9.7%	9.3%	10.1%	10.1%	10.4%	11.4%
Weighted Average Yield of Total Investments at Fair Value(8):	8.7%	8.8%	8.5%	9.2%	9.1%	9.3%	10.0%
Weighted Average Yield of Total Investments at Amortized Cost(8):	8.5%	8.7%	8.3%	9.1%	9.3%	9.4%	10.1%

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(1) Includes an additional dividend of $0.05 per share paid in the year ended December 31, 2015, an additional dividend of $0.05 per share paid in the year ended December 31, 2014, an additional dividend of $0.05 per share paid in the year ended December 31, 2013 and additional dividends of $0.10 per share in the aggregate paid in the year ended December 31, 2012.

(2) Certain prior year amounts have been reclassified to conform to the 2016 presentation. In particular, unamortized debt issuance costs were previously included in other assets and were reclassified to long-term debt as a result of the adoption of Accounting Standards Update ("ASU") 2015-03, Interest Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs during the first quarter of 2016.

(3) Includes commitments to portfolio companies for which funding had yet to occur.

(4) Excludes investments acquired as part of the American Capital Acquisition on the Acquisition Date.

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(5)
For the nine months ended September 30, 2017, the total return based on market value equaled the decrease of the ending market value at September 30, 2017 of $16.39 per share from the ending market value at December 31, 2016 of $16.49 per share plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2017, divided by the market value at December 31, 2016. For the nine months ended September 30, 2016, the total return based on market value equaled the decrease of the ending market value at September 30, 2016 of $15.50 per share from the ending market value at December 31, 2015 of $14.25 per share plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2016, divided by the market value at December 31, 2015. For the year ended December 31, 2016, the total return based on market value equaled the increase of the ending market value at December 31, 2016 of $16.49 per share from the ending market value at December 31, 2015 of $14.25 per share plus the declared and payable dividends of $1.52 per share for the year ended December 31, 2016, divided by the market value at December 31, 2015. For the year ended December 31, 2015, the total return based on market value equaled the decrease of the ending market value at December 31, 2015 of $14.25 per share from the ending market value at December 31, 2014 of $15.61 per share plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2015, divided by the market value at December 31, 2014. For the year ended December 31, 2014, the total return based on market value equaled the decrease of the ending market value at December 31, 2014 of $15.61 per share from the ending market value at December 31, 2013 of $17.77 per share plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2014, divided by the market value at December 31, 2013. For the year ended December 31, 2013, the total return based on market value equaled the increase of the ending market value at December 31, 2013 of $17.77 per share from the ending market value at December 31, 2012 of $17.50 per share plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2013, divided by the market value at December 31, 2012. For the year ended December 31, 2012, the total return based on market value equaled the increase of the ending market value at December 31, 2012 of $17.50 per share from the ending market value at December 31, 2011 of $15.45 per share plus the declared and payable dividends of $1.60 per share for the year ended December 31, 2012, divided by the market value at December 31, 2011. Our shares fluctuate in value. Our performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(6)
For the nine months ended September 30, 2017, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2017, divided by the beginning net asset value for the period. For the nine months ended September 30, 2016, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2016, divided by the beginning net asset value for the period. For the year ended December 31, 2016, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.52 per share for the year ended December 31, 2016, divided by the beginning net asset value for the period. For the year ended December 31, 2015, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2015, divided by the beginning net asset value for the period. For the year ended December 31, 2014, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2014, divided by the beginning net asset value for the period. For the year ended December 31, 2013, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2013, divided by the beginning net asset value for the period. For the year ended December 31, 2012, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.60 per share for the year ended December 31, 2012 divided by the beginning net asset value for the period. These calculations are adjusted for shares issued in connection with the dividend reinvestment plan and the issuance of common stock in connection with any equity offerings and the equity components of any convertible notes issued during the period. Our performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(7)
"Weighted average yield of debt and other income producing securities" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value, as applicable. The weighted average yield of debt and other income producing securities that were acquired as part of the American Capital Acquisition and held as of September 30, 2017 was 10.0% and 9.8% at amortized cost and fair value, respectively.

(8)
"Weighted average yield on total investments" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total investments at amortized cost or at fair value, as applicable. The weighted average yield on total investments that were acquired as part of the American Capital Acquisition and held as of September 30, 2017 was 8.6% and 8.2% at amortized cost and fair value, respectively.

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SELECTED QUARTERLY DATA (Unaudited)
(dollar amounts in millions, except per share data)

	2017			
	Q4	Q3	Q2	Q1
Total investment income		$ 294	$ 284	$ 275
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees		$ 175	$ 154	$ 142
Income based fees, net of the Fee Waiver, and capital gains incentive fees		$ 22	$ 30	$ 48
Net investment income before net realized and unrealized gains (losses)		$ 153	$ 124	$ 94
Net realized and unrealized gains (losses)		$ (14)	$ 54	$ 24
Net increase in stockholders' equity resulting from operations		$ 139	$ 178	118
Basic and diluted earnings per common share		$ 0.33	$ 0.42	0.28
Net asset value per share as of the end of the quarter		$ 16.49	$ 16.54	$ 16.50

	2016			
	Q4	Q3	Q2	Q1
Total investment income	$ 261	$ 258	$ 245	$ 248
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees	$ 158	$ 164	$ 144	$ 146
Income based fees and capital gains incentive fees	$ 19	$ 27	$ 39	$ 33
Net investment income before net realized and unrealized gains (losses)	$ 139	$ 137	$ 105	$ 113
Net realized and unrealized gains (losses)	$ (64)	$ (27)	$ 52	$ 19
Net increase in stockholders' equity resulting from operations	$ 75	$ 110	$ 157	$ 132
Basic and diluted earnings per common share	$ 0.24	$ 0.35	$ 0.50	$ 0.42
Net asset value per share as of the end of the quarter	$ 16.45	$ 16.59	$ 16.62	$ 16.50

	2015			
	Q4	Q3	Q2	Q1
Total investment income	$ 262	$ 261	$ 249	$ 253
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees	$ 151	$ 159	$ 146	$ 147
Income based fees and capital gains incentive fees	$ 4	$ 29	$ 37	$ 25
Net investment income before net realized and unrealized gains (losses)	$ 147	$ 130	$ 109	$ 122
Net realized and unrealized gains (losses)	$ (132)	$ (14)	$ 38	$ (21)
Net increase in stockholders' equity resulting from operations	$ 15	$ 116	$ 147	$ 101
Basic and diluted earnings per common share	$ 0.05	$ 0.37	$ 0.47	$ 0.32
Net asset value per share as of the end of the quarter	$ 16.46	$ 16.79	$ 16.80	$ 16.71

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of the Notes in this offering will be approximately $ million, after deducting the underwriting discount of approximately $ million payable by us and estimated offering expenses of approximately $ million payable by us.

We expect to use the net proceeds of this offering to repay outstanding indebtedness under the Revolving Credit Facility ($395.0 million aggregate principal amount outstanding as of December 28, 2017), the Revolving Funding Facility ($600.0 million aggregate principal amount outstanding as of December 28, 2017) and/or the SMBC Funding Facility ($60.0 million aggregate principal amount outstanding as of December 28, 2017).

The interest charged on the indebtedness incurred under the Revolving Credit Facility is based on LIBOR (one-, two-, three- or six-month) plus an applicable spread of either 1.75% or 2.00% or an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility) plus an applicable spread of either 0.75% or 1.00%, in each case, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of December 28, 2017, the one, two, three and six month LIBOR was 1.57%, 1.62%, 1.69% and 1.84%, respectively. As of December 28, 2017, for $2.0 billion of the total Revolving Credit Facility capacity, the expiration date is January 4, 2022, for $38 million of the Revolving Credit Facility capacity, the expiration date is May 4, 2021 and for the remaining $45 million, the expiration date is May 4, 2020. The interest rate charged on the indebtedness incurred under the Revolving Funding Facility is based on LIBOR plus 2.15% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.15% per annum. The Revolving Funding Facility is scheduled to expire on January 3, 2022 (subject to extension exercisable upon mutual consent). The interest rate charged on the indebtedness incurred under the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. The SMBC Funding Facility is scheduled to expire on September 14, 2023 (subject to two one-year extension options exercisable upon mutual consent).

Affiliates of certain of the underwriters are lenders under the Revolving Credit Facility, the Revolving Funding Facility or the SMBC Funding Facility. Accordingly, affiliates of certain of the underwriters may receive more than 5% of the proceeds of this offering to the extent such proceeds are used to repay or repurchase outstanding indebtedness under the Revolving Credit Facility, the Revolving Funding Facility and/or the SMBC Funding Facility.

We may reborrow under the credit facilities described above for general corporate purposes, which include investing in portfolio companies in accordance with our investment objective.

Investing in portfolio companies could include investments in our investment backlog and pipeline that, as of December 28, 2017, were approximately $1,030 million and $230 million, respectively. Please note that the consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, we may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. We cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.

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RATIOS OF EARNINGS TO FIXED CHARGES

For the nine months ended September 30, 2017 and the years ended December 31, 2016, 2015, 2014, 2013 and 2012, the ratios of earnings to fixed charges of the Company, computed as set forth below, were as follows:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012
Earnings to Fixed Charges(1)	3.7(2)	3.7	2.7(3)	3.8(4)	3.9	4.6(5)

For purposes of computing the ratios of earnings to fixed charges, earnings represent net increase in stockholders' equity resulting from operations plus (or minus) income tax expense (benefit) including excise tax expense plus fixed charges. Fixed charges include interest and credit facility fees expense and amortization of debt issuance costs.

(1) Earnings include net realized and unrealized gains or losses and the capital gains incentive fee expense accrued in accordance with GAAP. Net realized and unrealized gains or losses and the capital gains incentive fee expense accrued in accordance with GAAP can vary substantially from period to period.

Excluding the net realized and unrealized gains or losses and the capital gains incentive fee expense accrued in accordance with GAAP, the earnings to fixed charges ratio would be 3.5 for the nine months ended September 30, 2017, 3.7 for the year ended December 31, 2016, 3.2 for the year ended December 31, 2015, 3.2 for the year ended December 31, 2014, 3.7 for the year ended December 31, 2013 and 3.7 for the year ended December 31, 2012.

(2) Earnings for the nine months ended September 30, 2017 included a net realized loss on the extinguishment of debt of $4 million.

(3) Earnings for the year ended December 31, 2015 included a net realized loss on the extinguishment of debt of $10.4 million.

(4) Earnings for the year ended December 31, 2014 included a net realized loss on the extinguishment of debt of $0.1 million.

(5) Earnings for the year ended December 31, 2012 included a net realized loss on the extinguishment of debt of $2.7 million.

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CAPITALIZATION

The following table sets forth our actual capitalization at September 30, 2017. You should read this table together with "Use of Proceeds" described in this prospectus supplement and our most recent balance sheet included elsewhere in this prospectus supplement or the accompanying prospectus.

	As of September 30, 2017 (amounts in millions)
Cash and cash equivalents	$ 341
Debt(1)	
Revolving Credit Facility	$ 395
Revolving Funding Facility	450
SMBC Funding Facility	0
SBA Debentures	0
2018 Convertible Notes	270
2019 Convertible Notes	300
2022 Convertible Notes	388
2018 Notes	750
2020 Notes	600
January 2022 Notes	600
2023 Notes	750
2047 Notes	230
Total Debt	4,733
Stockholders' Equity	
Common stock, par value $0.001 per share, 500,000,000 common shares authorized, and 426,299,165 common shares issued and outstanding	
Capital in excess of par value	7,206
Accumulated overdistributed net investment income	(78)
Accumulated net realized gains on investments, foreign currency transactions, extinguishment of debt and other assets	200
Net unrealized losses on investments, foreign currency and other transactions	(300)
Total stockholders' equity	7,028
Total capitalization	$ 11,761

(1) The above table reflects the principal amount of indebtedness outstanding as of September 30, 2017. As of December 28, 2017, indebtedness under the Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility were $395.0 million, $600.0 million and $60.0 million, respectively. The net proceeds from the sale of the Notes are expected to be used to pay down outstanding indebtedness under the Revolving Credit Facility, the Revolving Funding Facility and/or the SMBC Funding Facility, and for general corporate purposes, which include investing in portfolio companies in accordance with our investment objective. See "Use of Proceeds."

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this section should be read in conjunction with the "Selected Condensed Consolidated Financial Data of Ares Capital" and our financial statements and notes thereto appearing elsewhere in this prospectus supplement or the accompanying prospectus.

OVERVIEW

We are a specialty finance company that is a closed-end, non-diversified management investment company incorporated in Maryland. We have elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act").

We are externally managed by Ares Capital Management LLC ("Ares Capital Management" or our "investment adviser"), a subsidiary of Ares Management, a publicly traded, leading global alternative asset manager, pursuant to our investment advisory and management agreement. Ares Operations LLC ("Ares Operations" or our "administrator"), a subsidiary of Ares Management, provides certain administrative and other services necessary for us to operate.

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first lien senior secured loans (including unitranche loans), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component like warrants.

To a lesser extent, we also make preferred and/or common equity investments, which have generally been non-control equity investments, of less than $20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments. Also, as a result of the American Capital Acquisition, American Capital's equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio.

Since our initial public offering ("IPO") on October 8, 2004 through September 30, 2017, our exited investments resulted in an aggregate cash flow realized internal rate of return to us of approximately 15% (based on original cash invested, net of syndications, of approximately $19.3 billion and total proceeds from such exited investments of approximately $24.9 billion). Internal rate of return is the discount rate that makes the net present value of all cash flows related to a particular investment equal to zero. Internal rate of return is gross of expenses related to investments as these expenses are not allocable to specific investments. Investments are considered to be exited when the original investment objective has been achieved through the receipt of cash and/or non-cash consideration upon the repayment of a debt investment or sale of an investment or through the determination that no further consideration was collectible and, thus, a loss may have been realized. Approximately 65% of these exited investments resulted in an aggregate cash flow realized internal rate of return to us of 10% or greater.

Additionally, since our IPO on October 8, 2004 through September 30, 2017, our realized gains have exceeded our realized losses by approximately $737 million (excluding a one-time gain on the acquisition of Allied Capital Corporation ("Allied Capital") and realized gains/losses from the extinguishment of debt and other assets). For this same time period, our average annualized net realized gain rate was approximately 1.2% (excluding a one-time gain on the acquisition of Allied Capital and realized gains/losses from the extinguishment of debt and other assets). Net realized gain/loss rates for a particular period are the amount of net realized gains/losses during such period divided by the average quarterly investments at amortized cost in such period.

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Information included herein regarding internal rates of return, realized gains and losses and annualized net realized gain rates are historical results relating to our past performance and are not necessarily indicative of future results, the achievement of which cannot be assured.

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities and indebtedness of private U.S. companies and certain public U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. We also may invest up to 30% of our portfolio in non-qualifying assets, as permitted by the Investment Company Act. Specifically, as part of this 30% basket, we may invest in entities that are not considered "eligible portfolio companies" (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act.

We have elected to be treated as a regulated investment company, or a "RIC", under the Internal Revenue Code of 1986, as amended (the "Code"), and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our stockholders generally at least 90% of our investment company taxable income, as defined by the Code, for each year. Pursuant to this election, we generally will not have to pay U.S. federal corporate-level taxes on any income that we distribute to our stockholders provided that we satisfy those requirements.

American Capital Acquisition

On May 23, 2016, we entered into a definitive agreement (the "Merger Agreement") to acquire American Capital. Pursuant to the Merger Agreement, American Capital shareholders received total consideration of approximately $18.06 per share comprised of: (i) $14.41 per share from us consisting of approximately $6.48 per share of cash (including a make-up dividend in the amount of $0.07 per share) and 0.483 shares of our common stock for each American Capital share at a value of $7.93 per American Capital share (based on the closing price per share of our common stock on January 3, 2017 (the "Acquisition Date")), (ii) $2.45 per share of cash from American Capital's sale of American Capital Mortgage Management, LLC, and (iii) approximately $1.20 per share of cash as transaction support provided by Ares Capital Management acting solely on its own behalf. As of the Acquisition Date, the transaction was valued at approximately $4.2 billion. The total cash and stock consideration paid by us was $3.3 billion. In connection with the stock consideration, we issued approximately 112 million shares of our common stock to American Capital's then-existing stockholders (including holders of outstanding in-the-money American Capital stock options), thereby resulting in our then-existing stockholders owning approximately 73.7% of the combined company and then-existing American Capital stockholders owning approximately 26.3% of the combined company. As a result of the American Capital Acquisition, Ares Capital acquired $3.6 billion of assets, including $2.5 billion of investments, and assumed $226 million of liabilities.

In connection with the American Capital Acquisition, Ares Capital Management also agreed to waive, for each of the first 10 calendar quarters beginning with the second quarter of 2017, the lesser of (x) $10 million of income based fees and (y) the amount of income based fees for such quarter, in each case, to the extent earned and payable by us in such quarter pursuant to and as calculated under our investment advisory and management agreement (the "Fee Waiver"). See Notes 3 and 14 to our consolidated financial statements for the three and nine months ended September 30, 2017 for additional information regarding the American Capital Acquisition.

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PORTFOLIO AND INVESTMENT ACTIVITY

Our investment activity for the three months ended September 30, 2017 and 2016 is presented below (information presented herein is at amortized cost unless otherwise indicated).

(dollar amounts in millions)	For the Three Months Ended September 30, 2017	2016
New investment commitments(1)(6):		
New portfolio companies	$ 678	$ 1,029
Existing portfolio companies	868	500
Total new investment commitments(2)	$ 1,546	$ 1,529
Less:		
Investment commitments exited(3)	1,644	1,499
Net investment commitments	$ (98)	$ 30
Principal amount of investments funded(6):		
First lien senior secured loans	$ 659	$ 779
Second lien senior secured loans	524	346
Subordinated certificates of the SDLP(4)	45	195
Senior subordinated loans	119	20
Preferred equity securities	6	31
Other equity securities	22	14
Total	$ 1,375	$ 1,385
Principal amount of investments sold or repaid(6):		
First lien senior secured loans	$ 439	$ 1,114
Second lien senior secured loans	289	279
Subordinated certificates of the SDLP(4)	2	
Subordinated certificates of the SSLP(5)	474	
Senior subordinated loans	75	55
Collateralized loan obligations	40	
Preferred equity securities	48	1
Other equity securities	162	4
Total(7)	$ 1,529	$ 1,453
Number of new investment commitments(6)(8)	40	28
Average new investment commitment amount(6)	$ 39	$ 55
Weighted average term for new investment commitments (in months)(6)(9)	76	94
Percentage of new investment commitments at floating rates(6)	89%	90%
Percentage of new investment commitments at fixed rates(6)	9%	7%
Weighted average yield of debt and other income producing securities(6):		
Funded during the period at amortized cost	9.4%	9.8%
Funded during the period at fair value(10)	9.3%	9.7%
Exited or repaid during the period at amortized cost	8.2%	8.2%
Exited or repaid during the period at fair value(10)	8.3%	8.2%

(1) New investment commitments include new agreements to fund revolving credit facilities or delayed draw loans. See "Off Balance Sheet Arrangements" as well as Note 7 to our consolidated financial statements for the three and nine months ended September 30, 2017, for more information on our commitments to fund revolving credit facilities or delayed draw loans.

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(2) Includes both funded and unfunded commitments. Of these new investment commitments, we funded $1.2 billion and $1.3 billion for the three months ended September 30, 2017 and 2016, respectively.

(3) Includes both funded and unfunded commitments. For the three months ended September 30, 2017 and 2016, investment commitments exited included exits of unfunded commitments of $179 million and $85 million, respectively.

(4) See "Senior Direct Lending Program" below and Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on the SDLP (as defined below).

(5) See "Senior Secured Lending Program" below and Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on the SSLP (as defined below).

(6) In July 2017, in connection with the effective termination of the SSLP (as defined below), we purchased $1.6 billion in aggregate principal amount of first lien senior secured loans outstanding at par plus accrued and unpaid interest and fees from the SSLP and assumed the SSLP's remaining unfunded loan commitments totaling $50 million. The loans purchased from the SSLP included loans to 10 different borrowers with a weighted average yield at amortized cost and fair value of 7.1% and 7.1%, respectively. Upon completion of the SSLP Loan Sale (as defined below), the SSLP made a liquidation distribution to the holders of the SSLP Certificates (as defined below), of which Ares Capital received $1.5 billion. The impact of these transactions is excluded from the information presented in the table. See "Senior Secured Loan Program" below and Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on the SSLP.

(7) For the three months ended September 30, 2017, the principal amount of investments sold or repaid included $415 million of investments acquired as part of the American Capital Acquisition.

(8) Number of new investment commitments represents each commitment to a particular portfolio company or a commitment to multiple companies as part of an individual transaction (e.g., the purchase of a portfolio of investments).

(9) "Weighted average yield of debt and other income producing securities" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value, as applicable.

(10) Represents fair value for investments in the portfolio as of the most recent prior quarter end, if applicable.

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As of September 30, 2017 and December 31, 2016, our investments consisted of the following:

	As of			
	September 30, 2017		December 31, 2016	
(in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First lien senior secured loans	$ 4,797	$ 4,657	$ 2,102	$ 2,036
Second lien senior secured loans	4,198	4,082	3,069	2,987
Subordinated certificates of the SDLP(1)	437	437	270	270
Subordinated certificates of the SSLP(2)			1,938	1,914
Senior subordinated loans	895	922	692	714
Collateralized loan obligations	161	158		
Preferred equity securities	628	435	505	273
Other equity securities	624	765	458	626
Total	$ 11,740	$ 11,456	$ 9,034	$ 8,820

(1) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans to 18 and 14 different borrowers as of September 30, 2017 and December 31, 2016, respectively.

(2) The proceeds from these certificates were applied to co-investments with GE to fund first lien senior secured loans to 19 different borrowers as of December 31, 2016.

The weighted average yields at amortized cost and fair value of the following portions of our portfolio as of September 30, 2017 and December 31, 2016 were as follows:

	As of			
	September 30, 2017		December 31, 2016	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt and other income producing securities(1)	9.6%	9.7%	9.3%	9.4%
Total portfolio(2)	8.5%	8.7%	8.3%	8.5%
First lien senior secured loans(2)	7.8%	8.0%	8.4%	8.6%
Second lien senior secured loans(2)	9.8%	10.1%	9.8%	10.1%
Subordinated certificates of the SDLP(2)(3)	14.0%	14.0%	14.0%	14.0%
Subordinated certificates of the SSLP(2)(4)	%	%	7.0%	7.1%
Senior subordinated loans(2)	12.9%	12.5%	12.4%	12.0%
Collateralized loan obligations	10.5%	10.7%	%	%
Income producing equity securities(2)	12.7%	12.7%	13.8%	13.8%

(1) "Weighted average yield of debt and other income producing securities" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value as applicable. The weighted average yield of debt and other income producing securities that were acquired as part of the American Capital Acquisition and held as of September 30, 2017 was 10.0% and 9.8% at amortized cost and fair value, respectively.

(2) "Weighted average yields" are computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on the relevant accruing debt and other income producing securities,

divided by (b) the total relevant investments at amortized cost or at fair value as applicable. The weighted average yield on total investments that were acquired as part of the American Capital Acquisition and held as of September 30, 2017 was 8.6% and 8.2% at amortized cost and fair value, respectively.

(3) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans.

(4) The proceeds from these certificates were applied to co-investments with GE (as defined below) to fund first lien senior secured loans.

Ares Capital Management, our investment adviser, employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our investment adviser grades the credit risk of all investments on a scale of 1 to 4 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i.e., at the time of origination or acquisition), although it may also take into account under certain circumstances the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors. Under this system, investments with a grade of 4 involve the least amount of risk to our initial cost basis. The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments graded 3 involve a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3. Investments graded 2 indicate that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. An investment grade of 1 indicates that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition, and the portfolio company likely has materially declining performance. For debt investments with an investment grade of 1, most or all of the debt covenants are out of compliance and payments are substantially delinquent. For investments graded 1, it is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit. For investments graded 1 or 2, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company. The grade of a portfolio investment may be reduced or increased over time.

We assigned a fair value as of the Acquisition Date to each of the portfolio investments acquired in connection with the American Capital Acquisition. The initial cost basis of each investment acquired was equal to the fair value of such investment as of the Acquisition Date. Many of these portfolio investments were assigned a fair value reflecting a discount to American Capital's cost basis at the time of American Capital's origination or acquisition. Each investment was initially assessed a grade of 3 (i.e., generally the grade we assign a portfolio company at acquisition), reflecting the relative risk to our initial cost basis of such investments. It is important to note that our grading system does not take into account factors or events in respect of the period from when American Capital originated or acquired such portfolio investments or the status of these portfolio investments in terms of compliance with debt facilities, financial performance and similar factors. Rather, it is only intended to measure risk from the time that we acquired the portfolio investment in connection with the American Capital Acquisition. Accordingly, it is possible that the grades of these portfolio investments may be reduced or increased after the Acquisition Date.

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Set forth below is the grade distribution of our portfolio companies as of September 30, 2017 and December 31, 2016:

	As of							
	September 30, 2017				December 31, 2016			
(dollar amounts in millions)	Fair Value	%	Number of Companies	%	Fair Value	%	Number of Companies	%
Grade 1	$ 90	0.8%	$ 17	5.2%	$ 92	1.0%	13	6.0%
Grade 2	349	3.0%	14	4.3%	323	3.7%	12	5.5%
Grade 3	9,780	85.4%	275	84.6%	7,451	84.4%	172	78.9%
Grade 4	1,237	10.8%	19	5.9%	954	10.9%	21	9.6%
Total	$ 11,456	100.0%	325	100.0%	$ 8,820	100.0%	218	100.0%

As of September 30, 2017 and December 31, 2016, the weighted average grade of the investments in our portfolio at fair value was 3.1 and 3.1, respectively.

As of September 30, 2017, investments on non-accrual status represented 3.4% and 0.9% of the total investments at amortized cost and at fair value, respectively. As of December 31, 2016, investments on non-accrual status represented 2.9% and 0.8% of the total investments at amortized cost and at fair value, respectively.

Co-Investment Programs

Senior Direct Lending Program

We have established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle-market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. (NYSE:AIG) and other partners. The joint venture is called the SDLP. In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. In conjunction with the initial funding, we and Varagon and its clients sold investment commitments to the SDLP. Such investment commitments included $529 million of investment commitments sold to the SDLP by us. No realized gains or losses were recorded by us on these transactions. The SDLP may generally commit and hold individual loans of up to $300 million. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of ours and Varagon (with approval from a representative of each required).

We provide capital to the SDLP in the form of the SDLP Certificates and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of September 30, 2017, we and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates.

As of September 30, 2017, we and Varagon and its clients had agreed to make capital available to the SDLP of $2.9 billion in the aggregate, of which $591 million is to be made available from us. This capital will only be committed to the SDLP upon approval of transactions by the investment

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committee of the SDLP. Below is a summary of the funded capital and unfunded capital commitments of the SDLP.

(in millions)	As of September 30, 2017	As of December 31, 2016
Total capital funded to the SDLP(1)	$ 2,083	$ 1,285
Total capital funded to the SDLP by the Company(1)	$ 437	$ 270
Total unfunded capital commitments to the SDLP(2)	$ 156	$ 177
Total unfunded capital commitments to the SDLP by the Company(2)	$ 33	$ 37

(1) At principal amount.

(2) These commitments have been approved by the investment committee of the SDLP and will be funded as the transactions are completed.

The SDLP Certificates pay a coupon of the London Interbank Offered Rate ("LIBOR") plus 8.0% and also entitle the holders thereof to receive a portion of the excess cash flow from the loan portfolio, after expenses, which may result in a return to the holders of the SDLP Certificates that is greater than the stated coupon. The SDLP Certificates are junior in right of payment to the senior notes and intermediate funding notes.

The amortized cost and fair value of our SDLP Certificates held by us were $437 million and $437 million, respectively, as of September 30, 2017 and $270 million and $270 million, respectively, as of December 31, 2016. Our yield on our investment in the SDLP at amortized cost and fair value was 14% and 14%, respectively, as of September 30, 2017 and 14% and 14%, respectively, as of December 31, 2016. For the three and nine months ended September 30, 2017, we earned interest income of $15 million and $36 million, respectively, from our investment in the SDLP Certificates. For the three and nine months ended September 30, 2016, we earned interest income of $5 million for each period from our investment in the SDLP Certificates. We are also entitled to certain fees in connection with the SDLP. For the three and nine months ended September 30, 2017, in connection with the SDLP, we earned capital structuring service and other fees totaling $4 million and $9 million, respectively. For the three and nine months ended September 30, 2016, in connection with the SDLP, we earned capital structuring service and other fees totaling $1 million for each period.

As of September 30, 2017 and December 31, 2016, the portfolio was comprised of all first lien senior secured loans primarily to U.S. middle-market companies and were in industries similar to the companies in our portfolio. As of September 30, 2017 and December 31, 2016, none of the loans were

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on non-accrual status. Below is a summary of the SDLP's portfolio as of September 30, 2017 and December 31, 2016:

(dollar amounts in millions)	As of September 30, 2017	As of December 31, 2016
Total first lien senior secured loans(1)	$ 2,079	$ 1,281
Weighted average yield on first lien senior secured loans(2)	7.4%	7.4%
Largest loan to a single borrower(1)	$ 200	$ 125
Total of five largest loans to borrowers(1)	$ 886	$ 560
Number of borrowers in the SDLP	18	14
Commitments to fund delayed draw loans (3)	$ 156	$ 177

(1) At principal amount.

(2) Computed as (a) the annual stated interest rate on accruing first lien senior secured loans, divided by (b) total first lien senior secured loans at principal amount.

(3) As discussed above, these commitments have been approved by the investment committee of the SDLP.

Senior Secured Loan Program

We and General Electric Capital Corporation and GE Global Sponsor Finance LLC (collectively, "GE") had previously co-invested in first lien senior secured loans of middle market companies through an unconsolidated Delaware limited liability company, the Senior Secured Loan Fund LLC (d/b/a "the Senior Secured Loan Program") or the SSLP (the "SSLP"). The SSLP was capitalized as transactions were completed. All portfolio decisions and generally all other decisions in respect of the SSLP were approved by an investment committee of the SSLP consisting of representatives of ours and GE (with approval from a representative of each required). We provided capital to the SSLP in the form of subordinated certificates (the "SSLP Certificates"). GE provided capital to the SSLP in the form of senior notes and SSLP Certificates.

As of June 30, 2017, our investment in the SSLP Certificates at amortized cost and fair value was $1.9 billion and $1.9 billion, respectively, and our yield on our investment in the SSLP Certificates at amortized cost and fair value was 5.8% and 5.8%, respectively. As of June 30, 2017, the SSLP had $1.2 billion in cash and GE's senior notes outstanding totaled $601 million. In July 2017, the SSLP made its monthly waterfall distribution from this cash, which fully repaid the outstanding principal amount of the senior notes of the SSLP with the remaining amounts distributed to the holders of the SSLP Certificates. From this distribution, we received $474 million in respect of our SSLP Certificates. After this distribution, the amortized cost of our SSLP Certificates was $1.5 billion.

In addition, in July 2017, we and GE agreed to an effective termination of the SSLP whereby on July 26, 2017, we purchased the remaining $1.6 billion in aggregate principal amount of first lien senior secured loans outstanding at par plus accrued and unpaid interest and fees from the SSLP (the "SSLP Loan Sale") and assumed the SSLP's remaining unfunded loan commitments totaling $50 million. Upon completion of the SSLP Loan Sale, the SSLP made a liquidation distribution to the holders of the SSLP Certificates (the "SSLP Liquidation Distribution"), of which we received $1.5 billion. In connection with the SSLP Liquidation Distribution, we recognized an $18 million realized loss. After completion of the transactions described above, the operations of the SSLP were effectively terminated pursuant to the terms of the documents governing the SSLP and the SSLP no longer has an obligation to fund existing commitments and other amounts in respect of its former portfolio companies.

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Below is a summary of the funded capital and unfunded capital commitments of the SSLP as of December 31, 2016.

(in millions)		
Total capital funded to the SSLP(1)	$	3,819
Total capital funded to the SSLP by the Company(1)	$	2,004
Total unfunded capital commitments to the SSLP(2)	$	50
Total unfunded capital commitments to the SSLP by the Company(2)	$	7

(1) At principal amount.

(2) These commitments were approved by the investment committee of the SSLP.

The SSLP Certificates had a weighted average contractual coupon of LIBOR plus approximately 8.0% and also entitled the holders thereof to receive a portion of the excess cash flow from the loan portfolio, after expenses. The amortized cost and fair value of our SSLP Certificates were $1.9 billion and $1.9 billion, respectively, as of December 31, 2016. Our yield on our investment in the SSLP Certificates at amortized cost and fair value was 7.0% and 7.1%, respectively, as of December 31, 2016.

For the three and nine months ended September 30, 2017, we earned interest income of $6 million and $69 million, respectively, from our investment in the SSLP Certificates. We were also entitled to certain fees in connection with the SSLP. For the three and nine months ended September 30, 2017, in connection with the SSLP, we earned capital structuring service, sourcing and other fees totaling $1 million and $5 million, respectively. For the three and nine months ended September 30, 2016, we earned interest income of $50 million and $166 million, respectively, from our investment in the SSLP Certificates. For the three and nine months ended September 30, 2016, in connection with the SSLP, we earned capital structuring service, sourcing and other fees totaling $5 million and $16 million, respectively.

In June 2017, we purchased the SSLP's entire $259 million aggregate principal amount of first lien senior secured loan investments in Implus Footcare, LLC ("Implus") at fair value of $259 million. As a result of the transaction, the SSLP fully exited its investment in Implus.

As of December 31, 2016, the SSLP's portfolio was comprised of all first lien senior secured loans to U.S. middle-market companies and were in industries similar to the companies in our portfolio. As of December 31, 2016, none of these loans were on non-accrual status. Below is a summary of the SSLP's portfolio as of December 31, 2016.

(dollar amounts in millions)		
Total first lien senior secured loans(1)	$	3,360
Weighted average yield on first lien senior secured loans(2)		6.9%
Largest loan to a single borrower(1)	$	260
Total of five largest loans to borrowers(1)	$	1,257
Number of borrowers in the SSLP		19
Commitments to fund delay draw loans(3)	$	50

(1) At principal amount.

(2) Computed as (a) the annual stated interest rate on accruing first lien senior secured loans, divided by (b) total first lien senior secured loans at principal amount.

(3) As discussed above, these commitments were approved by the investment committee of the SSLP.

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SSLP Loan Portfolio as of December 31, 2016

(dollar amounts in millions) Portfolio Company	Business Description	Maturity Date	Stated Interest Rate(1)	Principal Amount	Fair Value(2)
AMZ Holding Corp.	Specialty chemicals manufacturer	12/2018	6.8%	$ 214	$ 214
Breg, Inc.	Designer, manufacturer, and distributor of non-surgical orthopedic products for preventative, post-operative and rehabilitative use	10/2020	6.8%	147	147
Connoisseur Media, LLC	Owner and operator of radio stations	6/2019	7.3%	94	94
DFS Holding Company, Inc.	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	2/2022	6.5%	191	191
Drayer Physical Therapy Institute, LLC	Outpatient physical therapy provider	7/2018	8.8%	132	132
ECI Purchaser Company, LLC	Manufacturer of equipment to safely control pressurized gases	12/2018	6.5%	207	201
Excelligence Learning Corporation	Developer, manufacturer and retailer of educational products	12/2020	6.8%	175	175
Gehl Foods, LLC(4)	Producer of low-acid, aseptic food and beverage products	6/2019	7.5%	155	155
Implus Footcare, LLC	Provider of footwear and other accessories	4/2021	7.0%	260	252
Intermedix Corporation(3)	Revenue cycle management provider to the emergency healthcare industry	12/2019	5.8%	254	251
Mavis Tire Supply LLC	Auto parts retailer	10/2020	6.3%	230	225
MCH Holdings, Inc.(4)	Healthcare professional provider	1/2020	6.5%	168	168
Palermo Finance Corporation	Provider of mission-critical integrated public safety software and services to local, state, and federal agencies	11/2020	7.0%	185	185
Sanders Industries Holdings, Inc.(4)	Elastomeric parts, mid-sized composite structures, and composite tooling	5/2020	6.5%	76	76
Singer Sewing Company	Manufacturer of consumer sewing machines	6/2017	7.8%	181	178
STATS Acquisition, LLC	Sports technology, data and content company	6/2018	10.8%	102	99
U.S. Anesthesia Partners, Inc.(3)	Anesthesiology service provider	12/2019	6.0%	259	259
WCI-Quantum Holdings, Inc.(4)	Distributor of instructional products, services and resources	10/2020	6.1%	76	76
Woodstream Group, Inc.	Pet products manufacturer	5/2022	7.3%	254	254
				$ 3,360	$ 3,332

(1) Represents the weighted average annual stated interest rate as of December 31, 2016. All interest rates are payable in cash except for 0.5% and 2.0% of the interest rates for Singer Sewing Company and STATS Acquisition, LLC, respectively, which are payment-in-kind interest.

(2) Represents the fair value in accordance with Accounting Standards Codification 820-10. The determination of such fair value is not included in our board of directors valuation process described elsewhere herein.

(3) We also hold a portion of this company's second lien senior secured loan.

(4) We hold an equity investment in this company.

Selected financial information for the SSLP as of December 31, 2016 and for the nine months ended September 30, 2016, was as follows:

(in millions)	As of December 31, 2016
Selected Balance Sheet Information:	
Investments in loans receivable, net	$ 3,343
Cash and other assets	439
Total assets	$ 3,782
Senior notes (1)	$ 1,529
Other liabilities	45
Total liabilities	1,574
Subordinated certificates and members' capital	2,208
Total liabilities and members' capital	$ 3,782

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(in millions)	For the Nine Months Ended September 30, 2016
Selected Statement of Operations Information:	
Total interest and other income	$ 383
Interest expense	125
Management and sourcing fees	40
Other expenses	18
Total expenses	183
Net income	$ 200

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 2017 and 2016

Operating results for the three and nine months ended September 30, 2017 and 2016 were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in millions)	2017	2016	2017	2016
Total investment income	$ 294	$ 258	$ 853	$ 752
Total expenses, net of waiver of income based fees	136	116	468	383
Net investment income before income taxes	158	142	385	369
Income tax expense, including excise tax	5	4	14	13
Net investment income	153	138	371	356
Net realized gains on investments and foreign currency transactions	35	20	147	78
Net unrealized losses on investments, foreign currency and other transactions	(49)	(48)	(79)	(35)
Realized losses on extinguishment of debt			(4)	
Net increase in stockholders' equity resulting from operations	$ 139	$ 110	$ 435	$ 399

Net income can vary substantially from period to period due to various factors, including acquisitions, the level of new investment commitments, the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, comparisons of net increase in stockholders' equity resulting from operations may not be meaningful.

Investment Income

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in millions)	2017	2016	2017	2016
Interest income from investments	$ 238	$ 200	$ 700	$ 612
Capital structuring service fees	32	35	73	62
Dividend income	18	16	58	53
Management and other fees	1	4	6	14

Other income		5		3		16		11
Total investment income	$	294	$	258	$	853	$	752

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The increase in interest income from investments for the three months ended September 30, 2017 from the comparable period in 2016 was primarily due to an increase in the average size of our portfolio, partially offset by a decrease in the weighted average yield of our portfolio. The size of our portfolio increased from an average of $8.9 billion at amortized cost for the three months ended September 30, 2016 to an average of $11.7 billion at amortized cost for the comparable period in 2017, which was largely due to the investments acquired as part of the American Capital Acquisition. The weighted average yield of our portfolio decreased from 9.0% for the three months ended September 30, 2016 to 8.3% for the comparable period in 2017. The decline in the weighted average yield was primarily due to the decline in the yield on our SSLP Certificates at amortized cost from 10.0% for the three months ended September 30, 2016 to 5.8% for the comparable period in 2017. The decrease in capital structuring service fees for the three months ended September 30, 2017 from the comparable period in 2016 was due to the decrease in the weighted average capital structuring fees received on new investments commitments, which decreased from 2.7% for the three months ended September 30, 2016 to 2.0% for the comparable period in 2017. This decline was primarily due to having a higher percentage of new investment commitments made to existing portfolio companies during the three months ended September 30, 2017 as compared to the comparable period in 2016. This decrease was partially offset by an increase in new investment commitments (excluding investments acquired from the SSLP), which increased from $1.3 billion for the three months ended September 30, 2016 to $1.5 billion for the comparable period in 2017. Dividend income for the three months ended September 30, 2017 and 2016 included dividends received from IHAM totaling $10 million for each period. Also during the three months ended September 30, 2017, we received $2 million in other non-recurring dividends from non-income producing equity securities compared to $4 million for the comparable period in 2016. The decrease in management and other fees for the three months ended September 30, 2017 from the comparable period in 2016 was due to lower sourcing fees from the SSLP resulting from the effective termination of the SSLP in July 2017. The increase in other income for the three months ended September 30, 2017 from the comparable period in 2016 was primarily attributable to higher administrative agent fees.

The increase in interest income from investments for the nine months ended September 30, 2017 from the comparable period in 2016 was primarily due to an increase in the average size of our portfolio, partially offset by a decrease in the weighted average yield of our portfolio. The size of our portfolio increased from an average of $9.0 billion at amortized cost for the nine months ended September 30, 2016 to an average of $11.2 billion at amortized cost for the comparable period in 2017, which was largely due to the investments acquired as part of the American Capital Acquisition. The weighted average yield of our portfolio decreased from 9.2% for the nine months ended September 30, 2016 to 8.5% for the comparable period in 2017. The decline in the weighted average yield was primarily due to the decline in the yield on our SSLP Certificates at amortized cost from 11.3% for the nine months ended September 30, 2016 to 6.4% for the comparable period in 2017. The increase in capital structuring service fees for the nine months ended September 30, 2017 from the comparable period in 2016 was due to the increase in new investment commitments which increased from $2.3 billion for the nine months ended September 30, 2016 to $4.4 billion (excluding investments acquired in the American Capital Acquisition and investments acquired from the SSLP), for the comparable period in 2017. This increase was partially offset by the decrease in the weighted average capital structuring fees received on new investment commitments, which decreased from 2.7% for the nine months ended September 30, 2016 to 1.6% for the comparable period in 2017. This decline was primarily due to having a higher percentage of new investment commitments made to existing portfolio companies during the nine months ended September 30, 2017 as compared to the comparable period in 2016. Dividend income for the nine months ended September 30, 2017 and 2016 included dividends received from IHAM totaling $30 million for each period. Also during the nine months ended September 30, 2017, we received $17 million in other non-recurring dividends from non-income producing equity securities compared to $10 million for the comparable period in 2016. The decrease in management and other fees for the nine months ended September 30, 2017 from the comparable period in 2016 was due to lower sourcing fees from the SSLP as a result of a decrease in the size of the SSLP portfolio and the effective termination of the SSLP in July 2017. The increase in other income for the nine months ended September 30, 2017 from the comparable period in 2016 was primarily attributable to higher amendment fees and administrative agent fees.

Operating Expenses

(in millions)	For the Three Months Ended September 30, 2017	2016	For the Nine Months Ended September 30, 2017	2016
Interest and credit facility fees	$ 56	$ 43	$ 166	$ 139
Base management fees	44	34	127	103
Income based fees	35	33	97	91
Capital gains incentive fees	(3)	(6)	23	8
Administrative fees	3	3	9	10
Professional fees and other costs related to the American Capital Acquisition	4	3	42	11
Other general and administrative	7	6	24	21
Total operating expenses	146	116	488	383
Waiver of income based fees	(10)		(20)	
Total expenses, net of waiver of income based fees	$ 136	$ 116	$ 468	$ 383

Interest and credit facility fees for the three and nine months ended September 30, 2017 and 2016, were comprised of the following:

(in millions)	For the Three Months Ended September 30, 2017	2016	For the Nine Months Ended September 30, 2017	2016
Stated interest expense	$ 46	$ 37	$ 139	$ 119
Facility fees	3	1	8	4
Amortization of debt issuance costs	5	4	14	11
Net accretion of discount on notes payable	2	1	5	5
Total interest and credit facility fees	$ 56	$ 43	$ 166	$ 139

Stated interest expense for the three months ended September 30, 2017 increased from the comparable period in 2016 primarily due to the increase in the average principal amount of debt outstanding. For the three months ended September 30, 2017, our average principal debt outstanding increased to $4.5 billion as compared to $3.7 billion for the comparable period in 2016, which was largely a result of the American Capital Acquisition. The weighted average stated interest rate on our outstanding debt was 4.1% for the three months ended September 30, 2017 as compared to 4.1% for the comparable period in 2016. Facility fees for the three months ended September 30, 2017 increased from the comparable period in 2016 primarily due to the increased commitments under our revolving facilities resulting in higher unused commitment fees.

Stated interest expense for the nine months ended September 30, 2017 increased from the comparable period in 2016 primarily due to the increase in the average principal amount of debt outstanding. For the nine months ended September 30, 2017, which was largely a result of the

American Capital Acquisition, our average principal debt outstanding increased to $4.6 billion as compared to $3.9 billion for the comparable period in 2016. The weighted average stated interest rate on our outstanding debt was 4.1% for the nine months ended September 30, 2017 as compared to 4.1% for the comparable period in 2016. Facility fees for the nine months ended September 30, 2017 increased from the comparable period in 2016 primarily due to the increased commitments under our revolving facilities resulting in higher unused commitment fees.

The increase in base management fees for the three and nine months ended September 30, 2017 from the comparable periods in 2016 was primarily due to the increase in the average size of our portfolio for the three and nine months ended September 30, 2017 (including the approximately $2.5 billion in assets acquired in the American Capital Acquisition on January 3, 2017) as compared to the three months ended September 30, 2016. The increase in income based fees for the nine months ended September 30, 2017 from the comparable periods in 2016 was primarily due to the pre-incentive fee net investment income, as defined in the investment advisory and management agreement, for the three and nine months ended September 30, 2017 being higher than in the comparable periods in 2016. As discussed earlier, the three and nine months ended September 30, 2017 also reflects the Fee Waiver of $10 million and $20 million, respectively.

For the three months ended September 30, 2017, the reduction in the capital gains incentive fees calculated in accordance with GAAP was $3 million. For the nine months ended September 30, 2017, the capital gains incentive fees expense calculated in accordance with GAAP was $23 million. For the three months ended September 30, 2016, the reduction in capital gains incentive fees calculated in accordance with GAAP was $6 million. For the nine months ended September 30, 2016, the capital gains incentive fees expense calculated in accordance with GAAP was $9 million. The capital gains incentive fee expense accrual for the nine months ended September 30, 2017 included an $11 million accrual related to the American Capital Acquisition as a result of the fair value of the net assets acquired exceeding the fair value of the merger consideration paid by us. The capital gains incentive fee accrued under GAAP includes an accrual related to unrealized capital appreciation, whereas the capital gains incentive fee actually payable under our investment advisory and management agreement does not. There can be no assurance that such unrealized capital appreciation will be realized in the future. The accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. As of September 30, 2017, the total capital gains incentive fee accrual calculated in accordance with GAAP was $61 million. As of September 30, 2017, there was no capital gains incentive fee actually payable under our investment advisory and management agreement. See Note 3 to our consolidated financial statements for the three and nine months ended September 30, 2017, for more information on the base management fees, income based fees and capital gains incentive fees.

Administrative fees represent fees paid to Ares Operations for our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement, including our allocable portion of the compensation, rent and other expenses of certain of our executive officers and their respective staffs. Administrative fees incurred related specifically to the American Capital Acquisition are included in professional fees and other costs related to the American Capital Acquisition as discussed below.

For the three and nine months ended September 30, 2017, we incurred $4 million and $42 million, respectively, in professional fees and other costs related to the American Capital Acquisition. For the three and nine months ended September 30, 2016, we incurred $3 million and $11 million in professional fees and other costs related to the American Capital Acquisition, respectively. For the nine months ended September 30, 2017, these costs included $4 million of expenses related to a long term incentive plan liability assumed in the American Capital Acquisition.

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See Note 12 to our consolidated financial statements for the three and nine months ended September 30, 2017 for a description of the assumed long term incentive plan liability. For the nine months ended September 30, 2017, these costs also included $18 million in one-time investment banking fees incurred in January 2017 upon the closing of the American Capital Acquisition.

Other general and administrative expenses include professional fees, rent, insurance, depreciation and director's fees, among other costs.

Income Tax Expense, Including Excise Tax

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must generally (among other requirements) timely distribute to our stockholders at least 90% of our investment company taxable income, as defined by the Code, for each year. In order to maintain our RIC status, we have made and intend to continue to make the requisite distributions to our stockholders which will generally relieve us from U.S. federal corporate-level income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. If we determine that our estimated current year taxable income will be in excess of estimated dividend distributions for the current year from such income, we accrue excise tax on estimated excess taxable income as such taxable income is earned. For the three and nine months ended September 30, 2017, we recorded a net expense of $3 million and $10 million for U.S. federal excise tax, respectively. For the three and nine months ended September 30, 2016, we recorded a net expense of $3 million and $9 million for U.S. federal excise tax, respectively.

Certain of our consolidated subsidiaries are subject to U.S. federal and state income taxes. For the three and nine months ended September 30, 2017, we recorded a net tax expense of approximately $2 million and $4 million for these subsidiaries, respectively. For the three and nine months ended September 30, 2016, we recorded a net tax expense of approximately $1 million and $4 million for these subsidiaries, respectively. The income tax expense for our taxable consolidated subsidiaries will vary depending on the level of realized gains from the exits of investments held by such taxable subsidiaries during the respective periods.

Net Realized Gains/Losses

During the three months ended September 30, 2017, we had $1.6 billion of sales, repayments or exits of investments resulting in $42 million of net realized gains on investments. These sales, repayments or exits included $59 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of $0 million was recorded on these transactions with IHAM. See Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more detail on IHAM and its managed vehicles. During the three months ended September 30, 2017, net realized gains on investments of $42 million were comprised of $74 million of gross realized gains and $32 million of gross realized losses. Of the $42 million of net realized gains on investments, approximately $56 million were from investments acquired as part of the American Capital Acquisition.

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The net realized gains on investments during the three months ended September 30, 2017 consisted of the following:

(in millions) Portfolio Company		Net Realized Gains (Losses)
Bellotto Holdings Limited	$	58
EDS Group		3
Senior Secured Loan Fund LLC		(18)
Other, net		(1)
Total	$	42

During the three months ended September 30, 2017, we recognized net realized losses on foreign currency transactions of $7 million.

During the three months ended September 30, 2016, we had $1.5 billion of sales, repayments or exits of investments resulting in $21 million of net realized gains on investments. These sales, repayments or exits included $197 million of investments sold to IHAM and certain vehicles managed by IHAM and $474 million of investments sold to the SDLP in conjunction with the initial funding of the SDLP. A net realized gain of $0.3 million was recorded on these transactions with IHAM and there was no realized gains or losses recorded on these transactions with the SDLP. During the three months ended September 30, 2016, net realized gains on investments of $21 million were comprised of $30 million of gross realized gains and $9 million of gross realized losses.

The net realized gains on investments during the three months ended September 30, 2016 consisted of the following:

(in millions) Portfolio Company		Net Realized Gains (Losses)
UL Holding Co., LLC	$	12
Primexx Energy Corporation		4
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC		3
Crescent Hotels & Resorts, LLC and affiliates		3
LM Acquisition Holdings, LLC		2
Q9 Holdings Inc.		(9)
Other, net		6
Total	$	21

During the three months ended September 30, 2016, we also recognized net realized losses on foreign currency transactions of $0.3 million.

During the nine months ended September 30, 2017, we had $4.4 billion of sales, repayments or exits of investments resulting in $167 million of net realized gains on investments. These sales, repayments or exits included $88 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of $0 million was recorded on these transactions with IHAM. During the nine months ended September 30, 2017, net realized gains on investments of $167 million were comprised of $238 million of gross realized gains and $71 million of gross realized losses. Of the $167 million of net realized gains on investments, approximately $79 million were from investments acquired as part of the American Capital Acquisition.

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The net realized gains on investments during the nine months ended September 30, 2017 consisted of the following:

(in millions) **Portfolio Company**	**Net Realized Gains (Losses)**
Bellotto Holdings Limited	$ 58
10th Street, LLC	34
Community Education Centers, Inc.	24
Tectum Holdings, Inc.	17
NECCO Realty Investments LLC	13
GHX Ultimate Parent Corporation	11
Wilcon Holdings LLC	10
Project Alpha Intermediate Holding, Inc.	8
S Toys Holdings LLC	7
CIBT Investment Holdings, LLC	6
Market Track Holdings, LLC	6
Hard 8 Games, LLC	5
EDS Group	3
Cent CDO 2006-12	3
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC	(12)
Senior Secured Loan Fund LLC	(18)
Competitor Group, Inc.	(21)
Other, net	13
Total, net	$ 167

During the nine months ended September 30, 2017, we also recognized net realized losses on foreign currency transactions of $20 million.

During the nine months ended September 30, 2017, we redeemed the entire $183 million in aggregate principal amount outstanding of the unsecured notes that were scheduled to mature on October 1, 2022 (the "October 2022 Notes") in accordance with the terms of the indenture governing the October 2022 Notes. The October 2022 Notes bore interest at a rate of 5.875% per year, payable quarterly. The October 2022 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately $185 million, which resulted in a realized loss on the extinguishment of debt of $4 million.

During the nine months ended September 30, 2016, we had $2.7 billion of sales, repayments or exits of investments resulting in $79 million of net realized gains on investments. These sales, repayments or exits included $299 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of $0.7 million was recorded on these transactions with IHAM. During the nine months ended September 30, 2016, net realized gains on investments of $79 million were comprised of $89 million of gross realized gains and $10 million of gross realized losses.

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The net realized gains on investments during the nine months ended September 30, 2016 consisted of the following:

(in millions) **Portfolio Company**	**Net Realized Gains (Losses)**
Napa Management Services Corporation	$ 16
UL Holding Co., LLC	12
Physiotherapy Associates Holdings, Inc.	8
Netsmart Technologies, Inc.	8
AllBridge Financial, LLC	6
Lakeland Tours, LLC	5
WorldPay Group PLC	4
Primexx Energy Corporation	4
MedAssets, Inc.	3
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC	3
Crescent Hotels & Resorts, LLC and affiliates	3
LM Acquisition Holdings, LLC	2
Q9 Holdings Inc.	(9)
Other, net	14
Total, net	$ 79

During the nine months ended September 30, 2016, we also recognized net realized losses on foreign currency transactions of $1 million.

Net Unrealized Gains/Losses

We value our portfolio investments quarterly and the changes in value are recorded as unrealized gains or losses in our consolidated statement of operations. Net unrealized gains and losses for our portfolio for the three and nine months ended September 30, 2017 and 2016, were comprised of the following:

(in millions)	**For the Three Months Ended September 30, 2017**	**2016**	**For the Nine Months Ended September 30, 2017**	**2016**
Unrealized appreciation	$ 126	$ 60	$ 203	$ 165
Unrealized depreciation	(138)	(106)	(257)	(182)
Net unrealized appreciation reversed related to net realized gains or losses(1)	(35)	2	(19)	(14)
Total net unrealized losses	$ (47)	$ (44)	$ (73)	$ (31)

(1) The net unrealized (appreciation) depreciation reversed related to net realized gains or losses represents the unrealized appreciation or depreciation recorded on the related asset at the end of the prior period.

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The changes in net unrealized appreciation and depreciation on investments during the three months ended September 30, 2017 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Alcami Holdings, LLC	$ 64
CCS Intermediate Holdings, LLC	13
Cadence Aerospace, LLC	6
UL Holding Co., LLC	4
NECCO Holdings, Inc.	(3)
ADG, LLC	(3)
ECI Purchaser Company, LLC	(4)
FastMed Holdings I, LLC	(4)
Indra Holdings Corp.	(5)
PERC Holdings 1 LLC	(5)
New Trident Holdcorp, Inc.	(6)
Shock Doctor, Inc.	(7)
Ivy Hill Asset Management, L.P.	(8)
Singer Sewing Company	(9)
Instituto de Banca y Comercio, Inc.	(15)
Other, net	(30)
Total	$ (12)

During the three months ended September 30, 2017, we also recognized net unrealized losses on foreign currency and other transactions of $2 million.

The changes in net unrealized appreciation and depreciation on investments during the three months ended September 30, 2016 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
The Step2 Company, LLC	$ 24
Competitor Group, Inc.	5
Ciena Capital LLC	2
Ivy Hill Asset Management, L.P.	2
UL Holding Co., LLC	2
Absolute Dental Management LLC	(2)
Garden Fresh Restaurant Cop.	(2)
Indra Holdings Corp.	(2)
Community Education Centers, Inc.	(3)
FastMed Holdings I, LLC	(3)
CCS Intermediate Holdings, LLC	(7)
10th Street, LLC and New 10th Street, LLC	(7)
ADF Capital, Inc.	(10)
Instituto de Banca y Comercio, Inc.	(17)
Infilaw Holding, LLC	(34)
Other, net	6
Total	$ (46)

During the three months ended September 30, 2016, we also recognized net unrealized losses on foreign currency and other transactions of $4 million.

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The changes in net unrealized appreciation and depreciation on investments during the nine months ended September 30, 2017 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)	
Alcami Holdings, LLC	$	82
CCS Intermediate Holdings, LLC		10
Ciena Capital LLC		8
Miles 33 (Finance) Limited		7
UL Holding Co., LL		6
PIH Corporation		6
Columbo Midco Limited		6
Imaging Business Machines, L.L.C.		5
Flow Solutions Holdings, Inc.		4
Javlin Three LLC		(3)
SHO Holding Corp		(3)
Patterson Medical Supply, Inc.		(3)
NECCO Holdings, Inc.		(4)
Cent CLO 2014-22		(4)
ECI Purchaser Company, LLC		(4)
Panda Temple Power, LLC		(4)
Panda Liberty LLC (fka Moxie Liberty LLC)		(4)
Eckler Industries, Inc.		(4)
NMSC Holdings, Inc.		(4)
ADG, LLC		(4)
Rug Doctor, LLC		(5)
Green Energy Partners		(5)
Joule Unlimited Technologies, Inc.		(5)
Petroflow Energy Corporation		(5)
Ivy Hill Asset Management, L.P.		(6)
EcoMotors, Inc.		(7)
FastMed Holdings I, LLC		(8)
Singer Sewing Company		(9)
Shock Doctor, Inc.		(9)
Indra Holdings Corp.		(10)
Soil Safe, Inc.		(10)
Infilaw Holding, LLC		(13)
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.		(16)
ADF Capital, Inc.		(17)
New Trident Holdcorp, Inc.		(18)
Other, net		(4)
Total	$	(54)

During the nine months ended September 30, 2017, we also recognized net unrealized losses on foreign currency and other transactions of $6 million.

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The changes in net unrealized appreciation and depreciation on investments during the nine months ended September 30, 2016 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
The Step2 Company, LLC	$ 39
UL Holding Co., LLC	25
Senior Secured Loan Fund LLC	12
Community Education Centers, Inc.	8
R3 Education, Inc.	6
Spin HoldCo Inc.	6
Green Energy Partners	5
TA THI Parent, Inc.	4
Lonestar Prospects, Ltd.	4
Orion Foods, LLC	3
Patterson Medical Supply, Inc.	2
ADF Capital, Inc.	2
Global Healthcare Exchange, LLC	2
McKenzie Sports Products, LLC	2
CFW Co-Invest, L.P.	2
American Seafoods Investors LLC	2
Ivy Hill Asset Management, L.P.	(2)
Garden Fresh Restaurant Corp.	(2)
Poplicus Incorporated	(2)
INC Research Mezzanine Co-Invest, LLC	(3)
La Paloma Generating Company, LLC	(3)
Absolute Dental Management LLC and ADM Equity, LLC	(3)
Flow Solutions Holdings, Inc.	(3)
Feradyne Outdoors, LLC	(4)
Things Remembered, Inc.	(6)
10th Street, LLC and New 10th Street, LLC	(7)
FastMed Holdings I, LLC	(8)
Indra Holdings Corp.	(11)
CCS Intermediate Holdings, LLC	(22)
Instituto de Banca y Comercio, Inc.	(41)
Infilaw Holding, LLC	(44)
Other, net	20
Total, net	$ (17)

During the nine months ended September 30, 2016, we also recognized net unrealized losses on foreign currency and other transactions of $4 million.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources are generated primarily from the net proceeds of public offerings of equity and debt securities, advances from the Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility (each as defined below and together, the "Facilities"), net proceeds from the issuance of other securities, including unsecured notes and SBA Debentures, as well as cash flows from operations.

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As of September 30, 2017, we had $341 million in cash and cash equivalents and $4.7 billion in total aggregate principal amount of debt outstanding ($4.6 billion at carrying value). Subject to leverage, borrowing base and other restrictions, we had approximately $2.7 billion available for additional borrowings under the Facilities and the SBA Debentures as of September 30, 2017.

We may from time to time seek to retire or repurchase our common stock through cash purchases, as well as retire, cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. Such purchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. The amounts involved may be material. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including unsecured debt and/or debt securities convertible into common stock. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the Investment Company Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, calculated pursuant to the Investment Company Act, is at least 200% after such borrowing. On June 21, 2016, we received exemptive relief from the SEC allowing us to modify our calculation of asset coverage requirements to exclude the SBA Debentures. This exemptive relief provides us with increased investment flexibility but also increases our risk related to leverage. As of September 30, 2017, our asset coverage was 247% (excluding the SBA Debentures).

Equity Capital Activities

As of September 30, 2017 and December 31, 2016, our total equity market capitalization was $7.0 billion and $5.2 billion, respectively. There were no sales of our equity securities during the nine months ended September 30, 2017 and 2016.

On the Acquisition Date, in connection with the American Capital Acquisition, we issued 112 million shares valued at approximately $16.42 per share.

In September 2015, our board of directors approved a stock repurchase program authorizing us to repurchase up to $100 million in the aggregate of our outstanding common stock in the open market at certain thresholds below our net asset value per share, in accordance with the guidelines specified in Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The timing, manner, price and amount of any share repurchases will be determined by us, in our discretion, based upon the evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors. In May 2016, we suspended our stock repurchase program pending the completion of the American Capital Acquisition. In February 2017, our board of directors authorized an amendment to our stock repurchase program to (a) increase the total authorization under the program from $100 million to $300 million and (b) extend the expiration date of the program from February 28, 2017 to February 28, 2018. Under the stock repurchase program, we may repurchase up to $300 million in the aggregate of our outstanding common stock in the open market at a price per share that meets certain thresholds below our net asset value per share, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The program does not require us to repurchase any specific number of shares and we cannot assure stockholders that any shares will be repurchased under the program. The program may be suspended, extended, modified or discontinued at any time.

As of September 30, 2017, we had repurchased a total of 0.5 million shares of our common stock in the open market under the stock repurchase program since its inception in September 2015, at an average price of $13.92 per share, including commissions paid, leaving approximately $293 million available for additional repurchases under the program. During the nine months ended September 30, 2017, we did not repurchase any shares of our common stock under the stock repurchase program.

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Debt Capital Activities

Our debt obligations consisted of the following as of September 30, 2017 and December 31, 2016:

	As of					
	September 30, 2017			December 31, 2016		
(in millions)	Total Aggregate Principal Amount Available/ Outstanding(1)	Principal Amount	Carrying Value	Total Aggregate Principal Amount Available/ Outstanding(1)	Principal Amount	Carrying Value
Revolving Credit Facility	$ 2,108(2)	$ 395	$ 395	$ 1,265	$ 571	$ 571
Revolving Funding Facility	1,000	450	450	540	155	155
SMBC Funding Facility	400			400	105	105
SBA Debentures	50			75	25	24
2017 Convertible Notes			(3)	162	162	162(4)
2018 Convertible Notes	270	270	269(4)	270	270	267(4)
2019 Convertible Notes	300	300	298(4)	300	300	296(4)
2022 Convertible Notes	388	388	367(4)			
2018 Notes	750	750	747(5)	750	750	745(5)
2020 Notes	600	600	597(6)	600	600	596(6)
January 2022 Notes	600	600	593(7)	600	600	592(7)
October 2022 Notes			(8)	183	183	179(9)
2023 Notes	750	750	742(10)			
2047 Notes	230	230	182(11)	230	230	182(11)
Total	$ 7,446	$ 4,733	$ 4,640	$ 5,375	$ 3,951	$ 3,874

(1) Subject to borrowing base, leverage and other restrictions. Represents the total aggregate amount committed or outstanding, as applicable, under such instrument.

(2) Provides for a feature that allows us, under certain circumstances, to increase the size of the Revolving Credit Facility (as defined below) to a maximum of $3.1 billion.

(3) See below for more information on the repayment of the 2017 Convertible Notes (as defined below) at maturity.

(4) Represents the aggregate principal amount outstanding of the Convertible Unsecured Notes (as defined below). As of September 30, 2017, the total unamortized debt issuance costs and the unaccreted discount for the 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes (each as defined below) were $1 million, $2 million and $21 million, respectively. As of December 31, 2016, the total unamortized debt issuance costs and the unaccreted discount for the 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes (each as defined below) were $0 million, $3 million and $4 million, respectively.

(5) Represents the aggregate principal amount outstanding of the 2018 Notes (as defined below) less unamortized debt issuance costs and plus the net unamortized premium that was recorded upon the issuances of the 2018 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs less the net unamortized premium were $3 million and $5 million, respectively.

(6) Represents the aggregate principal amount outstanding of the 2020 Notes (as defined below) less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of

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the 2020 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs and the net unaccreted discount were $3 million and $4 million, respectively.

(7) Represents the aggregate principal amount outstanding of the January 2022 Notes (as defined below) less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of the January 2022 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs and the net unaccreted discount were $7 million and $8 million, respectively.

(8) See below for more information on the repayment of the October 2022 Notes.

(9) Represents the aggregate principal amount outstanding of the October 2022 Notes less unamortized debt issuance costs. As of December 31, 2016, the total unamortized debt issuance costs was $4 million.

(10) Represents the aggregate principal amount outstanding of the 2023 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the 2023 Notes. As of September 30, 2017, the total unamortized debt issuance costs and the unaccreted discount was $8 million.

(11) Represents the aggregate principal amount outstanding of the 2047 Notes (as defined below) less the unaccreted purchased discount recorded as part of the acquisition of Allied Capital in April 2010 (the "Allied Acquisition"). As of September 30, 2017 and December 31, 2016, the total unaccreted purchased discount was $47 million and $48 million, respectively.

The weighted average stated interest rate and weighted average maturity, both on aggregate principal amount outstanding, of all our debt outstanding as of September 30, 2017 were 4.1% and 4.5 years, respectively, and as of December 31, 2016 were 4.2% and 4.8 years, respectively.

The ratio of total principal amount of debt outstanding to stockholders' equity as of September 30, 2017 was 0.67:1.00 compared to 0.77:1.00 as of December 31, 2016.

Revolving Credit Facility

We are party to the Revolving Credit Facility, which allows us to borrow up to $2.1 billion at any one time outstanding. The Revolving Credit Facility consists of a $395 million term loan tranche with a stated maturity date of January 4, 2022 and a $1.7 billion revolving tranche. For $1.6 billion of the revolving tranche, the end of the revolving period and the stated maturity date are January 4, 2021 and January 4, 2022, respectively. For $38 million of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2020 and May 4, 2021, respectively. For the remaining $45 million of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2019 and May 4, 2020, respectively. The Revolving Credit Facility also provides for a feature that allows us, under certain circumstances, to increase the overall size of the Revolving Credit Facility to a maximum of $3.1 billion. The interest rate charged on the Revolving Credit Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility), in each case, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of September 30, 2017, the interest rate in effect was LIBOR plus 1.75%. We are also required to pay a letter of credit fee of either 2.00% or 2.25% per annum on letters of credit issued, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. Additionally, we are required to pay a commitment fee of 0.375% per annum on any unused portion of the Revolving Credit Facility. As of September 30, 2017, there was $395 million

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outstanding under the Revolving Credit Facility and we were in compliance in all material respects with the terms of the Revolving Credit Facility.

Revolving Funding Facility

Our consolidated subsidiary, Ares Capital CP is party to the Revolving Funding Facility, which allows Ares Capital CP to borrow up to $1 billion at any one time outstanding. The Revolving Funding Facility is secured by all of the assets held by, and the membership interest in, Ares Capital CP. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are January 3, 2019 and January 3, 2022, respectively. As of September 30, 2017, the interest rate charged on the Revolving Funding Facility was based on LIBOR plus 2.30% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.30% per annum. Ares Capital CP is also required to pay a commitment fee of between 0.50% and 1.50% per annum depending on the size of the unused portion of the Revolving Funding Facility. As of September 30, 2017, there was $450 million outstanding under the Revolving Funding Facility and we and Ares Capital CP were in compliance in all material respects with the terms of the Revolving Funding Facility. See "Recent Developments," as well as Note 16 to our consolidated financial statements for a subsequent event relating to the Revolving Funding Facility.

SMBC Funding Facility

Our consolidated subsidiary, ACJB, is party to the SMBC Funding Facility, which allows ACJB to borrow up to $400 million at any one time outstanding. The SMBC Funding Facility is secured by all of the assets held by ACJB. As of September 30, 2017, the end of the reinvestment period and the stated maturity date for the SMBC Funding Facility were September 14, 2018 and September 14, 2023, respectively. The reinvestment period and the stated maturity date are both subject to two one-year extensions by mutual agreement. The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of September 30, 2017, the interest rate in effect was LIBOR plus 1.75%. Additionally, ACJB is required to pay a commitment fee of between 0.35% and 0.875% per annum depending on the size of the unused portion of the SMBC Funding Facility. As of September 30, 2017, there were no amounts outstanding under the SMBC Funding Facility and we and ACJB were in compliance in all material respects with the terms of the SMBC Funding Facility.

SBA Debentures

In April 2015, our consolidated subsidiary, AVF LP, received a license from the SBA to operate as a Small Business Investment Company ("SBIC") under the provisions of Section 301(c) of the Small Business Investment Act of 1958, as amended. The SBA places certain limitations on the financing of investments by SBICs in portfolio companies, including regulating the types of financings, restricting investments to only include small businesses with certain characteristics or in certain industries, and requiring capitalization thresholds that may limit distributions to us.

The license from the SBA allows AVF LP to obtain leverage by issuing SBA Debentures, subject to issuance of a capital commitment by the SBA and other customary procedures. Leverage through the SBA Debentures is subject to required capitalization thresholds. Current SBA regulations limit the amount that any SBIC may borrow to $150 million and the original amount committed to AVF LP by the SBA was $75 million. Any undrawn commitments expire on September 30, 2019. The SBA Debentures are non-recourse to us, have interest payable semi-annually, have a 10-year maturity and may be prepaid at any time without penalty. As of September 30, 2017, AVF LP was in compliance in all material respects with SBA regulatory requirements. In September 2017, AVF LP fully repaid the

$25 million of the aggregate principal amount of the SBA Debentures outstanding at the time, and as a result had $50 million of remaining commitments to AVF LP by the SBA.

The interest rate for the SBA Debentures were fixed at the time the SBA Debentures and other applicable SBA-guaranteed debentures were pooled and sold to the public and were based on a spread over U.S. treasury notes with 10-year maturities. The pooling of newly issued SBA-guaranteed debentures occurred twice per year. The spread included an annual charge as determined by the SBA (the "Annual Charge") as well as a market-driven component. Prior to the 10-year fixed interest rate being determined, the interim interest rate charged for the SBA Debentures was based on LIBOR plus an applicable spread of 0.30% and the Annual Charge. As of December 31, 2016, the weighted average fixed interest rate in effect for the SBA Debentures was 3.48%.

Convertible Unsecured Notes

We have issued $270 million aggregate principal amount of unsecured convertible notes that mature on January 15, 2018 (the "2018 Convertible Notes"), $300 million aggregate principal amount of unsecured convertible notes that mature on January 15, 2019 (the "2019 Convertible Notes") and the $388 million aggregate principal amount of unsecured convertible notes that mature on February 1, 2022 (the "2022 Convertible Notes" and together with the 2018 Convertible Notes and the 2019 Convertible Notes, the "Convertible Unsecured Notes"). The Convertible Unsecured Notes mature upon their respective maturity dates unless previously converted or repurchased in accordance with their terms. We do not have the right to redeem the Convertible Unsecured Notes prior to maturity. The 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes bear interest at a rate of 4.750%, 4.375% and 3.75%, respectively, per year, payable semi-annually.

In certain circumstances, the Convertible Unsecured Notes will be convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, at their respective conversion rates (listed below as of September 30, 2017) subject to customary anti-dilution adjustments and the requirements of their respective indenture (the "Convertible Unsecured Notes Indentures"). To the extent the 2018 Convertible Notes are converted, we have elected to settle with a combination of cash and shares of our common stock. Prior to the close of business on the business day immediately preceding their respective conversion date (listed below), holders may convert their Convertible Unsecured Notes only under certain circumstances set forth in the respective Convertible Unsecured Notes Indenture. On or after their respective conversion dates until the close of business on the scheduled trading day immediately preceding their respective maturity date, holders may convert their Convertible Unsecured Notes at any time. In addition, if we engage in certain corporate events as described in their respective Convertible Unsecured Notes Indenture, holders of the Convertible Unsecured Notes may require us to repurchase for cash all or part of the Convertible Unsecured Notes at a repurchase price equal to 100% of the principal amount of the Convertible Unsecured Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the required repurchase date.

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Certain key terms related to the convertible features for each of the Convertible Unsecured Notes as of September 30, 2017 are listed below.

	2018 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Conversion premium	17.5%	15.0%	15.0%
Closing stock price at issuance	$16.91	$17.53	$16.86
Closing stock price date	October 3, 2012	July 15, 2013	January 23, 2017
Conversion price(1)	$19.64	$19.99	$19.39
Conversion rate (shares per one thousand dollar principal amount)(1)	50.9054	50.0292	51.5756
Conversion dates	July 15, 2017	July 15, 2018	August 1, 2021

(1) Represents conversion price and conversion rate, as applicable, as of September 30, 2017, taking into account certain de minimis adjustments that will be made on the conversion date.

In March 2017, we repaid in full $162 million in aggregate principal amount of unsecured convertible notes due in March 2017 (the "2017 Convertible Notes") upon their maturity.

Unsecured Notes

2018 Notes

We have issued $750 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 4.875% per year and mature on November 30, 2018 (the "2018 Notes"). The 2018 Notes require payment of interest semi-annually, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time at our option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2018 Notes, and any accrued and unpaid interest. $600 million in aggregate principal amount of the 2018 Notes were issued at a discount to the principal amount and $150 million in aggregate principal amount of the 2018 Notes were issued at a premium to the principal amount.

2020 Notes

We have issued $600 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 3.875% per year and mature on January 15, 2020 (the "2020 Notes"). The 2020 Notes require payment of interest semi-annually, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time at our option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing the 2020 Notes, and any accrued and unpaid interest. $400 million in aggregate principal amount of the 2020 Notes were issued at a discount to the principal amount and $200 million in aggregate principal amount of the 2020 Notes were issued at a premium to the principal amount.

January 2022 Notes

We have issued $600 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 3.625% per year and mature on January 19, 2022 (the "January 2022 Notes"). The January 2022 Notes require payment of interest semi-annually, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time at our option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing

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the January 2022 Notes, and any accrued and unpaid interest. The January 2022 Notes were issued at a discount to the principal amount.

2023 Notes

We have issued $750 million in aggregate principal amount of unsecured notes that mature on February 10, 2023 (the "2023 Notes"). The 2023 Notes bear interest at a rate of 3.500% per year, payable semi-annually and all principal is due upon maturity. The 2023 Notes may be redeemed in whole or in part at any time at our option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing the 2023 Notes, and any accrued and unpaid interest. The 2023 Notes were issued at a discount to the principal amount.

2047 Notes

As part of the Allied Acquisition, we assumed $230 million aggregate principal amount of unsecured notes which bear interest at a rate of 6.875% and mature on April 15, 2047 (the "2047 Notes" and together with the 2018 Notes, the 2020 Notes, the January 2022 Notes, the October 2022 Notes, and the 2023 Notes, the "Unsecured Notes"). The 2047 Notes require payment of interest quarterly, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time or from time to time at our option, at a par redemption price of $25.00 per security plus accrued and unpaid interest.

As of September 30, 2017, we were in compliance in all material respects with the terms of the Convertible Unsecured Notes Indentures and the indentures governing the Unsecured Notes.

The Convertible Unsecured Notes and the Unsecured Notes are our senior unsecured obligations and rank senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the Convertible Unsecured Notes and the Unsecured Notes; equal in right of payment to our existing and future unsecured indebtedness that is not expressly subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

See Note 5 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on our debt obligations.

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OFF BALANCE SHEET ARRANGEMENTS

We have various commitments to fund investments in our portfolio, as described below.

As of September 30, 2017 and December 31, 2016, we had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to fund which are at (or substantially at) our discretion:

	As of	
(in millions)	**September 30, 2017**	**December 31, 2016**
Total revolving and delayed draw loan commitments	$ 801	$ 411
Less: drawn commitments	(176)	(81)
Total undrawn commitments	625	330
Less: commitments substantially at our discretion	(16)	(12)
Less: unavailable commitments due to borrowing base or other covenant restrictions		
Total net adjusted undrawn revolving and delayed draw loan commitments	$ 609	$ 318

Included within the total revolving and delayed draw loan commitments as of September 30, 2017 and December 31, 2016 were delayed draw loan commitments totaling $276 million and $92 million, respectively. Our commitment to fund delayed draw loans is triggered upon the satisfaction of certain pre-negotiated terms and conditions. Generally, the most significant and uncertain term requires the borrower to satisfy a specific use of proceeds covenant. The use of proceeds covenant typically requires the borrower to use the additional loans for the specific purpose of a permitted acquisition or permitted investment, for example. In addition to the use of proceeds covenant, the borrower is generally required to satisfy additional negotiated covenants (including specified leverage levels).

Also included within the total revolving and delayed draw loan commitments as of September 30, 2017 were commitments to issue up to $118 million in letters of credit through a financial intermediary on behalf of certain portfolio companies. As of September 30, 2017, we had $28 million in letters of credit issued and outstanding under these commitments on behalf of the portfolio companies. For all these letters of credit issued and outstanding, we would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. Of these letters of credit, $27 million expire in 2018 and $1 million expires in 2019. As of September 30, 2017, we recorded a liability of $7 million for certain letters of credit issued and outstanding and none of the other letters of credit issued and outstanding were recorded as a liability on our balance sheet as such other letters of credit are considered in the valuation of the investments in the portfolio company.

We also have commitments to co-invest in the SDLP for our portion of the SDLP's commitments to fund delayed draw loans to certain portfolio companies of the SDLP. We previously had commitments to co-invest in the SSLP for our portion of the SSLP's commitments to fund delayed draw loans to certain portfolio companies of the SSLP. See "Senior Direct Lending Program" and "Senior Secured Loan Program" above and Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information.

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As of September 30, 2017 and December 31, 2016, we were party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

	As of	
(in millions)	**September 30, 2017**	**December 31, 2016**
Total private equity commitments	$ 117	$ 57
Less: funded private equity commitments	(67)	(17)
Total unfunded private equity commitments	50	40
Less: private equity commitments substantially our discretion	(49)	(39)
Total net adjusted unfunded private equity commitments	$ 1	$ 1

In the ordinary course of business, we may sell certain of our investments to third party purchasers. In particular, in connection with the sale of certain controlled portfolio company equity investments (as well as certain other sales), we have, and may continue to do so in the future, agreed to indemnify such purchasers for future liabilities arising from the investments and the related sale transaction. Such indemnification provisions have given rise to liabilities in the past and may do so in the future.

In addition, in the ordinary course of business, we may guarantee certain obligations in connection with our portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable.

RECENT DEVELOPMENTS

In October 2017, we entered into an agreement to amend the Revolving Funding Facility, that among other things, (a) modified the interest rate charged on the Revolving Funding Facility from a rate based on LIBOR plus 2.30% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.30% per annum, to a rate based on LIBOR plus 2.15% per annum or a "base rate" plus 1.15% per annum and (b) modified certain loan portfolio concentration limits.

CRITICAL ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with GAAP, and include the accounts of ours and our consolidated subsidiaries. We are an investment company following accounting and reporting guidance in Accounting Standards Codification 946. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the results of the operations and financial condition as of and for the periods presented. All significant intercompany balances and transactions have been eliminated.

Interim financial statements are prepared in accordance with GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6 or 10 of Regulation S-X. In the opinion of management, all adjustments, consisting solely of normal recurring accruals considered necessary for the fair presentation of financial statements for the interim period presented, have been included. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending December 31, 2017.

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Cash and Cash Equivalents

Cash and cash equivalents include funds from time to time deposited with financial institutions and short-term, liquid investments in a money market account. Cash and cash equivalents are carried at cost which approximates fair value.

Concentration of Credit Risk

We place our cash and cash equivalents with financial institutions and, at times, cash held in money market accounts may exceed the Federal Deposit Insurance Corporation insured limit.

Investments

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment using the specific identification method without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. Unrealized gains or losses primarily reflect the change in investment values, including the reversal of previously recorded unrealized gains or losses when gains or losses are realized.

Investments for which market quotations are readily available are typically valued at such market quotations. In order to validate market quotations, we look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available (i.e., substantially all of our investments) are valued at fair value as determined in good faith by our board of directors, based on, among other things, the input of our investment adviser, audit committee and independent third-party valuation firms that have been engaged at the direction of our board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12-month period (with certain de minimis exceptions) and under a valuation policy and a consistently applied valuation process. The valuation process is conducted at the end of each fiscal quarter, and a portion of our investment portfolio at fair value is subject to review by an independent valuation firm each quarter. In addition, our independent registered public accounting firm obtains an understanding of, and performs select procedures relating to, our investment valuation process within the context of performing the integrated audit.

As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments: the enterprise value of a portfolio company (the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, changes in the interest rate environment and the credit markets, which may affect the price at which similar investments would trade in their principal markets and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate our valuation.

Because there is not a readily available market value for most of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our board of directors, as described herein. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which we have recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned.

Our board of directors undertakes a multi-step valuation process each quarter, as described below:

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with our portfolio management team.

- Preliminary valuations are reviewed and discussed with our investment adviser's management and investment professionals, and then valuation recommendations are presented to our board of directors.

- The audit committee of our board of directors reviews these valuations, as well as the input of third parties, including independent third-party valuation firms who have reviewed a portion of the investments in our portfolio at fair value.

- Our board of directors discusses valuations and ultimately determines the fair value of each investment in our portfolio without a readily available market quotation in good faith based on, among other things, the input of our investment adviser, audit committee and, where applicable, independent third-party valuation firms.

See Note 8 to our consolidated financial statements for the year ended December 31, 2016 and Note 8 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on our valuation process.

Interest and Dividend Income Recognition

Interest income is recorded on an accrual basis and includes the accretion of discounts and amortization of premiums. Discounts from and premiums to par value on securities purchased are accreted/amortized into interest income over the life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discounts and amortization of premiums, if any.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. We may make exceptions to this policy if the loan has sufficient collateral value and is in the process of collection.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

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Payment-in-Kind Interest

We have loans in our portfolio that contain payment-in-kind ("PIK") provisions. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To maintain our status as a RIC, this non-cash source of income must be paid out to stockholders in the form of dividends, even though we have not yet collected the cash.

Capital Structuring Service Fees and Other Income

Our investment adviser seeks to provide assistance to our portfolio companies and in return we may receive fees for capital structuring services. These fees are generally only available to us as a result of our underlying investments, are normally paid at the closing of the investments, are generally non-recurring and are recognized as revenue when earned upon closing of the investment. The services that our investment adviser provides vary by investment, but generally include reviewing existing credit facilities, arranging bank financing, arranging equity financing, structuring financing from multiple lenders, structuring financing from multiple equity investors, restructuring existing loans, raising equity and debt capital, and providing general financial advice, which concludes upon closing of the investment. Any services of the above nature subsequent to the closing would generally generate a separate fee payable to us. In certain instances where we are invited to participate as a co-lender in a transaction and do not provide significant services in connection with the investment, a portion of loan fees paid to us in such situations will be deferred and amortized over the estimated life of the loan.

Other income includes fees for management and consulting services, loan guarantees, commitments, amendments and other services rendered by us to portfolio companies. Such fees are recognized as income when earned or the services are rendered.

Foreign Currency Translation

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

(1) Fair value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the period.

(2) Purchases and sales of investment securities, income and expenses at the exchange rates prevailing on the respective dates of such transactions, income or expenses.

Results of operations based on changes in foreign exchange rates are separately disclosed in the statement of operations, if any. Foreign security and currency translations may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices more volatile than those of comparable U.S. companies or U.S. government securities.

Derivative Instruments

We do not utilize hedge accounting and as such we value our derivatives at fair value with the unrealized gains or losses recorded in "net unrealized gains (losses) from foreign currency and other transactions" in our consolidated statement of operations.

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Equity Offering Expenses

Our offering costs are charged against the proceeds from equity offerings when proceeds are received.

Debt Issuance Costs

Debt issuance costs are amortized over the life of the related debt instrument using the straight line method or the effective yield method, depending on the type of debt instrument.

Income Taxes

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must (among other requirements) meet certain source-of-income and asset diversification requirements and timely distribute to our stockholders at least 90% of our investment company taxable income, as defined by the Code, for each year. We (among other requirements) have made and intend to continue to make the requisite distributions to our stockholders, which will generally relieve us from U.S. federal corporate-level income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. To the extent that we determine that our estimated current year taxable income will be in excess of estimated dividend distributions for the current year, we accrue excise tax, if any, on estimated excess taxable income as such taxable income is earned.

Certain of our consolidated subsidiaries are subject to U.S. federal and state corporate-level income taxes.

Dividends to Common Stockholders

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend is determined by our board of directors each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are generally distributed, although we may decide to retain such capital gains for investment.

We have adopted a dividend reinvestment plan that provides for reinvestment of any distributions we declare in cash on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our board of directors authorizes, and we declare, a cash dividend, then our stockholders who have not "opted out" of our dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of our common stock, rather than receiving the cash dividend. We intend to use primarily newly issued shares to implement the dividend reinvestment plan (so long as we are trading at a premium to net asset value). If our shares are trading at a discount to net asset value and we are otherwise permitted under applicable law to purchase such shares, we may purchase shares in the open market in connection with our obligations under our dividend reinvestment plan. However, we reserve the right to issue new shares of our common stock in connection with our obligations under the dividend reinvestment plan even if our shares are trading below net asset value.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of actual and contingent assets and liabilities at the date of the financial statements and the reported amounts of income or loss and

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expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of investments.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance in this ASU supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)*. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations*, which clarifies the guidance in ASU No. 2014-09 and has the same effective date as the original standard. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, an update on identifying performance obligations and accounting for licenses of intellectual property. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, which includes amendments for enhanced clarification of the guidance. In December 2016, the FASB issued ASU No. 2016-20, *Technical Corrections and Improvements to Revenue from Contracts with Customers (Topic 606)*, the amendments in this update are of a similar nature to the items typically addressed in the technical corrections and improvements project. Additionally, in February 2017, the FASB issued ASU No. 2017-05, *Other Income Gains and Losses from the Derecognition of Nonfinancial Assets (subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*, an update clarifying that a financial asset is within the scope of Subtopic 610-20 if it is deemed an "in-substance non-financial asset." The application of this guidance is not expected to have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Leases (Topic 840)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for those leases previously classified as operating leases. The guidance requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The amendments in ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early adoption permitted. While we are currently evaluating the impact of ASU No. 2016-02, we expect an increase to the consolidated balance sheets for lease assets and associated lease liabilities for our lease agreements previously accounted for as operating leases.

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SENIOR SECURITIES
(dollar amounts in thousands, except per unit data)

Information about our senior securities (including preferred stock, debt securities and other indebtedness) is shown in the following tables as of the end of the last ten fiscal years and as of September 30, 2017. The report of our independent registered public accounting firm, KPMG LLP, on the senior securities table as of December 31, 2016, is attached as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus is a part. The " " indicates information that the SEC expressly does not require to be disclosed for certain types of senior securities.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Revolving Credit Facility				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 395,000	$ 2,465	$	N/A
Fiscal 2016	$ 571,053	$ 2,296	$	N/A
Fiscal 2015	$ 515,000	$ 2,213	$	N/A
Fiscal 2014	$ 170,000	$ 2,292	$	N/A
Fiscal 2013	$	$	$	N/A
Fiscal 2012	$	$	$	N/A
Fiscal 2011	$ 395,000	$ 2,393	$	N/A
Fiscal 2010	$ 146,000	$ 3,079	$	N/A
Fiscal 2009	$ 474,144	$ 2,294	$	N/A
Fiscal 2008	$ 480,486	$ 2,201	$	N/A
Fiscal 2007	$ 282,528	$ 2,644	$	N/A
Revolving Funding Facility				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 450,000	$ 2,465	$	N/A
Fiscal 2016	$ 155,000	$ 2,296	$	N/A
Fiscal 2015	$ 250,000	$ 2,213	$	N/A
Fiscal 2014	$ 324,000	$ 2,292	$	N/A
Fiscal 2013	$ 185,000	$ 2,547	$	N/A
Fiscal 2012	$ 300,000	$ 2,721	$	N/A
Fiscal 2011	$ 463,000	$ 2,393	$	N/A
Fiscal 2010	$ 242,050	$ 3,079	$	N/A
Fiscal 2009	$ 221,569	$ 2,294	$	N/A
Fiscal 2008	$ 114,300	$ 2,201	$	N/A
Fiscal 2007	$ 85,000	$ 2,644	$	N/A
Revolving Funding II Facility				
Fiscal 2009	$	$	$	N/A
SMBC Revolving Funding Facility				
Fiscal 2017 (as of September 30, 2017, unaudited)	$	$ 2,465	$	N/A
Fiscal 2016	$ 105,000	$ 2,296	$	N/A
Fiscal 2015	$ 110,000	$ 2,213	$	N/A
Fiscal 2014	$ 62,000	$ 2,292	$	N/A
Fiscal 2013	$	$	$	N/A
Fiscal 2012	$	$	$	N/A
SBA Debentures				
Fiscal 2017 (as of September 30, 2017, unaudited)	$	$ 2,465	$	N/A
Fiscal 2016	$ 25,000	$ 2,296	$	N/A
Fiscal 2015	$ 22,000	$ 2,213	$	N/A
Debt Securitization				
Fiscal 2011	$ 77,531	$ 2,393	$	N/A
Fiscal 2010	$ 155,297	$ 3,079	$	N/A
Fiscal 2009	$ 273,752	$ 2,294	$	N/A

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Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Fiscal 2008	$ 314,000	$ 2,201	$	N/A
Fiscal 2007	$ 314,000	$ 2,644	$	N/A
February 2016 Convertible Notes				
Fiscal 2015	$ 575,000	$ 2,213	$	N/A
Fiscal 2014	$ 575,000	$ 2,292	$	N/A
Fiscal 2013	$ 575,000	$ 2,547	$	N/A
Fiscal 2012	$ 575,000	$ 2,721	$	N/A
Fiscal 2011	$ 575,000	$ 2,393	$	N/A
June 2016 Convertible Notes				
Fiscal 2015	$ 230,000	$ 2,213	$	N/A
Fiscal 2014	$ 230,000	$ 2,292	$	N/A
Fiscal 2013	$ 230,000	$ 2,547	$	N/A
Fiscal 2012	$ 230,000	$ 2,721	$	N/A
Fiscal 2011	$ 230,000	$ 2,393	$	N/A
2017 Convertible Notes				
Fiscal 2016	$ 162,500	$ 2,296	$	N/A
Fiscal 2015	$ 162,500	$ 2,213	$	N/A
Fiscal 2014	$ 162,500	$ 2,292	$	N/A
Fiscal 2013	$ 162,500	$ 2,547	$	N/A
Fiscal 2012	$ 162,500	$ 2,721	$	N/A
2018 Convertible Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 270,000	$ 2,465	$	N/A
Fiscal 2016	$ 270,000	$ 2,296	$	N/A
Fiscal 2015	$ 270,000	$ 2,213	$	N/A
Fiscal 2014	$ 270,000	$ 2,292	$	N/A
Fiscal 2013	$ 270,000	$ 2,547	$	N/A
Fiscal 2012	$ 270,000	$ 2,721	$	N/A
2019 Convertible Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 300,000	$ 2,465	$	N/A
Fiscal 2016	$ 300,000	$ 2,296	$	N/A
Fiscal 2015	$ 300,000	$ 2,213	$	N/A
Fiscal 2014	$ 300,000	$ 2,292	$	N/A
Fiscal 2013	$ 300,000	$ 2,547	$	N/A
2022 Convertible Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 388,000	$ 2,465	$	N/A
2011 Notes				
Fiscal 2010	$ 300,584	$ 3,079	$	$ 1,018
2012 Notes				
Fiscal 2010	$ 161,210	$ 3,079	$	$ 1,018
2018 Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 750,000	$ 2,465	$	N/A
Fiscal 2016	$ 750,000	$ 2,296	$	N/A
Fiscal 2015	$ 750,000	$ 2,213	$	N/A
Fiscal 2014	$ 750,000	$ 2,292	$	N/A
Fiscal 2013	$ 600,000	$ 2,547	$	N/A
2020 Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 600,000	$ 2,465	$	N/A
Fiscal 2016	$ 600,000	$ 2,296	$	N/A
Fiscal 2015	$ 600,000	$ 2,213	$	N/A
Fiscal 2014	$ 400,000	$ 2,292	$	N/A
January 2022 Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 600,000	$ 2,465	$	N/A
Fiscal 2016	$ 600,000	$ 2,296	$	N/A

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Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
February 2022 Notes				
Fiscal 2014	$ 143,750	$ 2,292	$	$ 1,024
Fiscal 2013	$ 143,750	$ 2,547	$	$ 1,043
Fiscal 2012	$ 143,750	$ 2,721	$	$ 1,035
October 2022 Notes				
Fiscal 2016	$ 182,500	$ 2,296	$	$ 1,017
Fiscal 2015	$ 182,500	$ 2,213	$	$ 1,011
Fiscal 2014	$ 182,500	$ 2,292	$	$ 1,013
Fiscal 2013	$ 182,500	$ 2,547	$	$ 993
Fiscal 2012	$ 182,500	$ 2,721	$	$ 986
2023 Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 750,000	$ 2,465	$	N/A
2040 Notes				
Fiscal 2014	$ 200,000	$ 2,292	$	$ 1,040
Fiscal 2013	$ 200,000	$ 2,547	$	$ 1,038
Fiscal 2012	$ 200,000	$ 2,721	$	$ 1,041
Fiscal 2011	$ 200,000	$ 2,393	$	$ 984
Fiscal 2010	$ 200,000	$ 3,079	$	$ 952
2047 Notes				
Fiscal 2017 (as of September 30, 2017, unaudited)	$ 229,557	$ 2,465	$	$ 1,021
Fiscal 2016	$ 229,557	$ 2,296	$	$ 1,015
Fiscal 2015	$ 229,557	$ 2,213	$	$ 1,011
Fiscal 2014	$ 229,557	$ 2,292	$	$ 985
Fiscal 2013	$ 230,000	$ 2,547	$	$ 972
Fiscal 2012	$ 230,000	$ 2,721	$	$ 978
Fiscal 2011	$ 230,000	$ 2,393	$	$ 917
Fiscal 2010	$ 230,000	$ 3,079	$	$ 847

(1) Total amount of each class of senior securities outstanding at principal value at the end of the period presented.

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by total senior securities representing indebtedness. This asset coverage ratio is multiplied by $1,000 to determine the "Asset Coverage Per Unit" (including for the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, which were issued in $25 increments). In June 2016, Ares Capital received exemptive relief from the SEC allowing it to modify the asset coverage requirements to exclude SBA Debentures from this calculation. As such, the asset coverage ratio beginning with Fiscal 2016 excludes the SBA Debentures. Certain prior year amounts have been reclassified to conform to the 2016 presentation. In particular, unamortized debt issuance costs were previously included in other assets and were reclassified to long-term debt as a result of the adoption of ASU 2015-03, Interest Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs during the first quarter of 2016.

(3) The amount to which such class of senior security would be entitled upon our involuntary liquidation in preference to any security junior to it.

(4) Not applicable, except for with respect to the 2011 Notes, the 2012 Notes, the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, as other senior securities are not registered for public trading on a stock exchange. The average market value per unit for each of the 2011 Notes, the 2012 Notes, the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes is based on the average daily prices of such notes and is expressed per $1,000 of indebtedness (including for the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, which were issued in $25 increments).

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DESCRIPTION OF NOTES

The following description of the particular terms of the % Notes due supplements and, to the extent inconsistent with, replaces the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus.

We will issue the Notes under a base indenture dated as of October 21, 2010, between us and U.S. Bank National Association, as trustee (the "trustee"), as supplemented by a separate supplemental indenture to be dated as of the settlement date for the Notes. As used in this section, all references to the "indenture" mean the base indenture as supplemented by the supplemental indenture. The terms of the Notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, or the TIA.

The following description is a summary of the material provisions of the Notes and the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the Notes and the indenture, including the definitions of certain terms used in the indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the Notes.

For purposes of this description, references to "we," "our" and "us" refer only to Ares Capital and not to any of its current or future subsidiaries and references to "subsidiaries" refer only to our consolidated subsidiaries and exclude any investments held by Ares Capital in the ordinary course of business which are not, under GAAP, consolidated on the financial statements of Ares Capital and its subsidiaries.

General

The Notes:

- will be our general unsecured, senior obligations;
- will initially be issued in an aggregate principal amount of $ million;
- will mature on , , unless earlier redeemed or repurchased, as discussed below;
- will bear cash interest from January , 2018 at an annual rate of % payable semi-annually on and of each year, beginning on , 2018;
- will be subject to redemption at our option as described under " Optional Redemption;"
- will be subject to repurchase by us at the option of the holders following a Change of Control Repurchase Event (as defined below under " Offer to Repurchase Upon a Change of Control Repurchase Event"), at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, *plus* accrued and unpaid interest to, but excluding, the date of repurchase;
- will be issued in denominations of $2,000 and integral multiples of $1,000 thereof; and
- will be represented by one or more registered Notes in global form, but in certain limited circumstances may be represented by Notes in definitive form. See " Book-Entry, Settlement and Clearance."

The indenture does not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise. The indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under " Offer to Repurchase Upon a Change of Control Repurchase Event" and

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" Merger, Consolidation or Sale of Assets" below, the indenture does not contain any covenants or other provisions designed to afford holders of the Notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

We may, without the consent of the holders, issue additional Notes under the indenture with the same terms (except for the issue date, public offering price and, if applicable, the initial interest payment date) and with the same CUSIP numbers as the Notes offered hereby in an unlimited aggregate principal amount; *provided* that such additional Notes must be part of the same issue as the Notes offered hereby for U.S. federal income tax purposes.

We do not intend to list the Notes on any securities exchange or any automated dealer quotation system.

Payments on the Notes; Paying Agent and Registrar; Transfer and Exchange

We will pay the principal of, and interest on, Notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such Global Note (as defined below).

Payment of principal of (and premium, if any) and any such interest on the Notes will be made at the corporate trust office of the trustee in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided*, *however*, that at our option payment of interest may be made by check mailed to the address of the person entitled thereto as such address shall appear in the security register.

A holder of Notes may transfer or exchange Notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the registrar for any registration of transfer or exchange of Notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture.

The registered holder of a Note will be treated as its owner for all purposes.

Interest

The Notes will bear cash interest at a rate of % per year until maturity. Interest on the Notes will accrue from January , 2018 or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semiannually in arrears on and of each year, beginning on , 2018.

Interest will be paid to the person in whose name a Note is registered at 5:00 p.m. New York City time (the "close of business") on or , as the case may be, immediately preceding the relevant interest payment date. Interest on the Notes will be computed on the basis of a 360-day year composed of twelve 30-day months.

If any interest payment date, redemption date, the maturity date or any earlier required repurchase date upon a Change of Control Repurchase Event (defined below) of a Note falls on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such payment will accrue in respect of the delay. The term "business day" means, with respect to any Note, any day other than a Saturday, a Sunday or a day on which banking institutions in New York or the city in which the corporate trust office is located are authorized or obligated by law or executive order to close.

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Ranking

The Notes will be our general unsecured obligations that rank senior in right of payment to all of our future indebtedness that is expressly subordinated, or junior, in right of payment to the Notes. The Notes will rank pari passu, or equally, in right of payment with all of our existing and future liabilities that are not so subordinated, or junior. The Notes will effectively rank subordinated, or junior, to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness. The Notes will rank structurally subordinated, or junior, to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure secured debt will be available to pay obligations on the Notes only after all indebtedness under such secured debt has been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the Notes then outstanding.

As of December 28, 2017, our total consolidated indebtedness was approximately $4.9 billion aggregate principal amount outstanding, of which approximately $395.0 million was secured indebtedness at the Ares Capital level, and of which an aggregate of approximately $660.0 million was indebtedness of our subsidiaries. After giving effect to the issuance of the Notes, and assuming the proceeds therefrom are used to repay outstanding borrowings under the Facilities, our total consolidated indebtedness would have been approximately $ aggregate principal amount outstanding as of December 28, 2017. See "Capitalization."

Optional Redemption

We may redeem some or all of the Notes at any time, or from time to time. If we choose to redeem any Notes prior to maturity, we will pay a redemption price equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest to the redemption date:

- 100% of the principal amount of the Notes to be redeemed, or

- the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the Notes to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30- day months) using the applicable Treasury Rate plus basis points;

provided, however, that if we redeem any Notes on or after , (the date falling prior to the maturity date of the Notes), the redemption price for the Notes will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

If we choose to redeem any Notes, we will deliver a notice of redemption to holders of Notes not less than 30 nor more than 60 days before the redemption date. If we are redeeming less than all of the Notes, the particular Notes to be redeemed will be selected in accordance with the applicable procedures of the trustee and, so long as the Notes are registered to DTC or its nominee, DTC; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than $2,000. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions of the Notes called for redemption.

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For purposes of calculating the redemption price in connection with the redemption of the Notes, on any redemption date, the following terms have the meanings set forth below:

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue (computed as of the third business day immediately preceding the redemption), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The redemption price and the Treasury Rate will be determined by us.

"Comparable Treasury Issue" means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financing practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes being redeemed.

"Comparable Treasury Price" means (1) the average of the remaining Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Quotation Agent" means a Reference Treasury Dealer selected by us.

"Reference Treasury Dealer" means each of (1) Merrill Lynch, Pierce, Fenner & Smith Incorporated, (2) Wells Fargo Securities, LLC and (3) a primary U.S. government securities dealer selected by SunTrust Robinson Humphrey, Inc. or their respective affiliates which are primary U.S. government securities dealers and their respective successors; *provided*, *however*, that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in the United States (a "Primary Treasury Dealer"), we shall select another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

All determinations made by any Reference Treasury Dealer, including the Quotation Agent, with respect to determining the redemption price will be final and binding absent manifest error.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs, unless we have exercised our right to redeem the Notes in full, we will make an offer to each holder of Notes to repurchase all or any part (in minimum denominations of $2,000 and integral multiples of $1,000 principal amount) of that holder's Notes at a repurchase price in cash equal to 100% of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to the date of purchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will mail a notice to each holder describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a

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Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, subject to extension if necessary to comply with the provisions of the Investment Company Act, we will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to our offer;

(2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the trustee the Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of Notes being purchased by us.

The paying agent will promptly remit to each holder of Notes properly tendered the purchase price for the Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided* that each new Note will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

We will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all Notes properly tendered and not withdrawn under its offer.

The source of funds that will be required to repurchase Notes in the event of a Change of Control Repurchase Event will be our available cash or cash generated from our operations or other potential sources, including funds provided by a purchaser in the Change of Control transaction, borrowings, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any Change of Control Repurchase Event to make required repurchases of Notes tendered. The terms of our Facilities provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under the Facilities at that time and to terminate the Facilities. In addition, the indentures governing our Convertible Unsecured Notes, our 2018 Notes, our 2020 Notes, the January 2022 Notes and the 2023 Notes contain a provision that would require us to offer to purchase the Convertible Unsecured Notes, the 2018 Notes, the 2020 Notes, the January 2022 Notes or the 2023 Notes upon the occurrence of a fundamental change or a change of control repurchase event, as applicable. A failure to purchase any tendered Convertible Unsecured Notes, 2018 Notes, 2020 Notes, the January 2022 Notes or the 2023 Notes would constitute an event of default under the indentures for the Convertible Unsecured Notes, the 2018 Notes, the 2020 Notes the January 2022 Notes or the 2023 Notes, as applicable, which would, in turn, constitute a default under the Facilities and the indenture. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Financial Condition, Liquidity and Capital Resources" for a general discussion of our indebtedness. Our future debt instruments may contain similar restrictions and provisions. If the holders of the Notes exercise their right to require us to repurchase Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could cause a default under our future debt instruments, even if the Change of Control Repurchase Event itself would not cause a default. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of the Notes and/or our other debt. See "Risk Factors Risks Relating to the Notes We may not be able to repurchase the Notes upon a Change of Control Repurchase Event."

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The definition of "Change of Control" includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of "all or substantially all" of our properties or assets and those of our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise, established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require us to repurchase the Notes as a result of a sale, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries taken as a whole to another person or group may be uncertain.

For purposes of the Notes:

"Below Investment Grade Rating Event" means the Notes are downgraded below Investment Grade by both Rating Agencies on any date from the date of the public notice of an arrangement that results in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by either of the Rating Agencies); *provided* that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

"Change of Control" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of Ares Capital and its Controlled Subsidiaries taken as a whole to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act), other than to any Permitted Holders; *provided* that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of Ares Capital or its Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of Ares Capital, measured by voting power rather than number of shares; or

(3) the approval by Ares Capital's stockholders of any plan or proposal relating to the liquidation or dissolution of Ares Capital.

"Change of Control Repurchase Event" means the occurrence of a Change of Control and a Below Investment Grade Rating Event.

"Controlled Subsidiary" means any subsidiary of Ares Capital, 50% or more of the outstanding equity interests of which are owned by Ares Capital and its direct or indirect subsidiaries and of which Ares Capital possesses, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

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"Fitch" means Fitch, Inc., also known as Fitch Ratings, or any successor thereto.

"Investment Grade" means a rating of BBB or better by Fitch (or its equivalent under any successor rating categories of Fitch) and BBB or better by S&P (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate the Notes for reasons outside of our control, the equivalent investment grade credit rating from any Rating Agency selected by us as a replacement Rating Agency).

"Permitted Holders" means (i) us, (ii) one or more of our Controlled Subsidiaries and (iii) Ares Capital Management LLC or any affiliate of Ares Capital Management LLC that is organized under the laws of a jurisdiction located in the United States of America and in the business of managing or advising clients.

"Rating Agency" means:

(1) each of Fitch and S&P; and

(2) if either of Fitch or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of our control, a "nationally recognized statistical rating organization" as defined in Section (3)(a)(62) of the Exchange Act selected by us as a replacement agency for Fitch or S&P, or both, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc., or any successor thereto.

"Voting Stock" as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Covenants

In addition to the covenants described in the base indenture, the following covenants shall apply to the Notes. To the extent of any conflict or inconsistency between the base indenture and the following covenants, the following covenants shall govern:

Merger, Consolidation or Sale of Assets

The indenture will provide that we will not merge or consolidate with or into any other person (other than a merger of a wholly owned subsidiary into us), or sell, transfer, lease, convey or otherwise dispose of all or substantially all our property (*provided* that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of Ares Capital or its Controlled Subsidiaries shall not be deemed to be any such sale, transfer, lease, conveyance or disposition) in any one transaction or series of related transactions unless:

- we are the surviving person (the "Surviving Person") or the Surviving Person (if other than us) formed by such merger or consolidation or to which such sale, transfer, lease, conveyance or disposition is made shall be a corporation or limited liability company organized and existing under the laws of the United States of America or any state or territory thereof;

- the Surviving Person (if other than us) expressly assumes, by supplemental indenture in form reasonably satisfactory to the trustee, executed and delivered to the trustee by such Surviving Person, the due and punctual payment of the principal of, and premium, if any,

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and interest on, all the Notes outstanding, and the due and punctual performance and observance of all the covenants and conditions of the indenture to be performed by us;

immediately before and immediately after giving effect to such transaction or series of related transactions, no default or event of default shall have occurred and be continuing; and

we shall deliver, or cause to be delivered, to the trustee, an officers' certificate and an opinion of counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto, comply with this covenant and that all conditions precedent in the indenture relating to such transaction have been complied with.

For the purposes of this covenant, the sale, transfer, lease, conveyance or other disposition of all the property of one or more of our subsidiaries, which property, if held by us instead of such subsidiaries, would constitute all or substantially all of our property on a consolidated basis, shall be deemed to be the transfer of all or substantially all of our property.

Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the properties or assets of a person. As a result, it may be unclear as to whether the merger, consolidation or sale of assets covenant would apply to a particular transaction as described above absent a decision by a court of competent jurisdiction. Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a Change of Control that results in a Change of Control Repurchase Event permitting each holder to require us to repurchase the Notes of such holder as described above.

An assumption by any person of obligations under the Notes and the indenture might be deemed for U.S. federal income tax purposes to be an exchange of the Notes for new Notes by the holders thereof, resulting in recognition of gain or loss for such purposes and possibly other adverse tax consequences to the holders. Holders should consult their own tax advisors regarding the tax consequences of such an assumption.

Other Covenants

We agree that for the period of time during which the Notes are outstanding, we will not violate, whether or not we are subject to, Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act or any successor provisions, giving effect to any exemptive relief granted to us by the SEC.

If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the Notes and the trustee, for the period of time during which the Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with GAAP, as applicable.

Events of Default

Each of the following is an event of default:

(1) default in the payment of any interest upon any Note when due and payable and the default continues for a period of 30 days;

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(2) default in the payment of the principal of (or premium, if any, on) any Note when it becomes due and payable at its maturity including upon any redemption date or required repurchase date;

(3) our failure for 60 consecutive days after written notice from the trustee or the holders of at least 25% in principal amount of the Notes then outstanding has been received to comply with any of our other agreements contained in the Notes or indenture;

(4) default by us or any of our significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X under the Exchange Act (but excluding any subsidiary which is (a) a non-recourse or limited recourse subsidiary, (b) a bankruptcy remote special purpose vehicle or (c) is not consolidated with Ares Capital for purposes of GAAP), with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of $100 million in the aggregate of us and/or any such subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, unless, in either case, such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within a period of 30 calendar days after written notice of such failure is given to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the Notes then outstanding;

(5) Pursuant to Section 18(a)(1)(C)(ii) and Section 61 of the Investment Company Act, on the last business day of each of 24 consecutive calendar months, any class of securities shall have an asset coverage (as such term is used in the Investment Company Act) of less than 100%; or

(6) certain events of bankruptcy, insolvency, or reorganization involving us occur and remain undischarged or unstayed for a period of 60 days.

If an event of default occurs and is continuing, then and in every such case (other than an event of default specified in item (6) above) the trustee or the holders of at least 25% in principal amount of the outstanding Notes may declare the entire principal amount of Notes to be due and immediately payable, by a notice in writing to us (and to the trustee if given by the holders), and upon any such declaration such principal or specified portion thereof shall become immediately due and payable. Notwithstanding the foregoing, in the case of the events of bankruptcy, insolvency or reorganization described in item (6) above, 100% of the principal of and accrued and unpaid interest on the Notes will automatically become due and payable.

At any time after a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of the outstanding Notes, by written notice to us and the trustee, may rescind and annul such declaration and its consequences if (i) we have paid or deposited with the trustee a sum sufficient to pay all overdue installments of interest, if any, on all outstanding Notes, the principal of (and premium, if any, on) all outstanding Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates borne by or provided for in such Notes, to the extent that payment of such interest is lawful interest upon overdue installments of interest at the rate or rates borne by or provided for in such Notes, and all sums paid or advanced by the trustee and the reasonable compensation, expenses, disbursements and advances of the trustee, its agents and counsel, and (ii) all events of default with respect to the Notes, other than the nonpayment of the principal of (or premium, if any, on) or interest on such Notes that have become due solely by such declaration of acceleration, have been cured or waived. No such rescission will affect any subsequent default or impair any right consequent thereon.

No holder of Notes will have any right to institute any proceeding, judicial or otherwise, with respect to the indenture, or for the appointment of a receiver or trustee, or for any other remedy under the indenture, unless

(i) such holder has previously given written notice to the trustee of a continuing event of default with respect to the Notes,

(ii) the holders of not less than 25% in principal amount of the outstanding Notes shall have made written request to the trustee to institute proceedings in respect of such event of default;

(iii) such holder or holders have offered to the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(iv) the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(v) no direction inconsistent with such written request has been given to the trustee during such 60-day period by the holders of a majority in principal amount of the outstanding Notes.

Notwithstanding any other provision in the indenture, the holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any, on) and interest, if any, on such Note on the stated maturity or maturity expressed in such Note (or, in the case of redemption, on the redemption date or, in the case of repayment at the option of the holders, on the repayment date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such holder.

The trustee shall be under no obligation to exercise any of the rights or powers vested in it by the indenture at the request or direction of any of the holders of the Notes unless such holders shall have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. Subject to the foregoing, the holders of a majority in principal amount of the outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the Notes, *provided* that (i) such direction shall not be in conflict with any rule of law or with this indenture, (ii) the trustee may take any other action deemed proper by the trustee that is not inconsistent with such direction and (iii) the trustee need not take any action that it determines in good faith may involve it in personal liability or be unjustly prejudicial to the holders of Notes not consenting.

The holders of not less than a majority in principal amount of the outstanding Notes may on behalf of the holders of all of the Notes waive any past default under the indenture with respect to the Notes and its consequences, except a default (i) in the payment of (or premium, if any, on) or interest, if any, on any Note, or (ii) in respect of a covenant or provision of the indenture which cannot be modified or amended without the consent of the holder of each outstanding Note affected. Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose, but no such waiver shall extend to any subsequent or other default or event of default or impair any right consequent thereto.

We are required to deliver to the trustee, within 120 days after the end of each fiscal year, an officers' certificate stating that to the knowledge of the signers whether we are in default in the performance of any of the terms, provisions or conditions of the indenture.

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Within 90 days after the occurrence of any default under the indenture with respect to the Notes, the trustee shall transmit notice of such default known to the trustee, unless such default shall have been cured or waived; *provided*, *however*, that, except in the case of a default in the payment of the principal of (or premium, if any, on) or interest, if any, on any Note, the trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors of the trustee in good faith determines that withholding of such notice is in the interest of the holders of the Notes.

Satisfaction and Discharge; Defeasance

We may satisfy and discharge our obligations under the indenture by delivering to the securities registrar for cancellation all outstanding Notes or by depositing with the trustee or delivering to the holders, as applicable, after the Notes have become due and payable, or otherwise, moneys sufficient to pay all of the outstanding Notes and paying all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

In addition, the Notes are subject to defeasance and covenant defeasance, in each case, in accordance with the terms of the indenture. Defeasance means that, subject to the satisfaction of certain conditions, including, but not limited to, (i) depositing in trust for the benefit of the holders of the Notes a combination of money and/or U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due date and (ii) delivering to the Trustee an opinion of counsel stating that (a) we have received from, or there has been published by, the Internal Revenue Service (the "IRS") a ruling, or (b) since the date of execution of the indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon, the holders of the Notes and any coupons appertaining thereto will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred, we can legally release ourselves from all payment and other obligations on the Notes. Covenant defeasance means that, subject to the satisfaction of certain conditions, including, but not limited to, (i) depositing in trust for the benefit of the holders of the Notes a combination of money and/or U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates and (ii) delivering to the Trustee an opinion of counsel to the effect that the holders of the Notes and any coupons appertaining thereto will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred, we will be released from some of the restrictive covenants in the indenture.

Trustee

U.S. Bank National Association is the trustee, security registrar and paying agent. U.S. Bank National Association, in each of its capacities, including without limitation as trustee, security registrar and paying agent, assumes no responsibility for the accuracy or completeness of the information concerning us or our affiliates or any other party contained in this document or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information, or for any information provided to it by us, including but not limited to settlement amounts and any other information.

We may maintain banking relationships in the ordinary course of business with the trustee and its affiliates.

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Governing Law

The indenture provides that it and the Notes shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws that would cause the application of laws of another jurisdiction.

Book-Entry, Settlement and Clearance

Global Notes

The Notes will be initially issued in the form of one or more registered Notes in global form, without interest coupons (the "Global Notes"). Upon issuance, each of the Global Notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("DTC participants") or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of a Global Note with DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC participants designated by the underwriters; and

- ownership of beneficial interests in a Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the Global Note).

Beneficial interests in Global Notes may not be exchanged for Notes in physical, certificated form except in the limited circumstances described below.

Book-Entry Procedures for Global Notes

All interests in the Global Notes will be subject to the operations and procedures of DTC. We provide the following summary of those operations and procedures solely for the convenience of investors. The operations and procedures of DTC are controlled by that settlement system and may be changed at any time. Neither we nor the underwriters are responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;

- a "banking organization" within the meaning of the New York State Banking Law;

- a member of the Federal Reserve System;

- a "clearing corporation" within the meaning of the Uniform Commercial Code; and

- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the underwriters; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either

directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a Global Note, that nominee will be considered the sole owner or holder of the Notes represented by that Global Note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Note:

- will not be entitled to have Notes represented by the Global Note registered in their names;
- will not receive or be entitled to receive physical, certificated Notes; and
- will not be considered the owners or holders of the Notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal and interest with respect to the Notes represented by a Global Note will be made by the trustee to DTC's nominee as the registered holder of the Global Note. Neither we nor the Trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

Certificated Notes

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related Notes only if:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days; or
- an event of default with respect to the Notes has occurred and is continuing and such beneficial owner requests that its Notes be issued in physical, certificated form.

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CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to an investment in the Notes. This summary does not purport to be a complete description of the income tax considerations applicable to such an investment. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated under the Code, and administrative and judicial interpretations, each as of the date of this prospectus supplement and all of which are subject to change, potentially with retroactive effect. Investors should consult their own tax advisors with respect to tax considerations that pertain to their investment in the Notes.

This discussion deals only with Notes held as capital assets within the meaning of Section 1221 of the Code and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, controlled foreign corporations, passive foreign investment companies and regulated investment companies (and shareholders of such corporations), dealers in securities or currencies, traders in securities, former citizens of the United States, persons holding the Notes as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, entities that are tax-exempt for U.S. federal income tax purposes, retirement plans, individual retirement accounts, tax-deferred accounts, persons subject to the alternative minimum tax, pass-through entities (including partnerships and entities and arrangements classified as partnerships for U.S. federal income tax purposes) and beneficial owners of pass-through entities, or persons whose functional currency is not the U.S. dollar. It also does not deal with beneficial owners of the Notes other than original purchasers of the Notes who acquire the Notes in this offering for a price equal to their original issue price (*i.e.*, the first price at which a substantial amount of the Notes is sold other than to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Moreover, this discussion does not address the effect of the "unearned" net investment income surtax. Investors considering purchasing the Notes should consult their own tax advisors concerning the application of the U.S. federal tax laws to their individual circumstances, as well as any consequences to such investors relating to purchasing, owning and disposing of the Notes under the laws of any other taxing jurisdiction.

For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) a trust (a) subject to the control of one or more U.S. persons and the primary supervision of a court in the United States, or (b) that has a valid election (under applicable Treasury Regulations) to be treated as a U.S. person, or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source. The term "non-U.S. Holder" means a beneficial owner of a Note that is neither a U.S. Holder nor a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes). We have not sought and will not seek any ruling from the IRS regarding the Notes. This summary does not discuss any aspects of U.S. federal estate or gift tax, or any non-U.S., state or local tax. This summary does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds any Notes, the U.S. federal income tax treatment of a partner of the partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding Notes, and persons holding interests in such partnerships, should each consult their own tax advisors as to the consequences of investing in the Notes in their individual circumstances.

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Taxation of Note Holders

Taxation of U.S. Holders. If you are not a U.S. Holder, this section does not apply to you. Please see " Taxation of Non-U.S. Holders", below.

Payments or accruals of interest on a Note generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are received (actually or constructively) or accrued, in accordance with the U.S. Holder's regular method of tax accounting.

Original Issue Discount. For U.S. federal income tax purposes, the "issue price" of the Notes will equal the first price at which a substantial amount of the Notes are sold to investors, excluding sales to bond houses, brokers, or similar persons or persons acting in the capacity of underwriters, placement agents or wholesalers. The stated principal amount of the Notes (generally, the sum of all amounts a holder is entitled to receive on the Notes other than periodic stated interest payable in cash) may exceed their issue price (as defined above) by an amount that equals or exceeds the statutory de minimis amount (generally $^1/_4$ of 1% of the debt instrument's stated principal amount multiplied by the number of complete years from its issue date to its maturity date) and, accordingly, the Notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes if there is such an excess.

If the Notes are issued with OID, a U.S. Holder will be required to include such OID in gross income, as ordinary income, as the OID accrues on a constant yield basis, in advance of the receipt of the cash payment attributable to the OID, regardless of such U.S. Holder's usual method of accounting for U.S. federal income tax purposes. The amount of OID that a U.S. Holder must include in gross income for each taxable year is the sum of the daily portions of OID that accrue on the U.S. Holder's Notes for each day of the taxable year during which the U.S. Holder holds the Notes. The daily portion of OID is determined by allocating to each day of an accrual period (generally, the period between interest payment dates or compounding dates) a pro rata portion of the OID allocable to such accrual period. The amount of OID allocable to an accrual period is the product of the "adjusted issue price" of the Notes at the beginning of the accrual period multiplied by the yield to maturity of the notes (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to reflect the length of the accrual period), reduced by the amount of any stated interest allocable to such accrual period. The adjusted issue price of the Notes at the beginning of an accrual period generally will equal their issue price, increased by the aggregate amount of OID that has accrued on the Notes in all prior accrual periods. The amount of OID included in a U.S. Holder's gross income will increase the U.S. Holder's adjusted tax basis in the Notes. Under these rules, a U.S. Holder will have to include increasingly greater amounts of OID over such U.S. Holder's holding period in the Notes. U.S. Holders should consult their own tax advisors concerning the consequences of, and accrual of, OID on the Notes.

A U.S. Holder generally may irrevocably elect to treat all interest on the Notes as OID and calculate the amount includible in income using a constant yield basis. U.S. Holders should consult their own tax advisors regarding this election.

Subject to the discussion above under " Taxation of U.S. Holders Original Issue Discount" upon the sale, exchange, redemption, retirement or other disposition of a Note, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement (excluding amounts representing accrued and unpaid interest, which are treated as ordinary income) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal the U.S. Holder's initial investment in the Note. Capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder's holding period in the Note was more than one year. Long-term capital gains generally are taxed at reduced rates for individuals and certain other non-corporate U.S. Holders. The deductibility of capital losses is subject to limitations.

Taxation of Non-U.S. Holders. If you are not a non-U.S. Holder, this section does not apply to you. Please see " Taxation of U.S. Holders", above.

A non-U.S. Holder generally will not be subject to U.S. federal income or withholding taxes on payments of principal or interest on a Note provided that (i) income on the Note is not effectively connected with the conduct by the non-U.S. Holder of a trade or business within the United States, (ii) in the case of interest income, the recipient is not a bank receiving interest described in Section 881(c)(3)(A) of the Code, (iii) the non-U.S. Holder does not own (actually or constructively) 10% or more of the total combined voting power of all classes of stock of the Company, and (iv) the U.S. payor of the interest (including us, or any intermediary who pays the interest on our behalf) does not have actual knowledge or reason to know that a holder is a United States person and such non-U.S. Holder provides a statement on a properly completed and executed IRS Form W-8BEN, W-8BEN-E or other applicable form signed under penalties of perjury that includes, among other requirements, its taxpayer identification number, name and address and certifies that it is not a United States person in compliance with applicable requirements, or satisfies documentary evidence requirements for establishing that it is a non-U.S. Holder.

A non-U.S. Holder that is not exempt from tax under these rules generally will be subject to U.S. federal income tax withholding on payments of interest on the Notes at a rate of 30% unless (i) the income is effectively connected with the conduct of a U.S. trade or business, in which case the interest generally will be subject to U.S. federal income tax on a net income basis as applicable to U.S. Holders generally (unless an applicable income tax treaty provides otherwise) and such non-U.S. Holder would be required in lieu of the certifications described above to provide a properly executed IRS Form W-8ECI, or (ii) an applicable income tax treaty provides for a lower rate of, or exemption from, withholding tax. To claim the benefit of an income tax treaty or to claim exemption from withholding because income is effectively connected with a U.S. trade or business, the non-U.S. Holder must timely provide the appropriate, properly executed IRS forms. These forms may be required to be periodically updated.

In the case of a non-U.S. Holder that is a corporation and that receives income that is effectively connected with the conduct of a U.S. trade or business, such income may also be subject to a branch profits tax (which is generally imposed on a non-U.S. corporation on the actual or deemed repatriation from the United States of earnings and profits attributable to a U.S. trade or business) at a 30% rate. The branch profits tax may not apply (or may apply at a reduced rate) if the non-U.S. Holder is a qualified resident of a country with which the United States has an income tax treaty.

Generally, a non-U.S. Holder will not be subject to U.S. federal income or withholding taxes on any amount that constitutes capital gain upon the sale, exchange, redemption , retirement or other disposition of a Note, provided the gain is not effectively connected with the conduct of a trade or business in the United States by the non-U.S. Holder (and, if required by an applicable income tax treaty, is not attributable to a United States "permanent establishment" maintained by the non-U.S. Holder). Non-U.S. Holders should consult their own tax advisors with regard to whether taxes will be imposed on capital gain in their individual circumstances.

Information Reporting and Backup Withholding. A U.S. Holder (other than an "exempt recipient," including a corporation and certain other persons who, when required, demonstrate their exempt status) may be subject to backup withholding on, and to information reporting requirements with respect to, payments of principal or interest on, and proceeds from the sale, exchange, redemption or retirement of, the Notes. In general, if a non-corporate U.S. Holder subject to information reporting fails to furnish a correct taxpayer identification number or otherwise fails to comply with applicable backup withholding requirements, backup withholding at the applicable rate may apply. Non-U.S. Holders generally are exempt from information reporting and backup withholding, provided, if necessary, that they demonstrate their qualification for exemption. Any amounts withheld under the

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backup withholding rules from a payment to a beneficial owner generally would be allowed as a refund or a credit against such beneficial owner's U.S. federal income tax provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Withholding taxes may be imposed under the provisions of the Code generally known as the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non- U.S. entities. Specifically, a 30% withholding tax may be imposed on interest on, or gross proceeds from the sale or disposition of, the Notes paid to a "foreign financial institution" or a "nonfinancial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner (by providing an IRS Form W-8BEN-E or other applicable IRS form) or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W- 8BEN-E or other applicable IRS form). If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts and withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify these requirements. Accordingly, the entity through which the Notes are held will affect the determination of whether such withholding is required.

Information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns reporting such interest and withholding also may be made available to the tax authorities in the country in which a non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

Under the applicable Treasury regulations, withholding under FATCA generally applies to payments of interest on the Notes from such Notes' date of issuance and will apply to payments of gross proceeds from the sale or other disposition of such Notes on or after January 1, 2019. The FATCA withholding tax will apply to all withholdable payments without regard to whether the beneficial owner of the payment would otherwise be entitled to an exemption from imposition of withholding tax pursuant to an applicable tax treaty with the United States or U.S. domestic law. If payment of this withholding tax is made, holders that are otherwise eligible for an exemption from, or reduction of, U.S. federal withholding taxes with respect to such interest or proceeds will be required to seek a credit or refund from the IRS to obtain the benefit of such exemption or reduction, if any. We will not pay additional amounts to holders of the Notes in respect of any amounts withheld.

Prospective holders should consult their own tax advisors regarding the potential application of withholding under FATCA to their investment in the Notes.

Investors should consult their own tax advisors with respect to the particular tax consequences of an investment in the Notes in their individual circumstances, including the possible effect of any pending legislation or proposed regulations.

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UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC and SunTrust Robinson Humphrey, Inc. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the aggregate principal amount of Notes set forth opposite its name below.

Underwriter	Principal Amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$
Wells Fargo Securities, LLC	
SunTrust Robinson Humphrey, Inc.	
BMO Capital Markets, LLC	
J.P. Morgan Securities LLC	
SMBC Nikko Securities America, Inc.	
Total	$

Subject to the terms and conditions set forth in the purchase agreement, the underwriters have agreed, severally and not jointly, to purchase all of the Notes sold under the purchase agreement if any of these Notes are purchased. If an underwriter defaults, the purchase agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the purchase agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The following table shows the total underwriting discounts that we are to pay to the underwriters in connection with this offering.

	Per Note	Total
Public offering price	%	$
Underwriting discount (sales load)	%	$
Proceeds, before expenses, to us	%	$

The underwriters propose to offer some of the Notes to the public at the public offering price set forth on the cover page of this prospectus supplement and may offer the Notes to certain other Financial Industry Regulatory Authority (FINRA) members at the public offering price less a concession not in excess of % of the aggregate principal amount of the Notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of % of the aggregate principal amount of the Notes. After the initial offering of the Notes to the public, the public offering price and

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such concessions may be changed. No such change shall change the amount of proceeds to be received by us as set forth on the cover page of this prospectus supplement.

The expenses of the offering, not including the underwriting discount, are estimated at approximately $ million and are payable by us.

No Sales of Similar Securities

Subject to certain exceptions, we have agreed not to directly or indirectly, offer, pledge, sell, contract to sell, grant any option for the sale of, or otherwise transfer or dispose of any debt securities issued or guaranteed by the Company or any securities convertible into or exercisable or exchangeable for debt securities issued or guaranteed by the Company or file any registration statement under the Securities Act with respect to any of the foregoing until the settlement date of this offering without first obtaining the written consent of the representatives. This consent may be given at any time without public notice.

Listing

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or quoted on any automated dealer quotation system.

We have been advised by the underwriters that they presently intend to make a market in the Notes after completion of the offering as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the Notes and any such market-making may be discontinued at any time in the sole discretion of the underwriters without any notice. Accordingly, no assurance can be given as to the liquidity of, or development of a public trading market for, the Notes. If an active public trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

Price Stabilization, Short Positions

In connection with the offering, the underwriters may purchase and sell Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater principal amount of Notes than they are required to purchase in the offering. The underwriters must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased Notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Any of these activities may cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be affected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time without any notice relating thereto.

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Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Notes

The underwriters may make prospectuses available in electronic (PDF) format. A prospectus in electronic (PDF) format may be made available on a web site maintained by the underwriters, and the underwriters may distribute such prospectuses electronically. The underwriters may allocate a limited principal amount of the Notes for sale to their online brokerage customers.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The underwriters and their respective affiliates have provided in the past and may provide from time to time in the future in the ordinary course of their business certain commercial banking, financial advisory, investment banking and other services to Ares and its affiliates and managed funds and Ares Capital or our portfolio companies for which they have received or will be entitled to receive separate fees. In particular, the underwriters or their affiliates may execute transactions with Ares Capital or on behalf of Ares Capital, Ares or any of our or their portfolio companies, affiliates and/or managed funds. In addition, the underwriters or their affiliates may act as arrangers, underwriters or placement agents for companies whose securities are sold to or whose loans are syndicated to Ares, Ares Capital or Ares Capital Management and their affiliates and managed funds.

Affiliates of certain of the underwriters may be limited partners of private investment funds affiliated with our investment adviser, Ares Capital Management.

The underwriters or their affiliates may also trade in our securities, securities of our portfolio companies or other financial instruments related thereto for their own accounts or for the account of others and may extend loans or financing directly or through derivative transactions to Ares, Ares Capital, Ares Capital Management or any of our portfolio companies.

We may purchase securities of third parties from the underwriters or their affiliates after the offering. However, we have not entered into any agreement or arrangement regarding the acquisition of any such securities, and we may not purchase any such securities. We would only purchase any such securities if among other things we identified securities that satisfied our investment needs and completed our due diligence review of such securities.

After the date of this prospectus supplement, the underwriters and their affiliates may from time to time obtain information regarding specific portfolio companies or us that may not be available to the general public. Any such information is obtained by the underwriters and their affiliates in the ordinary course of their business and not in connection with the offering of the Notes. In addition, after the offering period for the sale of the Notes, the underwriters or their affiliates may develop analyses or opinions related to Ares, Ares Capital or our portfolio companies and buy or sell interests in one or more of our portfolio companies on behalf of their proprietary or client accounts and may engage in competitive activities. There is no obligation on behalf of these parties to disclose their respective analyses, opinions or purchase and sale activities regarding any portfolio company or regarding Ares Capital to our noteholders or any other persons.

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In the ordinary course of their business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters and their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Affiliates of certain of the underwriters serve as agents and/or lenders under our credit facilities or other debt instruments (including the Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility) and may also be lenders to private investment funds managed by IHAM. JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is the administrative agent under our Revolving Credit Facility. Wells Fargo Securities, LLC is the agent under the Revolving Funding Facility. Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan Chase Bank, N.A., SunTrust Robinson Humphrey, Inc., BMO Capital Markets Corp. and Sumitomo Mitsui Banking Corporation, an affiliate of SMBC Nikko Securities America, Inc., are joint bookrunners and joint lead arrangers for our Revolving Credit Facility. Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, SunTrust Bank, an affiliate of SunTrust Robinson Humphrey, Inc., Bank of Montreal, an affiliate of BMO Capital Markets Corp., and Sumitomo Mitsui Banking Corporation are syndication agents with respect to our Revolving Credit Facility. Bank of America, N.A. is also a lender under our Revolving Funding Facility. Bank of Montreal and Sumitomo Mitsui Banking Corporation are documentation agents with respect to our Revolving Credit Facility. Sumitomo Mitsui Banking Corporation is the administrative agent and collateral agent under the SMBC Funding Facility. Certain of the underwriters and their affiliates were underwriters in connection with our initial public offering and our subsequent common stock offerings, debt offerings and rights offering, for which they received customary fees.

Proceeds of this offering will be used to repay or repurchase outstanding indebtedness under the Revolving Credit Facility, the Revolving Funding Facility and/or the SMBC Funding Facility. Affiliates of certain of the underwriters, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, SunTrust Robinson Humphrey, Inc., BMO Capital Markets, LLC, J.P. Morgan Securities LLC and SMBC Nikko Securities America, Inc. are lenders under the Revolving Credit Facility. Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are lenders under the Revolving Funding Facility. An affiliate of SMBC Nikko Securities America, Inc. is a lender under the SMBC Funding Facility. Accordingly, affiliates of certain of the underwriters may receive more than 5% of the proceeds of this offering to the extent such proceeds are used to repay or repurchase outstanding indebtedness under the Revolving Credit Facility and/or the Revolving Funding Facility and/or the SMBC Funding Facility.

The principal business address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, NY 10036. The principal business address of Wells Fargo Securities, LLC is 550 South Tryon Street, Charlotte, NC 28202. The principal business address of SunTrust Robinson Humphrey, Inc. is 3333 Peachtree Road NE, Atlanta, Georgia 30326.

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Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), no offer of the Notes may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

B. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or

C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Notes shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any Notes or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any Notes being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Notes acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Notes to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus supplement has been prepared on the basis that any offer of the Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail

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client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

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LEGAL MATTERS

Certain legal matters in connection with the offering will be passed upon for us by Proskauer Rose LLP, Los Angeles, California, Eversheds Sutherland (US) LLP, Washington, D.C. and Venable LLP, Baltimore, Maryland. Proskauer Rose LLP has from time to time represented the underwriters, Ares and Ares Capital Management on unrelated matters. Certain legal matters in connection with the offering will be passed upon for the underwriters by Freshfields Bruckhaus Deringer US LLP.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(in millions, except per share data)

	As of	
	September 30, 2017 (unaudited)	December 31, 2016
ASSETS		
Investments at fair value		
Non-controlled/non-affiliate company investments	$ 9,808	$ 5,940
Non-controlled affiliate company investments	208	185
Controlled affiliate company investments	1,440	2,695
Total investments at fair value (amortized cost of $11,740 and $9,034, respectively)	11,456	8,820
Cash and cash equivalents	341	223
Interest receivable	105	112
Receivable for open trades	34	29
Other assets	105	61
Total assets	$ 12,041	$ 9,245
LIABILITIES		
Debt	$ 4,640	$ 3,874
Base management fees payable	44	34
Income based fees payable	25	32
Capital gains incentive fees payable	61	38
Accounts payable and other liabilities	199	58
Interest and facility fees payable	44	44
Total liabilities	5,013	4,080
Commitments and contingencies (Note 7)		
STOCKHOLDERS' EQUITY		
Common stock, par value $0.001 per share, 500 common shares authorized; 426 and 314 common shares issued and outstanding, respectively		
Capital in excess of par value	7,206	5,292
Accumulated undistributed (overdistributed) net investment income	(78)	37
Accumulated net realized gains on investments, foreign currency transactions, extinguishment of debt and other assets	200	57
Net unrealized losses on investments, foreign currency and other transactions	(300)	(221)
Total stockholders' equity	7,028	5,165
Total liabilities and stockholders' equity	$ 12,041	$ 9,245
NET ASSETS PER SHARE	$ 16.49	$ 16.45

See accompanying notes to consolidated financial statements.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
INVESTMENT INCOME:				
From non-controlled/non-affiliate company investments:				
Interest income from investments	$ 200	$ 134	$ 539	$ 412
Capital structuring service fees	28	34	64	60
Dividend income	8	6	20	23
Other income	4	3	13	10
Total investment income from non-controlled/non-affiliate company investments	240	177	636	505
From non-controlled affiliate company investments:				
Interest income from investments	4	4	12	13
Total investment income from non-controlled affiliate company investments	4	4	12	13
From controlled affiliate company investments:				
Interest income from investments	34	62	149	187
Capital structuring service fees	4	1	9	2
Dividend income	10	10	38	30
Management and other fees	1	4	6	14
Other income	1		3	1
Total investment income from controlled affiliate company investments	50	77	205	234
Total investment income	294	258	853	752
EXPENSES:				
Interest and credit facility fees	56	43	166	139
Base management fees	44	34	127	103
Income based fees	35	33	97	91
Capital gain incentive fees	(3)	(6)	23	8
Administrative fees	3	3	9	10
Professional fees and other costs related to the American Capital Acquisition	4	3	42	11
Other general and administrative	7	6	24	21
Total expenses	146	116	488	383
Waiver of income based fees	(10)		(20)	
Total expenses, net of waiver of income based fees	136	116	468	383
NET INVESTMENT INCOME BEFORE INCOME TAXES	158	142	385	369
Income tax expense, including excise tax	5	4	14	13
NET INVESTMENT INCOME	153	138	371	356
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS, FOREIGN CURRENCY AND OTHER TRANSACTIONS:				
Net realized gains (losses):				
Non-controlled/non-affiliate company investments	(3)	4	70	55
Non-controlled affiliate company investments		12		13
Controlled affiliate company investments	45	5	97	11

Foreign currency and other transactions	(7)	(1)	(20)	(1)
Net realized gains	35	20	147	78
Net unrealized gains (losses):				
Non-controlled/non-affiliate company investments	(39)	(57)	(138)	(91)
Non-controlled affiliate company investments	(9)	(10)	(10)	12
Controlled affiliate company investments	1	23	75	48
Foreign currency and other transactions	(2)	(4)	(6)	(4)
Net unrealized losses	(49)	(48)	(79)	(35)
Net realized and unrealized gains (losses) from investments, foreign currency and other transactions	(14)	(28)	68	43
REALIZED LOSSES ON EXTINGUISHMENT OF DEBT			(4)	
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS	$ 139	$ 110	$ 435	$ 399
BASIC AND DILUTED EARNINGS PER COMMON SHARE (see Note 10)	$ 0.33	$ 0.35	$ 1.02	$ 1.27
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING (see Note 10)	426	314	425	314

See accompanying notes to consolidated financial statements.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of September 30, 2017
(dollar amounts in millions)
(unaudited)

Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Healthcare Services							
Absolute Dental Management LLC and ADM Equity, LLC	Dental services provider	First lien senior secured loan ($18.8 par due 1/2022)	9.63% (Libor + 8.30%/Q)	1/5/2016	$ 18.8	$ 18.2(2)(16)	
		First lien senior secured loan ($5.0 par due 1/2022)	9.63% (Libor + 8.30%/Q)	1/5/2016	5.0	4.8(4)(16)	
		Class A preferred units (4,000,000 units)		1/5/2016	4.0	1.4(2)	
		Class A common units (4,000,000 units)		1/5/2016		(2)	
					27.8	24.4	
Acessa Health Inc. (fka HALT Medical, Inc.)	Medical supply provider	Common stock (569,823 shares)		6/22/2017	0.1	0.1	
ADCS Billings Intermediate Holdings, LLC(20)	Dermatology practice	First lien senior secured revolving loan ($4.8 par due 5/2022)	9.00% (Base Rate + 4.75%/Q)	5/18/2016	4.8	4.7(2)(16)(19)	
ADG, LLC and RC IV GEDC Investor LLC(20)	Dental services provider	First lien senior secured revolving loan ($8.0 par due 9/2022)	6.00% (Libor + 4.75%/Q)	9/28/2016	8.0	7.8(2)(16)	
		First lien senior secured revolving loan ($3.0 par due 9/2022)	8.00% (Base Rate + 3.75%/Q)	9/28/2016	3.0	2.9(2)(16)	
		Second lien senior secured loan ($87.5 par due 3/2024)	10.25% (Libor + 9.00%/Q)	9/28/2016	87.5	84.0(2)(16)	
		Membership units (3,000,000 units)		9/28/2016	3.0	2.3(2)	
					101.5	97.0	
Alcami Holdings, LLC(8)(20)	Outsourced drug development services provider	First lien senior secured revolving loan ($23.6 par due 10/2019)	6.74% (Libor + 5.50%/Q)	1/3/2017	23.6	23.6(2)(16)	
		First lien senior secured loan ($10.0 par due 10/2020)	6.74% (Libor + 5.50%/Q)	1/3/2017	10.0	10.0(2)(16)	
		First lien senior secured loan ($96.2 par due 10/2020)	6.74% (Libor + 5.50%/Q)	1/3/2017	96.2	96.2(3)(16)	
		Senior subordinated loan ($34.8 par due 10/2020)	14.75%	1/3/2017	34.8	34.8(2)	
		Senior subordinated loan ($35.2 par due 10/2020)	15.25%	1/3/2017	20.7	35.2(2)	
		Senior subordinated loan ($25.0 par due 10/2020)	12.25%	1/3/2017	25.0	25.0(2)	
			11.75%	1/3/2017	30.0	30.0(2)	

		Senior subordinated loan ($30.0 par due 10/2020)				
		Senior subordinated loan ($30.0 par due 10/2020)	12%	1/3/2017	30.0	30.0(2)
		Series R preferred membership units (30,000 units)		1/3/2017		23.9
		Series R-2 preferred membership units (54,936 units)		1/3/2017		43.8
					270.3	352.5
Alegeus Technologies Holdings Corp.	Benefits administration and transaction processing provider	Preferred stock (2,997 shares)		12/13/2013	3.1	2.7
		Common stock (3 shares)		12/13/2013		
					3.1	2.7
Argon Medical Devices, Inc.	Manufacturer and marketer of single-use specialty medical devices	Second lien senior secured loan ($9.0 par due 6/2022)	10.74% (Libor + 9.50%/Q)	12/23/2015	8.8	9.0(2)(16)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
AwarePoint Corporation	Healthcare technology platform developer	First lien senior secured loan ($8.0 par due 12/2019)	13.82% (Libor + 12.50%/M)	9/5/2014	7.9	7.3(2)(14)(16)	
		Warrant to purchase up to 3,213,367 shares of Series 1 preferred stock (expires 9/2024)		11/14/2014		0.4(2)	
					7.9	7.7	
CCS Intermediate Holdings, LLC and CCS Group Holdings, LLC(20)	Correctional facility healthcare operator	First lien senior secured revolving loan ($4.5 par due 7/2019)	5.33% (Libor + 4.00%/Q)	7/23/2014	4.5	4.0(2)(16)(19)	
		First lien senior secured loan ($6.5 par due 7/2021)	5.33% (Libor + 4.00%/Q)	7/23/2014	6.5	5.7(2)(16)	
		Second lien senior secured loan ($135.0 par due 7/2022)	9.70% (Libor + 8.38%/Q)	7/23/2014	134.2	110.7(2)(16)	
		Class A units (1,000,000 units)		8/19/2010		0.7(2)	
					145.2	121.1	
Correctional Medical Group Companies, Inc.	Correctional facility healthcare operator	First lien senior secured loan ($48.8 par due 9/2021)	8.79% (Libor + 7.65%/Q)	9/29/2015	48.8	48.8(3)(16)	
		First lien senior secured loan ($3.1 par due 9/2021)	8.79% (Libor + 7.65%/Q)	9/29/2015	3.1	3.1(2)(16)	
					51.9	51.9	
CSHM LLC(8)	Dental services provider	Class A membership units (1,979 units)		1/3/2017			
D4C Dental Brands HoldCo, Inc. and Bambino Group Holdings, LLC(20)	Dental services provider	First lien senior secured revolving loan ($1.2 par due 12/2022)	7.56% (Libor + 6.25%/Q)	12/21/2016	1.2	1.2(2)(16)	
		First lien senior secured revolving loan ($1.3 par due 12/2022)	9.50% (Base Rate + 5.25%/Q)	12/21/2016	1.3	1.3(2)(16)	
		Class A preferred units (1,000,000 units)		12/21/2016	1.0	1.0(2)	
					3.5	3.5	
DCA Investment Holding, LLC(20)	Multi-branded dental practice management	First lien senior secured revolving loan ($2.8 par due 7/2021)	8.50% (Base Rate + 4.25%/Q)	7/2/2015	2.8	2.7(2)(16)(19)	
		First lien senior secured loan ($18.8 par due 7/2021)	6.58% (Libor + 5.25%/Q)	7/2/2015	18.7	18.2(4)(16)	
					21.5	20.9	
DNAnexus, Inc.	Bioinformatics company	Warrant to purchase up to 909,092 units of Series C preferred stock (expires 3/2024)		3/21/2014		0.1(2)	
				7/26/2017	12.3	12.3(2)(16)	

Drayer Physical Therapy Institute LLC	Outpatient physical therapy provider	First lien senior secured loan ($12.3 par due 7/2018)	8.99% (Libor + 7.75%/Q)			
		First lien senior secured loan ($114.6 par due 7/2018)	8.99% (Libor + 7.75%/Q)	7/26/2017	114.6	114.6(2)(16)
					126.9	126.9
Emerus Holdings, Inc.(20)	Freestanding 24-hour emergency care micro-hospitals operator	First lien senior secured revolving loan ($0.3 par due 9/2020)	7.75% (Base Rate + 3.50%/Q)	3/14/2017	0.3	0.3(2)(16)
		First lien senior secured loan ($2.3 par due 9/2021)	5.74% (Libor + 4.50%/Q)	3/14/2017	2.0	2.0(2)(16)
					2.3	2.3
GHX Ultimate Parent Corporation, Commerce Parent, Inc. and Commerce Topco, LLC	On-demand supply chain automation solutions provider to the healthcare industry	Second lien senior secured loan ($96.5 par due 6/2025)	9.33% (Libor + 8.00%/Q)	6/30/2017	95.8	95.5(2)(16)
		Series A perpetual preferred stock (110,338 shares)	12.08% PIK (Libor + 10.75%/Q)	6/30/2017	113.7	113.7(2)(16)
		Class A units (13,925,993 units)		6/30/2017	13.9	14.7(2)
					223.4	223.9

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Greenphire, Inc. and RMCF III CIV XXIX, L.P(20)	Software provider for clinical trial management	First lien senior secured revolving loan ($1.0 par due 12/2018)	8.00% (Base Rate + 3.75%/Q)	12/19/2014	1.0	1.0(2)(16)	
		First lien senior secured loan ($1.5 par due 9/2020)	9.30% (Libor + 8.00%/M)	12/19/2014	1.5	1.5(2)(16)	
		First lien senior secured loan ($2.7 par due 12/2018)	9.30% (Libor + 8.00%/M)	12/19/2014	2.7	2.7(2)(16)	
		Limited partnership interest (99.90% interest)		12/19/2014	1.0	2.3(2)	
					6.2	7.5	
Heartland Dental, LLC	Detanl services provider	Second lien senior secured loan ($27.8 par due 7/2024)	9.82% (Libor + 8.50%/Q)	7/31/2017	27.4	27.8(2)(16)	
Hygiena Borrower LLC(20)	Adenosine triphosphate testing technology provider	Second lien senior secured loan ($10.7 par due 8/2023)	10.33% (Libor + 9.00%/Q)	2/27/2017	10.7	10.7(2)(16)	
		Second lien senior secured loan ($10.0 par due 8/2023)	10.33% (Libor + 9.00%/Q)	8/26/2016	10.0	10.0(2)(16)	
					20.7	20.7	
Intermedix Corporation	Revenue cycle management provider to the emergency healthcare industry	First lien senior secured loan ($107.5 par due 12/2019)	5.93% (Libor + 4.75%/Q)	7/26/2017	116.8	115.6(2)(16)	
		First lien senior secured loan ($121.7 par due 12/2019)	6.07% (Libor + 4.75%/Q)	7/26/2017	132.2	130.9(2)(16)	
		Second lien senior secured loan ($112.0 par due 6/2020)	9.58% (Libor + 8.25%/Q)	12/27/2012	112.0	108.6(2)(16)	
					361.0	355.1	
Island Medical Management Holdings, LLC	Provider of physician management services	First lien senior secured loan ($3.5 par due 9/2022)	7.00% (Libor + 5.50%/Q)	5/15/2017	3.5	3.4(2)(16)	
					3.5	3.4	
JDC Healthcare Management, LLC(20)	Dental services provider	First lien senior secured revolving loan ($1.5 par due 4/2022)	7.49% (Libor + 6.25%/Q)	4/10/2017	1.5	1.5(2)(16)	
		First lien senior secured loan ($10.0 par due 4/2023)	7.49% (Libor + 6.25%/Q)	4/10/2017	10.0	9.8(2)(16)	
		First lien senior secured loan ($20.0 par due 4/2023)	7.49% (Libor + 6.25%/Q)	4/10/2017	20.0	19.6(4)(16)	
					31.5	30.9	
KBHS Acquisition, LLC (d/b/a Alita Care, LLC)(20)	Provider of behavioral health services	First lien senior secured revolving loan ($0.9 par due 3/2022)	6.23% (Libor + 5.00%/Q)	3/17/2017	0.9	0.9(2)(16)	

		First lien senior secured revolving loan ($0.4 par due 3/2022)	6.24% (Libor + 5.00%/Q)	3/17/2017	0.4	0.4(2)(16)
					1.3	1.3
Key Surgical LLC(20)	Provider of sterile processing, operating room and instrument care supplies for hospitals	First lien senior secured revolving loan ($0.9 par due 6/2022)	6.07% (Libor + 4.75%/Q)	6/1/2017	0.9	0.9(2)(16)
		First lien senior secured loan ($17.8 par due 6/2023)	5.75% (EURIBOR + 4.75%/Q)	6/1/2017	16.9	17.5(2)(16)
		First lien senior secured loan ($4.4 par due 6/2023)	6.07% (Libor + 4.75%/Q)	6/1/2017	4.3	4.3(4)(16)
					22.1	22.7
MB2 Dental Solutions, LLC(20)	Dental services provider	First lien senior secured loan ($4.8 par due 9/2023)	6.08% (Libor + 3.75%/Q)	9/29/2017	4.8	4.7(2)(16)
MCH Holdings, Inc. and MC Acquisition Holdings I, LLC	Healthcare professional provider	First lien senior secured loan ($74.3 par due 1/2020)	6.73% (Libor + 5.50%/Q)	7/26/2017	74.3	74.3(2)(16)
		First lien senior secured loan ($90.0 par due 1/2020)	6.74% (Libor + 5.50%/Q)	7/26/2017	90.0	90.0(2)(16)
		Class A units (1,438,643 shares)		1/17/2014	1.5	1.1(2)
					165.8	165.4

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
MW Dental Holding Corp.(20)	Dental services provider	First lien senior secured revolving loan ($9.7 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	9.7	9.7(2)(16)	
		First lien senior secured loan ($44.5 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	44.5	44.5(2)(16)	
		First lien senior secured loan ($46.9 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	46.9	46.9(3)(16)	
		First lien senior secured loan ($19.4 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	19.4	19.4(4)(16)	
					120.5	120.5	
My Health Direct, Inc.	Healthcare scheduling exchange software solution provider	Warrant to purchase up to 4,548 shares of Series D preferred stock (expires 9/2024)		9/18/2014		(2)	
New Trident Holdcorp, Inc.	Outsourced mobile diagnostic healthcare service provider	Second lien senior secured loan ($80.0 par due 7/2020)	10.83% (Libor + 9.50%/Q)	8/6/2013	79.3	62.4(2)(16)	
NMSC Holdings, Inc. and ASP NAPA Holdings, LLC	Anesthesia management services provider	Second lien senior secured loan ($72.8 par due 10/2023)	11.33% (Libor + 10.00%/Q)	4/19/2016	72.8	69.2(2)(16)	
		Class A units (25,277 units)		4/19/2016	2.5	1.7(2)	
					75.3	70.9	
Nodality, Inc.	Biotechnology company	First lien senior secured loan ($2.3 par due 8/2016)		11/12/2015	2.1	(2)(15)	
		First lien senior secured loan ($10.9 par due 8/2016)		4/25/2014	9.7	(2)(15)	
		Warrant to purchase up to 3,736,255 shares of common stock (expires 3/2026)		5/1/2016		(2)	
					11.8		
NSM Sub Holdings Corp.(20)	Provider of customized mobility, rehab and adaptive seating systems	First lien senior secured revolving loan ($0.9 par due 10/2022)	8.25% (Base Rate + 4.00%/Q)	9/28/2017	0.9	0.9(2)(16)	
nThrive, Inc. (fka Precyse Acquisition Corp.)	Provider of healthcare information management technology and services	Second lien senior secured loan ($10.0 par due 4/2023)	10.99% (Libor + 9.75%/Q)	4/20/2016	9.7	10.0(2)(16)	
OmniSYS Acquisition Corporation, OmniSYS, LLC, and OSYS Holdings, LLC(20)	Provider of technology-enabled solutions to pharmacies	First lien senior secured loan ($5.9 par due 11/2018)	8.83% (Libor + 7.50%/Q)	11/21/2013	5.9	5.9(4)(16)	
		Limited liability company membership interest (1.57%)		11/21/2013	1.0	0.6(2)	

					6.9	6.5
Patterson Medical Supply, Inc.	Distributor of rehabilitation supplies and equipment	Second lien senior secured loan ($78.0 par due 8/2023)	10.00% (Libor + 8.50%/Q)	9/2/2015	76.3	74.9(2)(16)
PerfectServe, Inc.	Communications software platform provider for hospitals and physician practices	First lien senior secured loan ($16.0 par due 4/2021)	10.30% (Libor + 9.00%/M)	4/5/2017	14.8	16.0(2)(16)
		First lien senior secured loan ($2.0 par due 4/2021)	10.32% (Libor + 9.00%/M)	4/5/2017	2.0	2.0(2)(16)
		First lien senior secured loan ($2.0 par due 4/2021)	10.32% (Libor + 9.00%/M)	4/5/2017	2.0	2.0(2)(16)
		Warrant to purchase up to 128,480 shares of Series C preferred stock (expires 4/2027)		4/5/2017	1.0	0.7(2)
					19.8	20.7
PhyMED Management LLC	Provider of anesthesia services	Second lien senior secured loan ($47.2 par due 5/2021)	10.07% (Libor + 8.75%/Q)	12/18/2015	46.7	45.3(2)(16)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Practice Insight, LLC(20)	Revenue cycle management provider to the emergency healthcare industry	First lien senior secured revolving loan ($0.6 par due 8/2022)	8.25% (Base Rate + 4.00%/Q)	8/23/2017	0.6	0.6(2)(16)	
		First lien senior secured loan ($12.7 par due 8/2022)	6.24% (Libor + 5.00%/Q)	8/23/2017	12.7	12.7(2)(16)	
					13.3	13.3	
Respicardia, Inc.	Developer of implantable therapies to improve cardiovascular health	Warrant to purchase up to 99,094 shares of Series C preferred stock (expires 6/2022)		6/28/2012		(2)	
Sarnova HC, LLC, Tri-Anim Health Services, Inc., and BEMS Holdings, LLC	Distributor of emergency medical service and respiratory products	Second lien senior secured loan ($54.0 par due 7/2022)	10.74% (Libor + 9.50%/Q)	1/29/2016	54.0	54.0(2)(16)	
SCSG EA Acquisition Company, Inc.(20)	Provider of outsourced clinical services to hospitals and health systems	First lien senior secured loan ($3.3 par due 9/2023)	5.57% (Libor + 4.25%/Q)	9/1/2017	3.3	3.3(2)(16)	
TerSera Therapeutics LLC	Acquirer and developer of specialty therapeutic pharmaceutical products	First lien senior secured loan ($5.3 par due 3/2023)	6.58% (Libor + 5.25%/Q)	5/3/2017	5.2	5.2(4)(16)	
Transaction Data Systems, Inc.	Pharmacy management software provider	Second lien senior secured loan ($35.3 par due 6/2022)	10.30% (Libor + 9.00%/Q)	6/15/2015	35.3	35.3(2)(16)	
U.S. Anesthesia Partners, Inc.	Anesthesiology service provider	Second lien senior secured loan ($64.8 par due 6/2025)	8.49% (Libor + 7.25%/Q)	6/16/2017	63.8	63.8(2)(16)	
Urgent Cares of America Holdings I, LLC and FastMed Holdings I, LLC(20)	Operator of urgent care clinics	Preferred units (7,696,613 units)		6/11/2015	7.7	0.5	
		Series A common units (2,000,000 units)		6/11/2015	2.0		
		Series C common units (5,288,427 units)		6/11/2015			
					9.7	0.5	
Vertice Pharma UK Parent Limited(9)	Manufacturer and distributor of generic pharmaceutical products	Preferred shares (40,662 shares)		12/21/2015	0.4	0.7	
Young Innovations, Inc.	Dental supplies and equipment manufacturer	Second lien senior secured loan ($31.4 par due 7/2019)	10.58% (Libor + 9.25%/Q)	10/18/2016	31.4	31.4(2)(16)	
		Second lien senior secured loan ($55.0 par due 7/2019)	10.58% (Libor + 9.25%/Q)	5/30/2014	55.0	55.0(2)(16)	

					86.4	86.4	
ZocDoc, Inc.(20)	Provider of medical care search facility	First lien senior secured loan ($5.0 par due 4/2021)	10.81% (Libor + 9.50%/M)	4/7/2017	5.0	5.1(2)(14)(16)	
		First lien senior secured loan ($15.0 par due 4/2021)	10.81% (Libor + 9.50%/M)	4/7/2017	14.9	15.2(5)(14)(16)	
					19.9	20.3	
					2,381.8	2,383.1	33.91%
Business Services							
Accruent, LLC, Accruent Holding, LLC and Athena Parent, Inc.(20)	Real estate and facilities management software provider	Second lien senior secured loan ($61.1 par due 7/2024)	10.06% (Libor + 8.75%/Q)	7/28/2017	61.1	61.1(2)(16)	
		Senior subordinated loan ($6.8 par due 7/2025)	11.5%	7/28/2017	6.8	6.5(2)	
		Senior subordinated loan ($73.6 par due 7/2025)	11.5%	7/28/2017	73.6	70.7(2)	
		Common stock (3,000 shares)		5/16/2016	3.0	2.8(2)	
		Warrant to purchase up to 11,380 shares of common stock (expires 7/2037)		7/28/2017		3.2(2)	
					144.5	144.3	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Achilles Acquisition LLC(20)	Benefits broker and outsourced workflow automation platform provider for brokers	First lien senior secured loan ($1.0 par due 6/2023)	7.30% (Libor + 6.00%/Q)	6/6/2017	1.0	1.0(2)(16)	
		First lien senior secured loan ($0.8 par due 6/2023)	7.31% (Libor + 6.00%/Q)	6/6/2017	0.8	0.8(2)(16)	
		First lien senior secured loan ($10.2 par due 6/2023)	7.33% (Libor + 6.00%/Q)	6/6/2017	10.2	10.1(2)(16)	
					12.0	11.9	
Acrisure, LLC, Acrisure Investors FO, LLC and Acrisure Investors SO, LLC(20)	Retail insurance advisor and brokerage	Second lien senior secured loan ($10.0 par due 11/2024)	10.52% (Libor + 9.25%/Q)	5/10/2017	10.0	10.0(2)(16)	
		Second lien senior secured loan ($3.1 par due 11/2024)	10.58% (Libor + 9.25%/Q)	5/10/2017	3.1	3.1(2)(16)	
		Second lien senior secured loan ($15.0 par due 11/2024)	10.52% (Libor + 9.25%/Q)	5/10/2017	15.0	15.0(2)(16)	
		Second lien senior secured loan ($88.6 par due 11/2024)	10.55% (Libor + 9.25%/Q)	11/22/2016	88.6	88.6(2)(16)	
		Second lien senior secured loan ($9.7 par due 11/2024)	10.52% (Libor + 9.25%/Q)	11/22/2016	9.7	9.7(2)(16)	
		Membership interests (10,793,504 units)		11/18/2016	10.8	10.8(2)	
		Membership interests (2,698,376 units)		11/18/2016	2.7	2.7(2)	
					139.9	139.9	
BeyondTrust Software, Inc.(20)	Management software solutions provider	First lien senior secured loan ($29.4 par due 9/2019)	8.33% (Libor + 7.00%/Q)	1/3/2017	29.0	29.4(3)(16)	
BluePay Processing, Inc.	Payment processing solutions provider	Second lien senior secured loan ($32.8 par due 8/2022)	9.81% (Libor + 8.50%/Q)	1/3/2017	32.8	32.8(2)(16)	
Brandtone Holdings Limited(9)	Mobile communications and marketing services provider	First lien senior secured loan ($4.7 par due 11/2018)		5/11/2015	4.5	(2)(15)	
		First lien senior secured loan ($3.1 par due 2/2019)		5/11/2015	2.9	(2)(15)	
		Warrant to purchase up to 184,003 units of convertible preferred shares (expires 8/2026)		5/11/2015		(2)	
					7.4		
CallMiner, Inc.	Provider of cloud-based conversational analytics solutions	Second lien senior secured loan ($1.0 par due 5/2018)	10.82% (Libor + 9.50%/M)	7/23/2014	1.0	1.0(2)(16)	
				7/23/2014	0.7	0.7(2)(16)	

		Second lien senior secured loan ($0.7 par due 8/2018)	10.82% (Libor + 9.50%/M)				
		Warrant to purchase up to 2,350,636 shares of Series 1 preferred stock (expires 7/2024)		7/23/2014		(2)	
					1.7	1.7	
Clearwater Analytics, LLC(20)	Provider of integrated cloud-based investment portfolio management, accounting, reporting and analytics software	First lien senior secured revolving loan ($0.5 par due 9/2022)	8.74% (Libor + 7.50%/Q)	9/1/2016	0.5	0.5(2)(16)	
CMW Parent LLC (fka Black Arrow, Inc.)	Multiplatform media firm	Series A units (32 units)		9/11/2015		(2)	
Columbo Midco Limited, Columbo Bidco Limited and Columbo Topco Limited(8)(9)	Compliance, accounting and tax consulting services provider	Preferred stock (34,028,135 shares)		1/3/2017	2.3	3.4	
		Preferred stock (17,653,253 shares)		1/3/2017	21.6	25.8	
		Preferred stock (3,232,666 shares)		1/3/2017	4.0	4.7	
					27.9	33.9	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Command Alkon Incorporated(20)	Software solutions provider to the ready-mix concrete industry	First lien senior secured loan ($28.6 par due 9/2023)	6.24% (Libor + 5.00%/Q)	9/1/2017	28.6	28.4(2)(16)	
		Second lien senior secured loan ($33.8 par due 3/2024)	10.24% (Libor + 9.00%/Q)	9/1/2017	33.8	33.4(2)(16)	
					62.4	61.8	
Compusearch Software Systems, Inc.	Provider of enterprise software and services for organizations in the public sector	Second lien senior secured loan ($51.0 par due 11/2021)	10.06% (Libor + 8.75%/Q)	1/3/2017	51.0	51.0(2)(16)	
Compuware Parent, LLC	Web and mobile cloud performance testing and monitoring services provider	Class A-1 common stock (4,132 units)		12/15/2014	2.2	2.0(2)	
		Class B-1 common stock (4,132 units)		12/15/2014	0.4	0.4(2)	
		Class C-1 common stock (4,132 units)		12/15/2014	0.3	0.3(2)	
		Class A-2 common stock (4,132 units)		12/15/2014		(2)	
		Class B-2 common stock (4,132 units)		12/15/2014		(2)	
		Class C-2 common stock (4,132 units)		12/15/2014		(2)	
					2.9	2.7	
Convergint Technologies LLC(20)	Integrated services provider for security, fire and life safety	Second lien senior secured loan ($3.0 par due 12/2020)	9.95% (Libor + 8.50%/Q)	1/3/2017	3.0	3.0(2)(16)	
		Second lien senior secured loan ($6.0 par due 12/2020)	9.91% (Libor + 8.50%/Q)	1/3/2017	6.0	6.0(2)(16)	
		Second lien senior secured loan ($25.0 par due 12/2020)	9.50% (Libor + 8.00%/Q)	1/3/2017	25.0	25.0(2)(16)	
		Second lien senior secured loan ($8.0 par due 12/2020)	9.45% (Libor + 8.00%/Q)	1/3/2017	8.0	8.0(2)(16)	
		Second lien senior secured loan ($75.0 par due 12/2020)	9.43% (Libor + 8.00%/Q)	1/3/2017	75.0	75.0(2)(16)	
					117.0	117.0	
Datapipe, Inc.	Data center provider	Second lien senior secured loan ($29.5 par due 9/2019)	9.31% (Libor + 8.00%/Q)	1/3/2017	28.5	29.5(2)(16)	
Directworks, Inc. and Co-Exprise Holdings, Inc.	Provider of cloud-based software solutions for direct materials sourcing and supplier management for manufacturers	First lien senior secured loan ($1.9 par due 4/2018)		12/19/2014	1.9	1.0(2)(15)	
		Warrant to purchase up to 1,875,000 shares of Series 1 preferred stock		12/19/2014		(2)	

		(expires 12/2024)				
					1.9	1.0
DTI Holdco, Inc. and OPE DTI Holdings, Inc.(20)	Provider of legal process outsourcing and managed services	First lien senior secured loan ($4.1 par due 9/2023)	6.56% (Libor + 5.25%/Q)	9/23/2016	4.1	3.9(4)(16)
		Class A common stock (7,500 shares)		8/19/2014	7.5	6.3(2)
		Class B common stock (7,500 shares)		8/19/2014		(2)
					11.6	10.2
Emergency Communications Network, LLC(20)	Provider of mission critical emergency mass notification solutions	First lien senior secured loan ($58.0 par due 6/2023)	7.49% (Libor + 6.25%/Q)	6/1/2017	57.6	57.4(2)(16)
EN Engineering, L.L.C.(20)	National utility services firm providing engineering and consulting services to natural gas, electric power and other energy and industrial end markets	First lien senior secured revolving loan		6/30/2015		(18)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Entertainment Partners, LLC and Entertainment Partners Canada Inc.(20)	Provider of entertainment workforce and production management solutions	First lien senior secured loan ($2.3 par due 5/2022)	6.91% (Libor + 5.50%/Q)	5/8/2017	2.1	2.3(2)(9)(16)	
		First lien senior secured loan ($2.8 par due 5/2022)	6.79% (Libor + 5.50%/Q)	5/8/2017	2.6	2.8(2)(9)(16)	
		First lien senior secured loan ($2.8 par due 5/2022)	6.60% (Libor + 5.50%/Q)	5/8/2017	2.6	2.8(2)(9)(16)	
		First lien senior secured loan ($3.6 par due 5/2023)	7.02% (Libor + 5.75%/Q)	5/8/2017	3.6	3.6(2)(16)	
		First lien senior secured loan ($22.6 par due 5/2023)	7.02% (Libor + 5.75%/Q)	5/8/2017	22.6	22.4(3)(16)	
		First lien senior secured loan ($4.2 par due 5/2023)	7.06% (Libor + 5.75%/Q)	5/8/2017	4.2	4.1(2)(16)	
		First lien senior secured loan ($26.1 par due 5/2023)	7.06% (Libor + 5.75%/Q)	5/8/2017	26.1	25.8(3)(16)	
		First lien senior secured loan ($4.2 par due 5/2023)	7.19% (Libor + 5.75%/Q)	5/8/2017	4.2	4.1(2)(16)	
		First lien senior secured loan ($26.1 par due 5/2023)	7.19% (Libor + 5.75%/Q)	5/8/2017	26.1	25.8(3)(16)	
					94.1	93.7	
Faction Holdings, Inc. and The Faction Group LLC (fka PeakColo Holdings, Inc.)(20)	Wholesaler of cloud-based software applications and services	First lien senior secured revolving loan ($1.0 par due 1/2019)	9.00% (Base Rate + 4.75%/Q)	1/6/2017	1.0	1.0(2)(16)	
		First lien senior secured loan ($8.0 par due 1/2021)	10.56% (Libor + 9.25%/M)	1/6/2017	8.0	8.0(2)(16)	
		Warrant to purchase up to 5,185 shares of Series A preferred stock (expires 1/2027)		1/6/2017		0.1(2)	
		Warrant to purchase up to 1,481 shares of Series A preferred stock (expires 12/2025)		12/3/2015		(2)	
		Warrant to purchase up to 2,037 shares of Series A preferred stock (expires 11/2024)		11/3/2014	0.1	0.1(2)	
					9.1	9.2	
First Insight, Inc.	Software company providing merchandising and pricing solutions to companies worldwide	Warrant to purchase up to 122,827 units of Series C preferred stock (expires 3/2024)		3/20/2014		(2)	
Flexera Software LLC				1/3/2017	4.8	5.0(2)(16)	

	Provider of software and software applications that manages application usage, compliance and security risk	Second lien senior secured loan ($5.0 par due 4/2021)	8.33% (Libor + 7.00%/Q)			
GTCR-Ultra Acquisition, Inc. and GTCR-Ultra Holdings, LLC(20)	Provider of payment processing and merchant acquiring solutions	First lien senior secured loan ($8.9 par due 8/2024)	7.24% (Libor + 6.00%/Q)	8/1/2017	8.9	8.7(2)(16)
		Class A-2 units (911.1 units)		8/1/2017	0.9	0.9(2)
		Class B units (2,878,372.4 units)		8/1/2017		(2)
					9.8	9.6
IfByPhone Inc.	Voice-based marketing automation software provider	Warrant to purchase up to 124,300 shares of Series C preferred stock (expires 10/2022)		10/15/2012	0.1	0.1(2)
Infogix, Inc. and Infogix Parent Corporation	Enterprise data analytics and integrity software solutions provider	First lien senior secured loan ($54.6 par due 12/2021)	7.80% (Libor + 6.50%/Q)	1/3/2017	54.6	54.6(2)(13)(16)
		First lien senior secured loan ($34.9 par due 12/2021)	7.80% (Libor + 6.50%/Q)	1/3/2017	34.9	34.9(3)(13)(16)
		Series A preferred stock (2,475 shares)		1/3/2017	2.5	2.9
		Common stock (1,297,768 shares)		1/3/2017		1.1
					92.0	93.5

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Inmar, Inc.	Technology-driven solutions provider for retailers, wholesalers and manufacturers	Second lien senior secured loan ($28.3 par due 5/2025)	9.27% (Libor + 8.00%/Q)	4/25/2017	27.9	28.0(2)(16)	
Interactions Corporation	Developer of a speech recognition software based customer interaction system	Second lien senior secured loan ($5.9 par due 3/2021)	9.85% (Libor + 8.60%/M)	6/16/2015	5.8	5.9(2)(14)(16)	
		Second lien senior secured loan ($19.1 par due 3/2021)	9.85% (Libor + 8.60%/M)	6/16/2015	18.9	19.2(5)(14)(16)	
		Warrant to purchase up to 68,187 shares of Series G-3 convertible preferred stock (expires 6/2022)		6/16/2015	0.3	0.2(2)	
					25.0	25.3	
InterVision Systems, LLC and InterVision Holdings, LLC	Provider of cloud based IT solutions, infrastructure and services	First lien senior secured loan ($32.5 par due 5/2022)	10.06% (Libor + 8.65%/Q)	5/31/2017	32.5	32.5(2)(16)	
	Provider of IT solutions, infrastructure and services for the cloud ecosystem	Class A membership units (1,000 units)		5/31/2017	1.0	1.1	
					33.5	33.6	
iParadigms Holdings, LLC	Anti-plagiarism software provider to the education market	Second lien senior secured loan ($39.5 par due 7/2022)	8.58% (Libor + 7.25%/Q)	1/3/2017	38.8	38.7(2)(16)	
iPipeline, Inc., Internet Pipeline, Inc. and iPipeline Holdings, Inc.(20)	Provider of SaaS-based software solutions to the insurance and financial services industry	First lien senior secured loan ($3.7 par due 8/2022)	7.48% (Libor + 6.25%/Q)	6/15/2017	3.7	3.7(2)(16)	
		First lien senior secured loan ($9.1 par due 8/2022)	8.48% (Libor + 7.25%/Q)	9/15/2017	9.1	9.1(2)(16)	
		First lien senior secured loan ($46.4 par due 8/2022)	8.49% (Libor + 7.25%/Q)	8/4/2015	46.4	46.4(3)(16)	
		First lien senior secured loan ($14.7 par due 8/2022)	8.49% (Libor + 7.25%/Q)	8/4/2015	14.7	14.7(4)(16)	
		Preferred stock (1,100 shares)		8/4/2015	1.1	3.3(2)	
		Common stock (668,781 shares)		8/4/2015		(2)	
					75.0	77.2	
IQMS	Provider of enterprise resource planning and manufacturing execution software for small and midsized manufacturers	First lien senior secured loan ($9.0 par due 3/2022)	9.49% (Libor + 8.25%/Q)	3/28/2017	9.0	9.0(2)(16)	

		First lien senior secured loan ($18.8 par due 3/2022)	9.49% (Libor + 8.25%/Q)	3/28/2017	18.8	18.8(3)(16)
		First lien senior secured loan ($10.0 par due 3/2022)	9.49% (Libor + 8.25%/Q)	3/28/2017	10.0	10.0(4)(16)
					37.8	37.8
Iron Bow Technologies, LLC	Provider and value added reseller of information technology products and solutions	Second lien senior secured loan ($10.0 par due 2/2021)	12.99% (Libor + 11.75%/Q)	1/3/2017	10.0	10.0(2)(16)
IronPlanet, Inc.	Online auction platform provider for used heavy equipment	Warrant to purchase to up to 133,333 shares of Series C preferred stock (expires 9/2023)		9/23/2013	0.2	0.4(2)
LLSC Holdings Corporation (dba Lawrence Merchandising Services)(8)	Marketing services provider	Series A preferred stock (9,000 shares)		1/3/2017	19.2	17.6
		Common stock (1,000 shares)		1/3/2017		
					19.2	17.6

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Miles 33 (Finance) Limited(8)(9)	Software provider to the regional media industry and magazines	First lien senior secured loan ($1.0 par due 9/2018)	6.75% (EURIBOR + 6.50%/Q)	1/3/2017	0.9	1.0	
		First lien senior secured loan ($4.0 par due 9/2018)	6.75% (EURIBOR + 6.50%/Q)	1/3/2017	3.7	4.0	
		Senior subordinated loan ($17.2 par due 9/2021)	4.75% (EURIBOR + 4.50%/Q)	1/3/2017	9.9	16.5	
		Preferred stock (19,500,000 shares)		1/3/2017			
		Preferred stock (900,000 shares)		1/3/2017			
		Common stock (600,000 shares)		1/3/2017			
					14.5	21.5	
Ministry Brands, LLC and MB Parent HoldCo, L.P.(20)	Software and payment services provider to faith-based institutions	First lien senior secured loan ($0.3 par due 12/2022)	6.24% (Libor + 5.00%/Q)	8/22/2017	0.3	0.3(2)(16)	
		First lien senior secured loan ($1.1 par due 12/2022)	8.25% (Base Rate + 4.00%/Q)	8/22/2017	1.1	1.1(2)(16)	
		First lien senior secured loan ($9.3 par due 12/2022)	6.24% (Libor + 5.00%/Q)	4/6/2017	9.3	9.3(2)(16)	
		First lien senior secured loan ($1.3 par due 12/2022)	8.25% (Base Rate + 4.00%/Q)	4/6/2017	1.3	1.3(2)(16)	
		First lien senior secured loan ($16.7 par due 12/2022)	6.24% (Libor + 5.00%/Q)	4/6/2017	16.5	16.7(2)(16)	
		Second lien senior secured loan ($0.9 par due 6/2023)	10.49% (Libor + 9.25%/Q)	8/22/2017	0.9	0.9(2)(16)	
		Second lien senior secured loan ($4.1 par due 6/2023)	12.50% (Base Rate + 8.25%/Q)	8/22/2017	4.1	4.1(2)(16)	
		Second lien senior secured loan ($4.7 par due 6/2023)	10.49% (Libor + 9.25%/Q)	4/6/2017	4.7	4.7(2)(16)	
		Second lien senior secured loan ($9.2 par due 6/2023)	10.49% (Libor + 9.25%/Q)	4/6/2017	9.2	9.2(2)(16)	
		Second lien senior secured loan ($16.6 par due 6/2023)	10.49% (Libor + 9.25%/Q)	12/2/2016	16.6	16.6(2)(16)	
		Second lien senior secured loan ($90.0 par due 6/2023)	10.49% (Libor + 9.25%/Q)	12/2/2016	89.3	90.0(2)(16)	
		Class A units (500,000 units)		12/2/2016	5.0	6.6(2)	
					158.3	160.8	
Mitchell International, Inc.	Provider of mission-critical software and solutions to the property and casualty claims industry	Second lien senior secured loan ($17.0 par due 10/2021)	8.81% (Libor + 7.50%/Q)	1/3/2017	17.0	17.0(2)(16)	

MVL Group, Inc.(8)	Marketing research provider	Senior subordinated loan ($0.5 par due 7/2017)		4/1/2010	0.2	0.2(2)(15)
		Common stock (560,716 shares)		4/1/2010		(2)
					0.2	0.2
NAS, LLC, Nationwide Marketing Group, LLC and Nationwide Administrative Services, Inc.	Buying and marketing services organization for appliance, furniture and consumer electronics dealers	Second lien senior secured loan ($24.1 par due 12/2021)	10.06% (Libor + 8.75%/Q)	6/1/2015	24.1	23.6(2)(16)
National Intergovernmental Purchasing Alliance Company	Leading group purchasing organization for public agencies and educational institutions in the U.S	First lien senior secured loan ($1.2 par due 9/2022)	6.32% (Libor + 5.00%/Q)	8/2/2017	1.2	1.2(2)(16)
		First lien senior secured loan ($2.5 par due 9/2022)	6.33% (Libor + 5.00%/Q)	8/2/2017	2.5	2.5(2)(16)
					3.7	3.7

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Novetta Solutions, LLC	Provider of advanced analytics solutions for the government, defense and commercial industries	First lien senior secured loan ($12.8 par due 10/2022)	6.34% (Libor + 5.00%/Q)	1/3/2017	12.3	12.3(2)(16)	
		Second lien senior secured loan ($31.0 par due 10/2023)	9.84% (Libor + 8.50%/Q)	1/3/2017	28.4	28.2(2)(16)	
					40.7	40.5	
Palermo Finance Corporation(20)	Provider of mission-critical integrated public safety software and services to local, state and federal agencies	First lien senior secured revolving loan		4/17/2017		(18)	
		First lien senior secured loan ($11.0 par due 4/2023)	5.80% (Libor + 4.50%/Q)	4/17/2017	10.9	10.9(4)(16)	
		Second lien senior secured loan ($54.3 par due 10/2023)	9.80% (Libor + 8.50%/Q)	4/17/2017	54.3	54.3(2)(16)	
					65.2	65.2	
Park Place Technologies, LLC	Provider of third party hardware maintenance and support services for IT data centers	Second lien senior secured loan ($41.5 par due 12/2022)	10.32% (Libor + 9.00%/Q)	1/3/2017	41.5	41.5(2)(16)	
PayNearMe, Inc.	Electronic cash payment system provider	Warrant to purchase up to 195,726 shares of Series E preferred stock (expires 3/2023)		3/11/2016	0.2	(5)	
PDI TA Holdings, Inc.(20)	Provider of enterprise management software for the convenience retail and petroleum wholesale markets	First lien senior secured loan ($29.4 par due 8/2023)	6.07% (Libor + 4.75%/Q)	8/25/2017	29.4	29.1(2)(16)	
		Second lien senior secured loan ($66.8 par due 8/2024)	10.07% (Libor + 8.75%/Q)	8/25/2017	66.8	66.1(2)(16)	
					96.2	95.2	
Pegasus Intermediate Holdings, LLC(20)	Plant maintenance and scheduling process software provider	First lien senior secured loan ($1.3 par due 11/2022)	7.55% (Libor + 6.25%/Q)	11/7/2016	1.3	1.3(2)(16)	
PHL Investors, Inc., and PHL Holding Co.(8)	Mortgage services	Class A common stock (576 shares)		7/31/2012	3.8	(2)	
PHNTM Holdings, Inc. and Planview Parent, Inc.	Provider of project and portfolio management software	First lien senior secured loan ($36.7 par due 1/2023)	6.49% (Libor + 5.25%/Q)	1/27/2017	36.1	36.7(2)(16)	
		Second lien senior secured loan ($62.0 par due 7/2023)	10.99% (Libor + 9.75%/Q)	1/27/2017	61.1	62.0(2)(16)	
		Class A common shares (990 shares)		1/27/2017	1.0	1.0(2)	
				1/27/2017		(2)	

		Class B common shares (168,329 shares)				
					98.2	99.7
Poplicus Incorporated	Business intelligence and market analytics platform for companies that sell to the public sector	First lien senior secured loan ($3.5 par due 1/2018)	6.00%	6/25/2015	2.6	1.2(5)(15)
		Warrant to purchase up to 2,402,991 shares of Series C preferred stock (expires 6/2025)		6/25/2015	0.1	(5)
					2.7	1.2

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
PowerPlan, Inc. and Project Torque Ultimate Parent Corporation	Fixed asset financial management software provider	Second lien senior secured loan ($30.0 par due 2/2023)	10.24% (Libor + 9.00%/Q)	2/23/2015	29.8	30.0(2)(16)	
		Second lien senior secured loan ($50.0 par due 2/2023)	10.24% (Libor + 9.00%/Q)	2/23/2015	49.7	50.0(3)(16)	
		Class A common stock (1,697 shares)		2/23/2015	1.7	2.5(2)	
		Class B common stock (989,011 shares)		2/23/2015		(2)	
					81.2	82.5	
Project Alpha Intermediate Holding, Inc. and Qlik Parent, Inc.	Provider of data visualization software for data analytics	Class A common shares (7,444.80 shares)		8/22/2016	7.4	8.8(2)	
		Class B common shares (1,841,608.69 shares)		8/22/2016	0.1	0.1(2)	
					7.5	8.9	
R2 Acquisition Corp.	Marketing services	Common stock (250,000 shares)		5/29/2007	0.2	0.3(2)	
Rocket Fuel Inc.	Provider of open and integrated software for digital marketing optimization	Common stock (11,405 units)		9/9/2014		(2)(23)	
SCM Insurance Services Inc.(20)	Provider of claims management, claims investigation & support and risk management solutions for the Canadian property and casualty insurance industry	First lien senior secured loan ($21.6 par due 8/2024)	6.67% (Libor + 5.00%/Q)	8/29/2017	21.5	21.4(2)(16)	
		Second lien senior secured loan ($60.9 par due 3/2025)	10.66% (Libor + 9.00%/Q)	8/29/2017	60.5	60.3(2)(16)	
					82.0	81.7	
Shift PPC LLC(20)	Digital solutions provider	First lien senior secured loan ($10.1 par due 12/2021)	7.33% (Libor + 6.00%/Q)	12/22/2016	10.1	10.1(4)(16)	
Sonian Inc.	Cloud-based email archiving platform	First lien senior secured loan ($7.5 par due 6/2020)	8.87% (Libor + 7.65%/M)	9/9/2015	7.4	7.5(5)(14)(16)	
		Warrant to purchase up to 169,045 shares of Series C preferred stock (expires 9/2022)		9/9/2015	0.1	0.1(5)	
					7.5	7.6	
Sparta Systems, Inc., Project Silverback Holdings Corp. and Silverback Holdings, Inc.(20)	Quality management software provider	Second lien senior secured loan ($20.0 par due 8/2025)	9.58% (Libor + 8.25%/Q)	8/21/2017	19.6	19.8(2)(16)	

		Series B preferred shares (10,084 shares)		8/21/2017	1.1	1.0
					20.7	20.8
Talari Networks, Inc.	Networking equipment provider	First lien senior secured loan ($6.0 par due 10/2019)	10.06% (Libor + 8.75%/M)	8/3/2015	6.0	5.7(5)(16)
		Warrant to purchase up to 421,052 shares of Series D-1 preferred stock (expires 8/2022)		8/3/2015	0.1	0.1(5)
					6.1	5.8
The Gordian Group, Inc.(20)	Construction software and service provider	First lien senior secured loan ($19.0 par due 7/2019)	6.06% (Libor + 4.75%/Q)	1/3/2017	18.7	19.0(3)(16)
		First lien senior secured loan ($6.4 par due 7/2019)	6.06% (Libor + 4.75%/Q)	1/3/2017	6.3	6.4(4)(16)
		First lien senior secured loan ($9.4 par due 7/2019)	6.08% (Libor + 4.75%/Q)	1/3/2017	9.3	9.4(3)(16)
		First lien senior secured loan ($3.2 par due 7/2019)	6.08% (Libor + 4.75%/Q)	1/3/2017	3.1	3.2(4)(16)
					37.4	38.0

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC(8)	Healthcare compliance advisory services	Senior subordinated loan ($10.5 par due 3/2018)		3/5/2013		(2)(15)	
		Class A units (14,293,110 units)		6/26/2008		(2)	
TraceLink, Inc.	Supply chain management software provider for the pharmaceutical industry	Warrant to purchase up to 283,353 shares of Series A-2 preferred stock (expires 1/2025)		1/2/2015	0.1	1.8(2)	
UL Holding Co., LLC(7)	Provider of collection and landfill avoidance solutions for food waste and unsold food products	Senior subordinated loan ($6.0 par due 5/2020)	10.00% PIK	4/30/2012	1.8	6.0(2)	
		Senior subordinated loan ($0.5 par due 5/2020)		4/30/2012	0.1	0.5(2)	
		Senior subordinated loan ($23.9 par due 5/2020)	10.00% PIK	4/30/2012	7.0	23.9(2)	
		Senior subordinated loan ($3.8 par due 5/2020)		4/30/2012	1.1	3.8(2)	
		Senior subordinated loan ($2.8 par due 5/2020)	10.00% PIK	4/30/2012	0.8	2.8(2)	
		Senior subordinated loan ($0.4 par due 5/2020)		4/30/2012	0.1	0.4(2)	
		Class A common units (533,351 units)		6/17/2011	5.0	2.7(2)	
		Class B-5 common units (272,834 units)		6/17/2011	2.5	1.4(2)	
		Class C common units (758,546 units)		4/25/2008		(2)	
		Warrant to purchase up to 719,044 shares of Class A units		5/2/2014		(2)	
		Warrant to purchase up to 28,663 shares of Class B-1 units		5/2/2014		(2)	
		Warrant to purchase up to 57,325 shares of Class B-2 units		5/2/2014		(2)	
		Warrant to purchase up to 29,645 shares of Class B-3 units		5/2/2014		(2)	
		Warrant to purchase up to 80,371 shares of Class B-5 units		5/2/2014		(2)	
		Warrant to purchase up to 59,655 shares of Class B-6 units		5/2/2014		(2)	
		Warrant to purchase up to 1,046,713 shares of Class C units		5/2/2014		(2)	
					18.4	41.5	

Velocity Holdings Corp.	Hosted enterprise resource planning application management services provider	Common units (1,713,546 units)		12/13/2013	4.5	2.7
Visual Edge Technology, Inc.(20)	Provider of outsourced office solutions with a focus on printer and copier equipment and other parts and supplies	First lien senior secured loan ($2.0 par due 8/2022)	7.08% (Libor + 5.75%/Q)	8/31/2017	2.0	2.0(2)(16)
		First lien senior secured loan ($13.0 par due 8/2022)	7.07% (Libor + 5.75%/Q)	8/31/2017	13.0	12.9(2)(16)
		Senior subordinated loan ($40.2 par due 9/2024)	12.50% PIK	8/31/2017	36.2	37.6(2)
		Warrant to purchase up to 1,816,089 shares of common stock (expires 8/2027)		8/31/2017		(2)
		Warrant to purchase up to 2,070,511 shares of preferred stock (expires 8/2027)		8/31/2017	4.1	4.1(2)
					55.3	56.6

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
VRC Companies, LLC(20)	Provider of records and information management services	First lien senior secured revolving loan ($0.1 par due 3/2022)	7.92% (Libor + 6.50%/Q)	4/17/2017	0.1	(2)(16)	
		First lien senior secured revolving loan ($0.5 par due 3/2022)	9.75% (Base Rate + 5.50%/Q)	4/17/2017	0.5	0.5(2)(16)	
		First lien senior secured loan ($0.2 par due 3/2023)	7.92% (Libor + 6.50%/Q)	4/17/2017	0.2	0.2(2)(16)	
		First lien senior secured loan ($0.5 par due 3/2023)	7.81% (Libor + 6.50%/Q)	4/17/2017	0.5	0.4(2)(16)	
		First lien senior secured loan ($0.1 par due 3/2023)	7.93% (Libor + 6.50%/Q)	4/17/2017	0.1	0.1(2)(16)	
		First lien senior secured loan ($0.2 par due 3/2023)	9.75% (Base Rate + 5.50%/Q)	4/17/2017	0.2	0.2(2)(16)	
		First lien senior secured loan ($5.5 par due 3/2023)	7.74% (Libor + 6.50%/Q)	4/17/2017	5.5	5.5(2)(16)	
					7.1	6.9	
WorldPay Group PLC(9)	Payment processing company	C2 shares (73,974 shares)		10/21/2015		(23)	
Zywave, Inc.(20)	Provider of software and technology-enabled content and analytical solutions to insurance brokers	Second lien senior secured loan ($27.0 par due 11/2023)	10.31% (Libor + 9.00%/Q)	11/17/2016	27.0	27.0(2)(16)	
					2,138.6	2,168.3	30.85%
Consumer Products							
Badger Sportswear Acquisition, Inc.	Provider of team uniforms and athletic wear	Second lien senior secured loan ($50.0 par due 3/2024)	10.30% (Libor + 9.00%/Q)	9/6/2016	49.9	49.5(2)(16)	
BRG Sports, Inc.	Designer, manufacturer and licensor of branded sporting goods	Preferred stock (2,009 shares)		1/3/2017			
		Common stock (6,566,655 shares)		1/3/2017		0.4	
						0.4	
Feradyne Outdoors, LLC and Bowhunter Holdings, LLC	Provider of branded archery and bowhunting accessories	Common units (421 units)		4/24/2014	4.2	1.3(2)	
Implus Footcare, LLC	Provider of footwear and other accessories	First lien senior secured loan ($14.6 par due 4/2021)	8.04% (Libor + 6.75%/Q)	6/1/2017	14.6	14.6(2)(16)	
		First lien senior secured loan ($77.7 par due 4/2021)	8.08% (Libor + 6.75%/Q)	6/1/2017	77.7	77.7(2)(16)	
		First lien senior secured loan ($19.9 par due 4/2021)	8.08% (Libor + 6.75%/Q)	6/1/2017	19.9	19.9(4)(16)	

					112.2	112.2
Indra Holdings Corp.	Designer, marketer, and distributor of rain and cold weather products	Second lien senior secured loan ($80.0 par due 11/2021)		5/1/2014	78.7	50.8(2)(15)
Plantation Products, LLC, Seed Holdings, Inc. and Flora Parent, Inc.	Provider of branded lawn and garden products	Second lien senior secured loan ($2.0 par due 6/2021)	9.26% (Libor + 7.99%/Q)	12/23/2014	2.0	2.0(2)(16)
		Second lien senior secured loan ($54.0 par due 6/2021)	9.26% (Libor + 7.99%/Q)	12/23/2014	53.8	54.0(3)(16)
		Second lien senior secured loan ($10.0 par due 6/2021)	9.26% (Libor + 7.99%/Q)	12/23/2014	10.0	10.0(4)(16)
		Common stock (30,000 shares)		12/23/2014	3.0	5.5(2)
					68.8	71.5
Rug Doctor, LLC and RD Holdco Inc.(8)	Manufacturer and marketer of carpet cleaning machines	Second lien senior secured loan ($16.9 par due 12/2018)	11.25% (Libor + 9.75%/Q)	1/3/2017	16.9	16.9(2)(16)
		Common stock (458,596 shares)		1/3/2017	14.0	9.3
		Warrant to purchase up to 56,372 shares of common stock (expires 12/2023)		1/3/2017		
					30.9	26.2

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
S Toys Holdings LLC (fka The Step2 Company, LLC)(8)	Toy manufacturer	Common units (1,116,879 units)		4/1/2011		0.5	
		Class B common units (126,278,000 units)		10/30/2014		(2)	
		Warrant to purchase up to 3,157,895 units		4/1/2010			
						0.5	
SHO Holding I Corporation	Manufacturer and distributor of slip resistant footwear	Second lien senior secured loan ($100.0 par due 4/2023)	9.74% (Libor + 8.50%/Q)	10/27/2015	98.1	96.0(2)(16)	
Shock Doctor, Inc. and Shock Doctor Holdings, LLC(7)	Developer, marketer and distributor of sports protection equipment and accessories	Second lien senior secured loan ($89.4 par due 10/2021)	11.81% (Libor + 10.50%/Q)	4/22/2015	89.4	82.3(2)(16)	
	Developer, marketer and distributor of sports protection equipment and accessories.	Class A preferred units (50,000 units)		3/14/2014	5.0	2.0(2)	
		Class C preferred units (50,000 units)		4/22/2015	5.0	2.0(2)	
					99.4	86.3	
Singer Sewing Company	Manufacturer of consumer sewing machines	First lien senior secured loan ($174.7 par due 10/2017)	8.75% (Libor + 7.50%/Q)	7/26/2017	174.7	166.0(2)(16)	
Varsity Brands Holding Co., Inc., Hercules Achievement, Inc., Hercules Achievement Holdings, Inc. and Hercules VB Holdings, Inc.	Leading manufacturer and distributor of textiles, apparel & luxury goods	Second lien senior secured loan ($25.0 par due 12/2022)	9.98% (Libor + 8.75%/Q)	10/28/2016	25.0	25.0(2)(16)	
		Second lien senior secured loan ($1.6 par due 12/2022)	9.99% (Libor + 8.75%/Q)	12/11/2014	1.6	1.6(2)(16)	
		Second lien senior secured loan ($54.0 par due 12/2022)	9.99% (Libor + 8.75%/Q)	12/11/2014	53.6	54.0(3)(16)	
		Second lien senior secured loan ($91.7 par due 12/2022)	9.99% (Libor + 8.75%/Q)	12/11/2014	91.1	91.7(2)(16)	
		Common stock (3,353,371 shares)		12/11/2014	3.4	4.8(2)	
		Common stock (3,353,371 shares)		12/11/2014	4.1	4.8(2)	
					178.8	181.9	
Wonder Holdings Acquisition Corp.	Developer and marketer of OTC healthcare products	Warrant to purchase up to 1,654,678 shares of common stock (expires 6/2021)		7/27/2011		1.5(2)	
				6/21/2017	2.0	2.0(2)(16)	

Woodstream Group, Inc. and Woodstream Corporation(20)	Pet products manufacturer	First lien senior secured loan ($2.0 par due 5/2022)	7.57% (Libor + 6.25%/Q)				
		First lien senior secured loan ($6.2 par due 5/2022)	7.58% (Libor + 6.25%/Q)	6/21/2017	6.2	6.2(2)(16)	
					8.2	8.2	
					903.9	852.3	12.13%
Investment Funds and Vehicles							
ACAS Equity Holdings Corporation(8)(10)	Investment company	Common stock (589 shares)		1/3/2017	0.5	0.4	
Ares IIIR/IVR CLO Ltd.(8)(9)(10)	Investment vehicle	Subordinated notes ($20.0 par due 4/2021)		1/3/2017		0.1	
Babson CLO 2014-II(9)(10)	Investment vehicle	Subordinated notes ($25.0 par due 10/2026)	18%	1/3/2017	12.0	12.9	
Blue Wolf Capital Fund II, L.P.(9)(10)	Investment partnership	Limited partnership interest (8.50% interest)		1/3/2017	7.1	7.5(23)	
Carlyle Global Market Strategies CLO 2013-3(9)(10)	Investment vehicle	Subordinated notes ($5.0 par due 7/2025)	8.53%	1/3/2017	2.6	2.5	
Carlyle Global Market Strategies CLO 2015-3(9)(10)	Investment vehicle	Subordinated notes ($24.6 par due 7/2028)	10.75%	1/3/2017	19.3	18.7	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Cent CLO 2014-22 Limited(9)(10)	Investment vehicle	Subordinated notes ($45.4 par due 11/2026)	11.75%	1/3/2017	24.0	20.4	
Cent CLO 2015-24 Limited(9)(10)	Investment vehicle	Subordinated notes ($28.0 par due 10/2026)	8.5%	1/3/2017	21.7	21.8	
Centurion CDO 8 Limited(9)(10)	Investment vehicle	Subordinated notes ($5.0 par due 3/2019)		1/3/2017			
CoLTs 2005-1 Ltd.(9)(10)	Investment vehicle	Preferred shares (360 shares)		1/3/2017			
CoLTs 2005-2 Ltd.(9)(10)	Investment vehicle	Preferred shares (34,170,000 shares)		1/3/2017			
CREST Exeter Street Solar 2004-1(9)(10)	Investment vehicle	Preferred shares (3,500,000 shares)		1/3/2017			
Eaton Vance CDO X plc(9)(10)	Investment vehicle	Subordinated notes ($15.0 par due 2/2027)	5.25%	1/3/2017	4.2	6.1	
European Capital UK SME Debt LP(8)(9)(10)(21)	Investment partnership	Limited partnership interest (45% interest)		1/3/2017	41.9	44.1	
Flagship CLO V(9)(10)	Investment vehicle	Subordinated notes ($0.0 par due 9/2019)		1/3/2017			
Goldentree Loan Opportunities VII, Limited(9)(10)	Investment vehicle	Subordinated notes ($35.3 par due 4/2025)	6.9%	1/3/2017	19.5	19.3	
Halcyon Loan Advisors Funding 2015-2 Ltd.(9)(10)	Investment vehicle	Subordinated notes ($21.7 par due 7/2027)	13.5%	1/3/2017	14.4	11.7	
HCI Equity, LLC(8)(9)(10)	Investment company	Member interest (100.00% interest)		4/1/2010		0.1(23)	
Herbert Park B.V.(9)(10)	Investment vehicle	Subordinated notes ($22.5 par due 10/2026)		1/3/2017	0.9	0.5	
Imperial Capital Private Opportunities, LP(10)	Investment partnership	Limited partnership interest (80.00% interest)		5/10/2007	3.2	13.0(2)	
LightPoint CLO VII, Ltd.(9)(10)	Investment vehicle	Subordinated notes ($9.0 par due 5/2021)		1/3/2017			
Montgomery Lane, LLC and Montgomery Lane, Ltd.(8)(9)(10)	Investment company	Common stock (100 shares)		1/3/2017		0.6	
		Common stock (50,000 shares)		1/3/2017			
						0.6	
Octagon Investment Partners XIX, Ltd.(9)(10)	Investment vehicle	Subordinated notes ($25.0 par due 4/2026)	14%	1/3/2017	10.9	10.6	
OHA Credit Partners XI, Ltd.(9)(10)	Investment vehicle	Subordinated notes ($17.8 par due 10/2028)	9.5%	1/3/2017	14.3	13.5	
	Investment partnership			6/16/2006		0.1(2)(23)	

Partnership Capital Growth Fund I, L.P.(10)		Limited partnership interest (25.00% interest)			
Partnership Capital Growth Investors III, L.P.(10)(21)	Investment partnership	Limited partnership interest (2.50% interest)	10/5/2011	2.5	3.3(2)(23)
PCG-Ares Sidecar Investment II, L.P.(10)	Investment partnership	Limited partnership interest (100.00% interest)	10/31/2014	7.5	12.3(2)
PCG-Ares Sidecar Investment, L.P.(10)(21)	Investment partnership	Limited partnership interest (100.00% interest)	5/22/2014	3.9	4.2(2)
Piper Jaffray Merchant Banking Fund I, L.P.(10)(21)	Investment partnership	Limited partnership interest (2.00% interest)	8/16/2012	1.5	1.6(23)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Qualium Investissement(9)(10)	Investment partnership	Class A common stock (99,000 shares)		1/3/2017	7.3	7.9(23)	
		Class B common stock (100,000 shares)		1/3/2017	0.1	0.1(23)	
		Class C common stock (48,939 shares)		1/3/2017	0.1	0.1(23)	
					7.5	8.1	
Senior Direct Lending Program, LLC(8)(10)(22)	Co-investment vehicle	Subordinated certificates ($437.4 par due 12/2036)	9.15% (Libor + 8.00%/Q)(17)	7/27/2016	437.4	437.4	
		Member interest (87.50% interest)		7/27/2016			
					437.4	437.4	
Vitesse CLO, Ltd.(9)(10)	Investment vehicle	Preferred shares (20,000,000 shares)		1/3/2017			
Voya CLO 2014-4 Ltd.(9)(10)	Investment vehicle	Subordinated notes ($26.7 par due 10/2026)	10.5%	1/3/2017	17.6	20.3	
VSC Investors LLC(10)	Investment company	Membership interest (1.95% interest)		1/24/2008	0.3	1.3(2)(23)	
					674.7	692.4	9.85%
Other Services							
American Residential Services L.L.C.	Heating, ventilation and air conditioning services provider	Second lien senior secured loan ($67.0 par due 12/2022)	9.24% (Libor + 8.00%/Q)	6/30/2014	66.7	66.3(2)(16)	
Associated Asphalt Partners, LLC	Provider of asphalt terminalling, storage and distribution	First lien senior secured loan ($4.3 par due 4/2024)	6.49% (Libor + 5.25%/Q)	3/30/2017	4.2	3.8(2)(16)	
Champion Parent Corporation and Calera XVI, LLC(8)	Endurance sports media and event operator	First lien senior secured revolving loan ($0.8 par due 11/2018)		11/30/2012	0.1	0.1(2)(15)	
		First lien senior secured loan ($6.5 par due 11/2018)		11/30/2012	0.9	0.5(2)(15)	
		Preferred shares (18,875 shares)		3/25/2016		(2)	
		Membership units (2,522,512 units)		11/30/2012		(2)	
		Common shares (114,000 shares)		3/25/2016		(2)	
					1.0	0.6	
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC(7)(20)	Provider of outsourced healthcare linen management solutions	First lien senior secured revolving loan		3/13/2014		(18)	
		First lien senior secured loan ($5.1 par due 12/2021)	7.49% (Libor + 6.25%/Q)	3/13/2014	5.1	5.1(2)(16)	
		First lien senior secured loan ($5.2 par due 12/2021)	7.49% (Libor + 6.25%/Q)	3/13/2014	5.2	5.2(3)(16)	

		First lien senior secured loan ($7.0 par due 12/2021)	7.49% (Libor + 6.25%/Q)	4/6/2017	7.0	7.0(2)(16)
		Class A preferred units (2,475,000 units)		3/13/2014	2.5	3.4(2)
		Class B common units (275,000 units)		3/13/2014	0.3	0.4(2)
					20.1	21.1
CST Buyer Company (d/b/a Intoxalock)(20)	Provider of ignition interlock devices	First lien senior secured loan ($0.0 par due 3/2023)	7.58% (Libor + 6.25%/Q)	3/1/2017		(2)(16)
		First lien senior secured loan ($11.8 par due 3/2023)	7.75% (Libor + 6.25%/Q)	3/1/2017	11.5	11.8(2)(16)
					11.5	11.8

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Dwyer Acquisition Parent, Inc. and TDG Group Holding Company	Operator of multiple franchise concepts primarily related to home maintenance or repairs	Senior subordinated loan ($52.7 par due 2/2020)	11%	8/15/2014	52.7	52.7(2)	
		Senior subordinated loan ($23.5 par due 2/2020)	11%	5/1/2017	23.5	23.5(2)	
		Senior subordinated loan ($31.5 par due 2/2020)	11%	6/12/2015	31.5	31.5(2)	
		Common stock (32,843 shares)		8/15/2014	2.2	4.9(2)	
					109.9	112.6	
Massage Envy, LLC and ME Equity LLC(20)	Franchisor in the massage industry	First lien senior secured revolving loan ($1.5 par due 9/2020)	7.99% (Libor + 6.75%/Q)	6/28/2017	1.5	1.5(2)(16)	
		First lien senior secured loan ($1.3 par due 9/2020)	8.07% (Libor + 6.75%/Q)	4/12/2017	1.3	1.3(2)(16)	
		First lien senior secured loan ($0.1 par due 9/2020)	8.08% (Libor + 6.75%/Q)	4/12/2017	0.1	0.1(2)(16)	
		First lien senior secured loan ($0.0 par due 9/2020)	10.00% (Base Rate + 5.75%/Q)	4/12/2017		(2)(16)	
		First lien senior secured loan ($0.5 par due 9/2020)	8.07% (Libor + 6.75%/Q)	7/27/2017	0.5	0.5(2)(16)	
		First lien senior secured loan ($38.5 par due 9/2020)	8.08% (Libor + 6.75%/Q)	9/27/2012	38.5	38.5(3)(16)	
		First lien senior secured loan ($18.7 par due 9/2020)	8.08% (Libor + 6.75%/Q)	9/27/2012	18.7	18.7(4)(16)	
		First lien senior secured loan ($0.1 par due 9/2020)	10.00% (Base Rate + 5.75%/Q)	9/27/2012	0.1	0.1(3)(16)	
		First lien senior secured loan ($0.0 par due 9/2020)	10.00% (Base Rate + 5.75%/Q)	9/27/2012		(4)(16)	
		Common stock (3,000,000 shares)		9/27/2012	3.0	4.2(2)	
					63.7	64.9	
McKenzie Sports Products, LLC(20)	Designer, manufacturer and distributor of hunting-related supplies	First lien senior secured loan ($0.8 par due 9/2020)	6.99% (Libor + 5.75%/Q)	9/18/2014	0.8	0.8(3)(12)(16)	
		First lien senior secured loan ($4.7 par due 9/2020)	7.05% (Libor + 5.75%/Q)	9/18/2014	4.7	4.7(3)(12)(16)	
		First lien senior secured loan ($84.5 par due 9/2020)	9.26% (Libor + 7.93%/Q)	9/18/2014	84.5	84.5(3)(16)	
					90.0	90.0	
MSHC, Inc.(20)	Heating, ventilation and air conditioning	First lien senior secured revolving loan ($0.2 par	5.58% (Libor + 4.25%/Q)	7/31/2017	0.2	0.2(2)(16)	

	services provider	due 7/2022)				
		First lien senior secured loan ($1.1 par due 7/2023)	5.58% (Libor + 4.25%/Q)	7/31/2017	1.1	1.1(2)(16)
		First lien senior secured loan ($3.2 par due 7/2023)	5.58% (Libor + 4.25%/Q)	7/31/2017	3.1	3.1(2)(16)
		Second lien senior secured loan ($46.0 par due 7/2024)	9.58% (Libor + 8.25%/Q)	7/31/2017	46.0	45.5(2)(16)
					50.4	49.9
OpenSky Project, Inc. and OSP Holdings, Inc.	Social commerce platform operator	Warrant to purchase up to 159,496 shares of Series D preferred stock (expires 4/2025)		6/29/2015		(2)
Osmose Utilities Services, Inc.(20)	Provider of structural integrity management services to transmission and distribution infrastructure	Second lien senior secured loan ($34.0 par due 8/2023)	9.08% (Libor + 7.75%/Q)	1/3/2017	33.4	34.0(2)(16)
		Second lien senior secured loan ($25.0 par due 8/2023)	9.08% (Libor + 7.75%/Q)	9/3/2015	24.6	25.0(2)(16)
					58.0	59.0
SocialFlow, Inc.	Social media optimization platform provider	Warrant to purchase up to 215,331 shares of Series C preferred stock (expires 1/2026)		1/13/2016		(5)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
SoundCloud Limited	Platform for receiving, sending, and distributing music	Common stock (73,422 shares)		8/15/2017	0.4	0.7(2)	
Spin HoldCo Inc.	Laundry service and equipment provider	Second lien senior secured loan ($175.0 par due 5/2023)	9.07% (Libor + 7.75%/Q)	6/23/2017	175.0	175.0(2)(16)	
Tyden Cayman Holdings Corp.(9)	Producer and marketer of global cargo security, product identification and traceability products and utility meter products	Preferred stock (46,276 shares)		1/3/2017	0.4	0.4	
		Common stock (5,521,203 shares)		1/3/2017	2.0	2.0	
					2.4	2.4	
WASH Multifamily Acquisition Inc. and Coinamatic Canada Inc.	Laundry service and equipment provider	Second lien senior secured loan ($3.7 par due 5/2023)	8.24% (Libor + 7.00%/Q)	5/14/2015	3.7	3.7(2)(16)	
		Second lien senior secured loan ($21.3 par due 5/2023)	8.24% (Libor + 7.00%/Q)	5/14/2015	21.0	21.1(2)(16)	
					24.7	24.8	
Wrench Group LLC	Provider of essential home services to residential customers	First lien senior secured loan ($4.0 par due 3/2022)	6.49% (Libor + 5.25%/Q)	1/31/2017	4.0	4.0(2)(16)	
					682.0	686.9	9.77%
Manufacturing							
Chariot Acquisition, LLC(20)	Aftermarket golf cart parts and accessories	First lien senior secured loan ($18.4 par due 9/2021)	7.49% (Libor + 6.25%/Q)	1/3/2017	18.3	17.9(3)(16)	
		First lien senior secured loan ($9.4 par due 9/2021)	7.49% (Libor + 6.25%/Q)	1/3/2017	9.3	9.1(4)(16)	
					27.6	27.0	
Component Hardware Group, Inc.(20)	Commercial equipment	First lien senior secured revolving loan ($1.9 par due 7/2019)	5.73% (Libor + 4.50%/Q)	7/1/2013	1.9	1.9(2)(16)	
		First lien senior secured loan ($7.9 par due 7/2019)	5.74% (Libor + 4.50%/Q)	7/1/2013	7.9	7.9(4)(16)	
					9.8	9.8	
Dorner Holding Corp.(20)	Manufacturer of precision unit conveyors	First lien senior secured revolving loan ($1.5 par due 3/2022)	7.08% (Libor + 5.75%/Q)	3/15/2017	1.5	1.5(2)(16)	
		First lien senior secured loan ($4.4 par due 3/2023)	7.08% (Libor + 5.75%/Q)	3/15/2017	4.4	4.4(2)(16)	

					5.9	5.9
ECI Purchaser Company, LLC	Manufacturer of equipment to safely control pressurized gases	First lien senior secured loan ($21.8 par due 12/2018)	6.57% (Libor + 5.25%/Q)	7/26/2017	21.8	21.3(2)(16)
		First lien senior secured loan ($163.4 par due 12/2018)	6.67% (Libor + 5.25%/Q)	7/26/2017	163.4	160.2(2)(16)
		First lien senior secured loan ($0.5 par due 12/2018)	6.70% (Libor + 5.25%/Q)	7/26/2017	0.5	0.5(2)(16)
					185.7	182.0
ETG Holdings, Inc.(8)	Industrial woven products	Common stock (3,000 shares)		1/3/2017		
Foamex Innovations, Inc. (dba FXI)	Advanced polymer foam products	Series A common stock (2,708 shares)		1/3/2017		0.8
		Series B common stock (455 shares)		1/3/2017		0.1
						0.9

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Harvey Tool Company, LLC and Harvey Tool Holding, LLC(20)	Cutting tool provider to the metalworking industry	First lien senior secured revolving loan		8/13/2015		(18)	
		Senior subordinated loan ($28.4 par due 9/2020)	11%	8/13/2015	28.4	28.4(2)	
		Class A membership units (851 units)		3/28/2014	0.9	3.5(2)	
					29.3	31.9	
Ioxus, Inc(7)	Energy storage devices	First lien senior secured loan ($0.9 par due 12/2019)		4/29/2014	0.8	0.9(2)(14)	
		First lien senior secured loan ($10.2 par due 12/2019)	12.00% PIK	4/29/2014	10.0	10.2(2)(14)	
		Series CC preferred stock (67,330,609 shares)		1/27/2017	0.7	(2)	
		Warrant to purchase up to 3,038,730 shares of common stock (expires 1/2026)		1/28/2016		(2)	
		Warrant to purchase up to 1,210,235 shares of Series BB preferred stock (expires 8/2026)		1/28/2016		(2)	
		Warrant to purchase up to 336,653,045 shares of Series CC preferred stock (expires 1/2027)		1/27/2017		(2)	
					11.5	11.1	
KPS Global LLC	Walk-in cooler and freezer systems	First lien senior secured loan ($1.9 par due 4/2022)	3.73% (Libor + 2.50%/Q)	4/5/2017	1.9	1.9(2)(16)	
		First lien senior secured loan ($12.5 par due 4/2022)	8.53% (Libor + 7.30%/Q)	4/5/2017	12.5	12.2(2)(16)	
		First lien senior secured loan ($6.2 par due 4/2022)	8.53% (Libor + 7.30%/Q)	4/5/2017	6.2	6.1(4)(16)	
					20.6	20.2	
MacLean-Fogg Company and MacLean-Fogg Holdings, L.L.C.	Manufacturer and supplier for the power utility and automotive markets worldwide	Senior subordinated loan ($102.2 par due 10/2025)	10.50% Cash, 3.00% PIK	10/31/2013	102.2	102.2(2)	
		Preferred units (70,183 units)	4.50% Cash, 9.25% PIK	10/9/2015	75.6	75.6	
					177.8	177.8	
Niagara Fiber Intermediate Corp.(20)	Insoluble fiber filler products	First lien senior secured revolving loan ($0.1 par due 11/2017)	10.25% (Base Rate + 6.00%/Q)	4/4/2017	0.1	0.1(2)(16)	
		First lien senior secured revolving loan ($1.9 par due 5/2018)		5/8/2014	1.8	1.1(2)(15)	

		First lien senior secured loan ($1.3 par due 5/2018)		5/8/2014	1.2	0.7(2)(15)
		First lien senior secured loan ($12.1 par due 5/2018)		5/8/2014	11.3	7.2(2)(15)
					14.4	9.1
Nordco Inc.(20)	Railroad maintenance-of-way machinery	First lien senior secured revolving loan		8/26/2015		(18)
Pelican Products, Inc.	Flashlights	Second lien senior secured loan ($40.0 par due 4/2021)	9.58% (Libor + 8.25%/Q)	4/11/2014	40.0	38.4(2)(16)
Sanders Industries Holdings, Inc. and SI Holdings, Inc.(20)	Elastomeric parts, mid-sized composite structures, and composite tooling	First lien senior secured loan ($0.2 par due 5/2020)	7.24% (Libor + 6.00%/Q)	7/21/2017	0.2	0.2(2)(16)
		First lien senior secured loan ($73.3 par due 5/2020)	7.28% (Libor + 6.00%/Q)	7/21/2017	73.3	72.6(2)(16)
		Common stock (1,500 shares)		5/30/2014	1.5	1.2(2)
					75.0	74.0

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Saw Mill PCG Partners LLC	Metal precision engineered components	Common units (1,000 units)		1/30/2007	1.0	(2)	
Sonny's Enterprises, LLC(20)	Manufacturer and supplier of car wash equipment, parts and supplies to the conveyorized car wash market	First lien senior secured loan ($0.4 par due 12/2022)	6.08% (Libor + 4.75%/Q)	6/1/2017	0.4	0.4(2)(16)	
		First lien senior secured loan ($0.2 par due 12/2022)	6.08% (Libor + 4.75%/Q)	5/3/2017	0.2	0.2(2)(16)	
		First lien senior secured loan ($0.2 par due 12/2022)	6.08% (Libor + 4.75%/Q)	9/28/2017	0.2	0.2(2)(16)	
					0.8	0.8	
TPTM Merger Corp.(20)	Time temperature indicator products	First lien senior secured revolving loan ($0.8 par due 9/2018)	7.56% (Libor + 6.25%/Q)	9/12/2013	0.8	0.8(2)(16)	
		First lien senior secured loan ($10.5 par due 9/2018)	9.74% (Libor + 8.42%/Q)	9/12/2013	10.5	10.5(3)(16)	
		First lien senior secured loan ($6.2 par due 9/2018)	9.74% (Libor + 8.42%/Q)	9/12/2013	6.2	6.2(4)(16)	
		First lien senior secured loan ($6.5 par due 9/2018)	9.75% (Libor + 8.42%/Q)	9/12/2013	6.5	6.5(3)(16)	
		First lien senior secured loan ($3.8 par due 9/2018)	9.75% (Libor + 8.42%/Q)	9/12/2013	3.8	3.8(4)(16)	
					27.8	27.8	
WP CPP Holdings, LLC	Precision engineered castings	Second lien senior secured loan ($19.7 par due 4/2021)	9.06% (Libor + 7.75%/Q)	1/3/2017	18.8	18.3(2)(16)	
					646.0	635.0	9.04%
Food and Beverage							
American Seafoods Group LLC and American Seafoods Partners LLC	Harvester and processor of seafood	Second lien senior secured loan ($73.0 par due 2/2024)	9.45% (Libor + 8.13%/Q)	8/21/2017	73.0	72.8(2)(16)	
		Class A units (77,922 units)		8/19/2015	0.1	0.1(2)	
		Warrant to purchase up to 7,422,078 Class A units (expires 8/2035)		8/19/2015	7.4	10.4(2)	
					80.5	83.3	
Bakemark Holdings, Inc.	Manufacturer and distributor of specialty bakery ingredients	First lien senior secured loan ($1.7 par due 8/2023)	6.58% (Libor + 5.25%/Q)	8/14/2017	1.7	1.7(2)(16)	
DecoPac, Inc.(20)	Supplier of cake decorating solutions and products to in-store bakeries	First lien senior secured revolving loan ($1.6 par due 9/2023)	5.58% (Libor + 4.25%/Q)	9/29/2017	1.6	1.6(2)(16)	

		First lien senior secured loan ($11.5 par due 9/2024)	5.58% (Libor + 4.25%/Q)	9/29/2017	11.5	11.3(2)(16)
					13.1	12.9
Eagle Family Foods Group LLC	Manufacturer and producer of milk products	First lien senior secured loan ($0.2 par due 12/2021)	5.33% (Libor + 4.00%/Q)	8/29/2017	0.2	0.2(2)(16)
		First lien senior secured loan ($7.9 par due 12/2021)	10.38% (Libor + 9.05%/Q)	9/11/2017	7.8	7.7(2)(16)
		First lien senior secured loan ($21.6 par due 12/2021)	10.38% (Libor + 9.05%/Q)	8/22/2016	21.6	21.2(3)(16)
		First lien senior secured loan ($54.8 par due 12/2021)	10.38% (Libor + 9.05%/Q)	12/31/2015	54.5	53.7(3)(16)
					84.1	82.8
Edward Don & Company, LLC and VCP-EDC Co-Invest, LLC	Distributor of foodservice equipment and supplies	First lien senior secured loan ($47.8 par due 9/2022)	9.73% (Libor + 8.50%/Q)	3/31/2017	47.8	47.8(2)(16)
		Membership units (2,970,000 units)		6/9/2017	3.0	3.2
					50.8	51.0
FPI Holding Corporation(8)(20)	Distributor of fruits	First lien senior secured loan ($0.6 par due 6/2018)		1/3/2017	0.4	0.4(15)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Gehl Foods, LLC and GF Parent LLC	Producer of low-acid, aseptic food and beverage products	First lien senior secured loan ($121.8 par due 6/2019)	7.67% (Libor + 6.50%/Q)	7/26/2017	121.8	121.8(2)(16)	
		Class A preferred units (2,940 units)		5/13/2015	2.9	2.1(2)	
		Class A common units (60,000 units)		5/13/2015	0.1	(2)	
		Class B Common units (0.26 units)		5/13/2015		(2)	
					124.8	123.9	
JWC/KI Holdings, LLC	Foodservice sales and marketing agency	Membership units (5,000 units)		11/16/2015	5.0	5.2(2)	
Kettle Cuisine, LLC	Manufacturer of fresh refrigerated and frozen food products	Second lien senior secured loan ($28.5 par due 2/2022)	10.99% (Libor + 9.75%/Q)	8/21/2015	28.5	28.5(2)(16)	
NECCO Holdings, Inc.(8)(20)	Producer and supplier of candy	First lien senior secured revolving loan ($19.2 par due 11/2017)		1/3/2017	8.0	3.6(15)	
		First lien senior secured loan ($10.4 par due 11/2017)		1/3/2017	0.9	1.8(15)	
		Common stock (860,189 shares)		1/3/2017			
					8.9	5.4	
RF HP SCF Investor, LLC	Branded specialty food company	Membership interest (10.08% interest)		12/22/2016	12.5	14.0(2)	
Teasdale Foods, Inc.(20)	Provider of beans, sauces and hominy to the retail, foodservice and wholesale channels	First lien senior secured revolving loan ($0.2 par due 10/2020)	8.00% (Base Rate + 3.75%/Q)	6/30/2017	0.2	0.2(2)(16)	
		Second lien senior secured loan ($21.3 par due 10/2021)	10.06% (Libor + 8.75%/Q)	1/3/2017	21.3	21.3(2)(16)	
		Second lien senior secured loan ($33.6 par due 10/2021)	10.08% (Libor + 8.75%/Q)	1/3/2017	33.6	33.6(2)(16)	
		Second lien senior secured loan ($31.5 par due 10/2021)	10.06% (Libor + 8.75%/Q)	1/3/2017	31.5	31.5(2)(16)	
					86.6	86.6	
					496.9	495.7	7.05%
Financial Services							
AllBridge Financial, LLC(8)	Asset management services	Equity interests		4/1/2010			
Callidus Capital Corporation(8)	Asset management services	Common stock (100 shares)		4/1/2010	3.0	1.7	
Ciena Capital LLC(8)(20)	Real estate and small business loan servicer	First lien senior secured revolving loan ($14.0 par due 12/2017)	6%	11/29/2010	14.0	14.0(2)	

		Equity interests		11/29/2010	25.0	15.7(2)
					39.0	29.7
Commercial Credit Group, Inc.	Commercial equipment finance and leasing company	Senior subordinated loan ($28.0 par due 8/2022)	11.00% (Libor + 9.75%/Q)	5/10/2012	28.0	28.0(2)(16)
DFC Global Facility Borrower II LLC(20)	Non-bank provider of alternative financial services	First lien senior secured revolving loan ($71.3 par due 9/2022)	11.99% (Libor + 10.75%/Q)	9/27/2017	71.3	71.3(2)(16)
Financial Asset Management Systems, Inc. and FAMS Holdings, Inc.(7)	Debt collection services provider	Common stock (180 shares)		1/11/2017		(2)
Gordian Group, LLC	Provider of products, services and software to organizations pursuing efficient and effective procurement and information solutions	Common stock (526 shares)		11/30/2012		(2)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Imperial Capital Group LLC	Investment services	2006 Class B common units (9,767 units)		5/10/2007		(2)	
		2007 Class B common units (1,218 units)		5/10/2007		(2)	
		Class A common units (29,811 units)		5/10/2007	7.2	11.6(2)	
					7.2	11.6	
Ivy Hill Asset Management, L.P.(8)(10)	Asset management services	Member interest (100.00% interest)		6/15/2009	244.0	296.4	
Javlin Three LLC, Javlin Four LLC, and Javlin Five LLC(10)	Asset-backed financial services company	First lien senior secured loan ($20.2 par due 6/2017)	11.24% (Libor + 10.00%/Q)	6/24/2014	20.2	17.2(2)	
LS DE LLC and LM LSQ Investors LLC(10)	Asset based lender	Senior subordinated loan ($3.0 par due 6/2021)	10.5%	6/15/2017	3.0	3.0(2)	
		Senior subordinated loan ($27.0 par due 6/2021)	10.5%	6/25/2015	27.0	27.0(2)	
		Membership units (3,275,000 units)		6/25/2015	3.3	3.8	
					33.3	33.8	
					446.0	489.7	6.97%
Education							
Campus Management Acquisition Corp.(7)	Education software developer	Preferred stock (485,159 shares)		2/8/2008	10.5	7.4(2)	
Excelligence Holdings Corp.	Developer, manufacturer and retailer of educational products	First lien senior secured loan ($10.0 par due 4/2023)	7.24% (Libor + 6.00%/Q)	4/17/2017	10.0	9.7(4)(16)	
Flinn Scientific, Inc. and WCI-Quantum Holdings, Inc.	Distributor of instructional products, services and resources	First lien senior secured loan ($1.0 par due 10/2020)	5.99% (Libor + 5.00%/Q)	7/26/2017	1.0	1.0(2)(16)	
		First lien senior secured loan ($40.4 par due 10/2020)	6.42% (Libor + 5.00%/Q)	7/26/2017	40.4	40.4(2)(16)	
		First lien senior secured loan ($34.3 par due 10/2020)	6.50% (Libor + 5.00%/Q)	7/26/2017	34.3	34.3(2)(16)	
		Series A preferred stock (1,272 shares)		10/24/2014	1.0	1.1(2)	
					76.7	76.8	
Frontline Technologies Group Holding LLC, Frontline Technologies Blocker Buyer, Inc., Frontline Technologies Holdings, LLC and Frontline Technologies Parent, LLC(20)	Provider of human capital management ("HCM") and SaaS-based software solutions to employees and administrators of K-12 school organizations	First lien senior secured loan ($60.3 par due 9/2023)	7.82% (Libor + 6.50%/Q)	9/19/2017	59.4	59.4(2)(16)	
				9/18/2017	4.6	4.5	

		Class A preferred units (4,574 units)				
		Class B units (499,050 units)	9/18/2017			
				64.0	63.9	
Infilaw Holding, LLC(20)	Operator of for-profit law schools	First lien senior secured revolving loan ($4.5 par due 2/2018)	8/25/2011	4.5	1.0	(2)(15)(19)
		Series A preferred units (1.25 units)	8/25/2011	128.1		(2)(15)
		Series A-1 preferred units (0.03 units)	7/29/2016	2.5		(2)
		Series B preferred units (0.39 units)	10/19/2012	9.2		(2)
				144.3	1.0	

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Company(1)	**Business Description**	**Investment**	**Interest(6)(12)**	**Acquisition Date**	**Amortized Cost**	**Fair Value**	**Percentage of Net Assets**
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.(20)	Private school operator	First lien senior secured revolving loan ($11.5 par due 5/2018)	12.25% (Base Rate + 8.00%/Q)	5/18/2017	11.5	11.5(2)(16)	
		First lien senior secured loan ($3.1 par due 12/2018)	10.50% (Libor + 9.00%/Q)	10/31/2015	3.1	3.1(2)(16)	
		Series B preferred stock (1,750,000 shares)		8/5/2010	5.0	(2)	
		Series C preferred stock (2,512,586 shares)		6/7/2010	0.7	(2)	
		Senior preferred series A-1 shares (163,902 shares)		10/31/2015	119.4	32.0(2)	
		Common stock (16 shares)		6/7/2010		(2)	
		Common stock (4 shares)		6/7/2010		(2)	
					139.7	46.6	
Lakeland Tours, LLC(20)	Educational travel provider	First lien senior secured revolving loan ($7.1 par due 2/2022)	6.07% (Libor + 4.75%/Q)	2/10/2016	7.1	7.1(2)(16)(19)	
		First lien senior secured loan ($4.9 par due 2/2022)	6.05% (Libor + 4.75%/Q)	2/10/2016	4.9	4.9(2)(16)	
		First lien senior secured loan ($0.9 par due 2/2022)	6.01% (Libor + 4.75%/Q)	5/16/2017	0.9	0.9(2)(16)	
		First lien senior secured loan ($0.6 par due 2/2022)	10.73% (Libor + 9.47%/Q)	5/16/2017	0.6	0.6(2)(16)	
		First lien senior secured loan ($31.7 par due 2/2022)	10.73% (Libor + 9.47%/Q)	2/10/2016	31.4	31.7(3)(16)	
					44.9	45.2	
Liaison Acquisition, LLC(20)	Provider of centralized applications services to educational associations	First lien senior secured revolving loan ($1.2 par due 2/2022)	6.49% (Libor + 5.25%/Q)	2/8/2017	1.2	1.2(2)(16)	
		Second lien senior secured loan ($15.0 par due 8/2023)	10.49% (Libor + 9.25%/Q)	2/9/2017	14.7	15.0(2)(16)	
					15.9	16.2	
PIH Corporation and Primrose Holding Corporation(7)(20)	Franchisor of education-based early childhood centers	First lien senior secured revolving loan ($0.6 par due 12/2018)	6.50% (Libor + 5.25%/Q)	12/13/2013	0.6	0.6(2)(16)	
		Common stock (7,227 shares)		1/3/2017	17.0	23.0	
					17.6	23.6	
R3 Education Inc., Equinox EIC Partners LLC and Sierra Education Finance Corp.	Medical school operator	Preferred stock (1,977 shares)		7/30/2008	0.5	0.5(2)	
				9/21/2007	15.8	35.3(2)	

		Common membership interest (15.76% interest)					
		Warrant to purchase up to 27,890 shares (expires 11/2019)		12/8/2009		0.1(2)	
					16.3	35.9	
Regent Education, Inc.	Provider of software solutions designed to optimize the financial aid and enrollment processes	First lien senior secured loan ($3.2 par due 1/2021)	12.00% (Libor + 8.00% Cash, 2.00% PIK/M)	7/1/2014	3.1	3.2(2)	
		First lien senior secured loan ($0.1 par due 1/2021)		7/1/2014	0.1	0.1(2)	
		Warrant to purchase up to 987 shares of common stock (expires 12/2026)		12/23/2016		(2)	
		Warrant to purchase up to 5,393,194 shares of common stock (expires 12/2026)		12/23/2016		(2)	
					3.2	3.3	
RuffaloCODY, LLC(20)	Provider of student fundraising and enrollment management services	First lien senior secured revolving loan		5/29/2013		(18)	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Severin Acquisition, LLC(20)	Provider of student information system software solutions to the K-12 education market	Second lien senior secured loan ($38.7 par due 7/2022)	9.99% (Libor + 8.75%/Q)	2/1/2017	37.9	38.7(2)(16)	
		Second lien senior secured loan ($3.1 par due 7/2022)	10.24% (Libor + 9.00%/Q)	1/3/2017	3.1	3.1(16)	
		Second lien senior secured loan ($3.1 par due 7/2022)	10.24% (Libor + 9.00%/Q)	10/142016	3.1	3.1(16)	
		Second lien senior secured loan ($5.5 par due 7/2022)	9.99% (Libor + 8.75%/Q)	1/3/2017	5.5	5.5(2)(16)	
		Second lien senior secured loan ($4.2 par due 7/2022)	9.99% (Libor + 8.75%/Q)	10/28/2015	4.1	4.2(2)(16)	
		Second lien senior secured loan ($20.0 par due 7/2022)	9.99% (Libor + 8.75%/Q)	1/3/2017	20.0	20.0(2)(16)	
		Second lien senior secured loan ($15.0 par due 7/2022)	9.99% (Libor + 8.75%/Q)	7/31/2015	14.8	15.0(2)(16)	
		Second lien senior secured loan ($4.4 par due 7/2022)	10.49% (Libor + 9.25%/Q)	1/3/2017	4.4	4.4(2)(16)	
		Second lien senior secured loan ($3.3 par due 7/2022)	10.49% (Libor + 9.25%/Q)	2/1/2016	3.2	3.3(2)(16)	
		Second lien senior secured loan ($2.8 par due 7/2022)	10.49% (Libor + 9.25%/Q)	1/3/2017	2.8	2.8(16)	
		Second lien senior secured loan ($2.8 par due 7/2022)	10.49% (Libor + 9.25%/Q)	8/8/2016	2.8	2.8(16)	
					101.7	103.0	
					644.8	432.6	6.15%
Power Generation							
Alphabet Energy, Inc.	Technology developer to convert waste-heat into electricity	First lien senior secured loan ($3.4 par due 8/2017)		12/16/2013	3.3	0.7(2)(15)	
		Series 1B preferred stock (12,976 shares)		6/21/2016	0.2	(2)	
		Warrant to purchase up to 125,000 shares of Series 2 preferred stock (expires 12/2023)		6/30/2016	0.1	(2)	
					3.6	0.7	
CPV Maryland Holding Company II, LLC	Gas turbine power generation facilities operator	Senior subordinated loan ($45.0 par due 12/2020)	5.00% Cash, 5.00% PIK	8/8/2014	45.0	41.4(2)	
		Warrant to purchase up to 4 units of common stock (expires 8/2018)		8/8/2014		(2)	
					45.0	41.4	

DESRI VI Management Holdings, LLC	Wind power generation facility operator	Senior subordinated loan ($13.9 par due 12/2021)	10%	12/24/2014	13.9	13.9(2)
Green Energy Partners, Stonewall LLC and Panda Stonewall Intermediate Holdings II LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($25.0 par due 11/2021)	6.83% (Libor + 5.50%/Q)	11/13/2014	24.8	23.8(2)(16)
		Senior subordinated loan ($20.2 par due 12/2021)	8.00% Cash, 5.25% PIK	11/13/2014	20.2	19.2(2)
		Senior subordinated loan ($94.6 par due 12/2021)	8.00% Cash, 5.25% PIK	11/13/2014	94.6	89.8(2)
					139.6	132.8
Joule Unlimited Technologies, Inc. and Stichting Joule Global Foundation	Renewable fuel and chemical production developer	First lien senior secured loan ($8.5 par due 10/2018)		3/31/2015	8.1	0.5(2)(15)
		Warrant to purchase up to 32,051 shares of Series C-2 preferred stock (expires 7/2023)		7/25/2013		(2)(9)
					8.1	0.5
La Paloma Generating Company, LLC	Natural gas fired, combined cycle plant operator	Second lien senior secured loan ($10.0 par due 2/2020)		2/20/2014	8.8	(2)(15)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Moxie Patriot LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($34.0 par due 12/2020)	7.08% (Libor + 5.75%/Q)	12/19/2013	33.8	31.8(2)(16)	
Panda Liberty LLC (fka Moxie Liberty LLC)	Gas turbine power generation facilities operator	First lien senior secured loan ($5.0 par due 8/2020)	7.83% (Libor + 6.50%/Q)	5/8/2017	4.6	4.5(2)(16)	
		First lien senior secured loan ($34.4 par due 8/2020)	7.83% (Libor + 6.50%/Q)	8/21/2013	34.3	30.8(2)(16)	
					38.9	35.3	
Panda Temple Power II, LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($19.6 par due 4/2019)	7.33% (Libor + 6.00%/Q)	4/3/2013	19.6	17.5(2)(16)	
Panda Temple Power, LLC	Gas turbine power generation facilities operator	First lien senior secured revolving loan ($2.3 par due 4/2018)	10.23% (Libor + 9.00%/Q)	4/28/2017	2.3	2.3(2)(16)	
		First lien senior secured loan ($24.8 par due 3/2022)		3/6/2015	23.6	17.6(2)(15)	
					25.9	19.9	
PERC Holdings 1 LLC	Operator of recycled energy, combined heat and power, and energy efficiency facilities	Class B common units (21,653,543 units)		10/20/2014	21.7	25.6(2)	
Riverview Power LLC	Operator of natural gas and oil fired power generation facilities	First lien senior secured loan ($99.3 par due 12/2022)	9.33% (Libor + 8.00%/Q)	12/29/2016	96.9	99.3(2)(16)	
					455.8	418.7	5.96%
Automotive Services							
A.U.L. Corp.(20)	Provider of vehicle service contracts ("VSCs") and limited warranties for passenger vehicles	First lien senior secured loan ($7.9 par due 6/2023)	6.38% (Libor + 5.00%/Q)	6/7/2017	7.9	7.7(2)(16)	
AEP Holdings, Inc. and Arrowhead Holdco Company	Distributor of non-discretionary, mission-critical aftermarket replacement parts	First lien senior secured loan ($0.1 par due 8/2021)	6.99% (Libor + 5.75%/Q)	7/21/2017	0.1	0.1(2)(16)	
		First lien senior secured loan ($3.0 par due 8/2021)	7.03% (Libor + 5.75%/Q)	7/21/2017	3.0	3.0(2)(16)	
		First lien senior secured loan ($0.7 par due 8/2021)	7.01% (Libor + 5.75%/Q)	7/21/2017	0.7	0.7(2)(16)	
		First lien senior secured loan ($0.8 par due 8/2021)	7.05% (Libor + 5.75%/Q)	7/21/2017	0.8	0.8(2)(16)	
		First lien senior secured loan ($0.0 par due 8/2021)	9.00% (Base Rate + 4.75%/Q)	7/21/2017		(2)(16)	
		Common stock (3,467 shares)		8/31/2015	3.5	4.1(2)	

					8.1	8.7
ChargePoint, Inc.	Developer and operator of electric vehicle charging stations	Second lien senior secured loan ($20.0 par due 8/2020)	10.05% (Libor + 8.75%/M)	12/24/2014	19.6	20.0(2)(16)
		Warrant to purchase up to 809,126 shares of Series E preferred stock (expires 12/2024)		12/30/2014	0.3	2.1(2)
					19.9	22.1
Dent Wizard International Corporation and DWH Equity Investors, L.P.	Automotive reconditioning services	Second lien senior secured loan ($50.0 par due 10/2020)	9.99% (Libor + 8.75%/Q)	4/7/2015	50.0	50.0(3)(16)
		Class A common stock (10,000 shares)		4/7/2015	0.2	0.5(2)
		Class B common stock (20,000 shares)		4/7/2015	0.4	1.0(2)
					50.6	51.5

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Eckler Industries, Inc.(20)	Restoration parts and accessories provider for classic automobiles	First lien senior secured revolving loan ($2.0 par due 12/2017)	9.25% (Base Rate + 5.00%/Q)	7/12/2012	2.0	1.7(2)(16)	
		First lien senior secured loan ($6.6 par due 12/2017)	7.31% (Libor + 6.00%/Q)	7/12/2012	6.6	5.5(3)(16)	
		First lien senior secured loan ($0.6 par due 12/2017)	7.28% (Libor + 6.00%/Q)	7/12/2012	0.6	0.5(3)(16)	
		First lien senior secured loan ($23.7 par due 12/2017)	7.31% (Libor + 6.00%/Q)	7/12/2012	23.7	19.9(3)(16)	
		Series A preferred stock (1,800 shares)		7/12/2012	1.8	(2)	
		Common stock (20,000 shares)		7/12/2012	0.2	(2)	
					34.9	27.6	
EcoMotors, Inc.	Engine developer	First lien senior secured loan ($9.8 par due 3/2018)		9/1/2015	9.5	0.5(2)(15)	
		Warrant to purchase up to 321,888 shares of Series C preferred stock (expires 12/2022)		12/28/2012		(2)	
		Warrant to purchase up to 70,000 shares of Series C preferred stock (expires 2/2025)		2/24/2015		(2)	
					9.5	0.5	
ESCP PPG Holdings, LLC(7)	Distributor of new equipment and aftermarket parts to the heavy-duty truck industry	Class A units (3,500,000 units)		12/14/2016	3.5	2.6(2)	
Mavis Tire Supply LLC	Auto parts retailer	First lien senior secured loan ($38.6 par due 10/2020)	6.49% (Libor + 5.25%/Q)	7/26/2017	38.6	38.6(2)(16)	
		First lien senior secured loan ($179.4 par due 10/2020)	6.49% (Libor + 5.25%/Q)	7/26/2017	179.4	179.4(2)(16)	
					218.0	218.0	
Simpson Performance Products, Inc.	Provider of motorsports safety equipment	First lien senior secured loan ($10.0 par due 2/2020)	8.52% (Libor + 7.52%/Q)	2/20/2015	10.0	10.0(2)(16)	
		First lien senior secured loan ($18.3 par due 2/2020)	8.52% (Libor + 7.52%/Q)	2/20/2015	18.3	18.3(3)(16)	
					28.3	28.3	
SK SPV IV, LLC	Collision repair site operators	Series A common stock (12,500 units)		8/18/2014	0.6	3.1(2)	
		Series B common stock (12,500 units)		8/18/2014	0.6	3.1(2)	
					1.2	6.2	

					381.9	373.2	5.31%
Restaurants and Food Services							
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.(8)(20)	Restaurant owner and operator	First lien senior secured loan ($46.5 par due 12/2018)		11/27/2006	39.9	11.0(2)(15)	
		First lien senior secured loan ($3.5 par due 12/2018)	19.31% PIK (Libor + 18.00%/Q)	12/22/2016	3.5	3.5(2)(16)	
		Promissory note ($28.4 par due 12/2023)		11/27/2006	13.8	(2)	
		Warrant to purchase up to 0.95 units of Series D common stock (expires 12/2023)		12/18/2013		(2)	
					57.2	14.5	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Benihana, Inc.(20)	Restaurant owner and operator	First lien senior secured revolving loan ($0.8 par due 7/2018)	8.30% (Libor + 7.00%/Q)	8/21/2012	0.8	0.8(2)(16)(19)	
		First lien senior secured revolving loan ($1.8 par due 7/2018)	10.00% (Base Rate + 5.75%/Q)	8/21/2012	1.8	1.7(2)(16)(19)	
		First lien senior secured loan ($0.3 par due 1/2019)	8.32% (Libor + 7.00%/Q)	12/28/2016	0.3	0.3(2)(16)	
		First lien senior secured loan ($4.7 par due 1/2019)	8.32% (Libor + 7.00%/Q)	8/21/2012	4.7	4.6(4)(16)	
		First lien senior secured loan ($0.0 par due 1/2019)	8.25% (Libor + 7.00%/Q)	12/28/2016		(2)(16)	
		First lien senior secured loan ($0.0 par due 1/2019)	8.25% (Libor + 7.00%/Q)	8/21/2012		(4)(16)	
					7.6	7.4	
Cozzini Bros., Inc. and BH-Sharp Holdings LP(20)	Provider of commercial knife sharpening and cutlery services in the restaurant industry	First lien senior secured loan ($19.3 par due 3/2023)	6.74% (Libor + 5.50%/Q)	3/10/2017	19.3	19.1(4)(16)	
		Common units (2,950,000 units)		3/10/2017	3.0	2.8(2)	
					22.3	21.9	
FWR Holding Corporation(20)	Restaurant owner, operator, and franchisor	First lien senior secured revolving loan ($0.3 par due 8/2023)	7.32% (Libor + 6.00%/Q)	8/21/2017	0.3	0.3(2)(16)	
		First lien senior secured revolving loan ($0.3 par due 8/2023)	7.24% (Libor + 6.00%/Q)	8/21/2017	0.3	0.3(2)(16)	
		First lien senior secured revolving loan ($4.1 par due 8/2023)	7.48% (Libor + 6.00%/Q)	8/21/2017	4.1	4.1(2)(16)	
					4.7	4.7	
Garden Fresh Restaurant Corp. and GFRC Holdings LLC(8)(20)	Restaurant owner and operator	First lien senior secured revolving loan ($1.0 par due 2/2022)	10.50% (Libor + 9.00%/Q)	4/26/2017	1.0	1.0(2)(16)(19)	
		First lien senior secured loan ($24.9 par due 2/2022)	10.50% (Libor + 9.00%/Q)	10/3/2013	24.9	24.9(2)(16)	
					25.9	25.9	
Global Franchise Group, LLC(20)	Worldwide franchisor of quick service restaurants	First lien senior secured loan ($8.7 par due 12/2019)	7.07% (Libor + 5.75%/Q)	9/15/2017	8.7	8.6(2)(16)	
Heritage Food Service Group, Inc. and WCI-HFG Holdings, LLC	Distributor of repair and replacement parts for commercial kitchen equipment	Second lien senior secured loan ($31.6 par due 10/2022)	9.77% (Libor + 8.50%/Q)	10/20/2015	31.6	31.6(2)(16)	
		Preferred units (3,000,000 units)		10/20/2015	3.0	3.5(2)	

					34.6	35.1
Hojeij Branded Foods, LLC(20)	Leading operator of airport concessions across the U.S.	First lien senior secured loan ($6.3 par due 7/2022)	7.33% (Libor + 6.00%/Q)	7/20/2017	6.2	6.2(2)(16)
Jim N Nicks Management, LLC(20)	Restaurant owner and operator	First lien senior secured revolving loan ($1.2 par due 7/2023)	6.55% (Libor + 5.25%/Q)	7/10/2017	1.2	1.2(2)(16)
		First lien senior secured revolving loan ($0.5 par due 7/2023)	6.56% (Libor + 5.25%/Q)	7/10/2017	0.5	0.5(2)(16)
		First lien senior secured loan ($0.6 par due 7/2023)	6.56% (Libor + 5.25%/Q)	7/10/2017	0.6	0.6(2)(16)
		First lien senior secured loan ($14.1 par due 7/2023)	6.55% (Libor + 5.25%/Q)	7/10/2017	14.1	13.8(2)(16)
					16.4	16.1

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Orion Foods, LLC(8)	Convenience food service retailer	First lien senior secured loan ($1.2 par due 9/2015)		4/1/2010	1.2	0.5(2)(15)	
		Second lien senior secured loan ($19.4 par due 9/2015)		4/1/2010		(2)(15)	
		Preferred units (10,000 units)		10/28/2010		(2)	
		Class A common units (25,001 units)		4/1/2010		(2)	
		Class B common units (1,122,452 units)		4/1/2010		(2)	
					1.2	0.5	
OTG Management, LLC(20)	Airport restaurant operator	First lien senior secured loan ($6.5 par due 8/2021)	9.77% (Libor + 8.50%/Q)	8/26/2016	6.5	6.5(2)(16)	
		First lien senior secured loan ($0.9 par due 8/2021)	9.81% (Libor + 8.50%/Q)	8/26/2016	0.9	0.9(2)(16)	
		First lien senior secured loan ($97.8 par due 8/2021)	9.77% (Libor + 8.50%/Q)	8/26/2016	97.8	97.8(3)(16)	
		Senior subordinated loan ($24.2 par due 2/2022)	17.5%	8/26/2016	24.1	24.2(2)	
		Class A preferred units (3,417,123 units)		8/26/2016	30.0	33.6(2)	
		Common units (3,000,000 units)		1/5/2011	3.0	9.3(2)	
		Warrant to purchase up to 7.73% of common units (expires 6/2018)		6/19/2008	0.1	20.4(2)	
		Warrant to purchase 0.60% of the common units deemed outstanding (expires 12/2018)		8/29/2016		(2)	
					162.4	192.7	
Restaurant Holding Company, LLC	Fast food restaurant operator	First lien senior secured loan ($33.6 par due 2/2019)	8.99% (Libor + 7.75%/Q)	3/13/2014	33.5	30.2(3)(16)	
Restaurant Technologies, Inc.(20)	Provider of bulk cooking oil management services to the restaurant and fast food service industries	First lien senior secured revolving loan ($0.4 par due 11/2021)	5.98% (Libor + 4.75%/Q)	11/23/2016	0.4	0.4(2)(16)(19)	
		First lien senior secured revolving loan ($0.5 par due 11/2021)	8.00% (Base Rate + 3.75%/Q)	11/23/2016	0.5	0.5(2)(16)(19)	
					0.9	0.9	
SFE Intermediate Holdco LLC(20)	Provider of outsourced foodservice to K-12 school districts	First lien senior secured loan ($6.8 par due 7/2023)	6.31% (Libor + 5.00%/Q)	7/31/2017	6.8	6.7(2)(16)	

					388.4	371.4	5.28%
Wholesale Distribution							
DFS Holding Company, Inc.	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	First lien senior secured loan ($4.7 par due 2/2022)	6.33% (Libor + 5.00%/Q)	3/1/2017	4.7	4.7(2)(16)	
		First lien senior secured loan ($189.2 par due 2/2022)	6.83% (Libor + 5.50%/Q)	7/26/2017	189.2	189.2(2)(16)	
					193.9	193.9	
Flow Solutions Holdings, Inc.	Distributor of high value fluid handling, filtration and flow control products	Second lien senior secured loan ($6.0 par due 10/2018)	10.31% (Libor + 9.00%/Q)	12/16/2014	6.0	6.0(2)(16)	
		Second lien senior secured loan ($29.5 par due 10/2018)	10.31% (Libor + 9.00%/Q)	12/16/2014	29.5	29.5(2)(16)	
					35.5	35.5	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
KHC Holdings, Inc. and Kele Holdco, Inc.(20)	Catalog-based distribution services provider for building automation systems	First lien senior secured revolving loan ($0.9 par due 10/2020)	5.49% (Libor + 4.25%/Q)	1/3/2017	0.9	0.9(2)(16)	
		First lien senior secured revolving loan ($0.5 par due 10/2020)	7.50% (Base Rate + 3.25%/Q)	1/3/2017	0.5	0.5(2)(16)	
		First lien senior secured loan ($69.2 par due 10/2022)	7.33% (Libor + 6.00%/Q)	1/3/2017	69.2	69.2(3)(16)	
		Common stock (30,000 shares)		1/3/2017	3.1	2.6	
					73.7	73.2	
					303.1	302.6	4.31%
Containers and Packaging							
GS Pretium Holdings, Inc.	Manufacturer and supplier of high performance plastic containers	Common stock (500,000 shares)		6/2/2014	0.5	0.7(2)	
ICSH Parent, Inc. and Vulcan Container Services Holdings, Inc.(20)	Industrial container manufacturer, reconditioner and servicer	Second lien senior secured loan ($63.6 par due 4/2025)	9.31% (Libor + 8.00%/Q)	4/28/2017	62.9	63.6(2)(16)	
		Series A common stock (24,900 shares)		4/28/2017	2.5	2.7(2)	
					65.4	66.3	
LBP Intermediate Holdings LLC(20)	Manufacturer of paper and corrugated foodservice packaging	First lien senior secured revolving loan		7/10/2015		(18)	
		First lien senior secured loan ($11.9 par due 7/2020)	6.83% (Libor + 5.50%/Q)	7/10/2015	11.8	11.9(3)(16)	
		First lien senior secured loan ($5.0 par due 7/2020)	6.83% (Libor + 5.50%/Q)	7/10/2015	5.0	5.0(4)(16)	
					16.8	16.9	
Microstar Logistics LLC, Microstar Global Asset Management LLC, and MStar Holding Corporation	Keg management solutions provider	Second lien senior secured loan ($78.5 par due 12/2018)	8.74% (Libor + 7.50%/Q)	12/14/2012	78.5	78.5(2)(16)	
		Second lien senior secured loan ($54.0 par due 12/2018)	8.74% (Libor + 7.50%/Q)	12/14/2012	54.0	54.0(3)(16)	
		Second lien senior secured loan ($10.0 par due 12/2018)	8.74% (Libor + 7.50%/Q)	12/14/2012	10.0	10.0(4)(16)	
		Common stock (50,000 shares)		12/14/2012	4.0	7.3(2)	
					146.5	149.8	

NSI Holdings, Inc.	Manufacturer of plastic containers for the wholesale nursery industry	Series A preferred stock (2,192 shares)		1/3/2017			
		Warrant to purchase up to 648 shares of common stock (expires 11/2017)		1/3/2017			
Ranpak Corp.	Manufacturer and marketer of paper-based protective packaging systems and materials	Second lien senior secured loan ($15.4 par due 10/2022)	8.48% (Libor + 7.25%/Q)	1/3/2017	14.8	15.2(2)(16)	
					244.0	248.9	3.54%
Oil and Gas							
Lonestar Prospects, Ltd.(20)	Sand based proppant producer and distributor to the oil and natural gas industry	First lien senior secured loan ($15.1 par due 3/2021)	9.32% (Libor + 8.00%/Q)	3/1/2017	15.1	15.1(2)(16)	
		First lien senior secured loan ($75.3 par due 3/2021)	9.32% (Libor + 8.00%/Q)	3/1/2017	75.3	75.3(3)(16)	
					90.4	90.4	
Moss Creek Resources, LLC	Exploration and production company	Senior subordinated loan ($30.0 par due 4/2022)	9.50% (Libor + 8.00%/Q)	5/5/2017	29.7	30.0(2)(16)	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Penn Virginia Holding Corp.	Exploration and production company	Second lien senior secured loan ($90.1 par due 9/2022)	8.34% (Libor + 7.00%/Q)	9/29/2017	90.1	88.3(2)(16)	
Petroflow Energy Corporation and TexOak Petro Holdings LLC(7)	Oil and gas exploration and production company	First lien senior secured loan ($12.6 par due 6/2019)	3.24% (Libor + 2.00%/Q)	6/29/2016	11.7	11.9(2)(16)	
		Second lien senior secured loan ($24.1 par due 12/2019)		6/29/2016	21.9	(2)(15)	
		Common units (202,000 units)		6/29/2016	11.1		
					44.7	11.9	
					254.9	220.6	3.14%
Environmental Services							
MPH Energy Holdings, LP	Operator of municipal recycling facilities	Limited partnership interest (3.13% interest)		1/8/2014		(2)	
Pegasus Community Energy, LLC	Operator of municipal recycling facilities	Preferred stock (1,000 shares)		3/1/2011	8.8	(2)	
Soil Safe, Inc. and Soil Safe Acquisition Corp.(8)(20)	Provider of soil treatment, recycling and placement services	First lien senior secured revolving loan		1/3/2017		(18)	
		First lien senior secured loan ($23.0 par due 1/2020)	8.00% (Libor + 6.25%/Q)	1/3/2017	23.0	23.0(2)(16)	
		Second lien senior secured loan ($12.7 par due 6/2020)	10.75% (Libor + 7.75%/Q)	1/3/2017	12.7	12.7(2)(16)	
		Senior subordinated loan ($35.3 par due 12/2020)	16.5%	1/3/2017	35.3	35.3(2)	
		Senior subordinated loan ($30.4 par due 12/2020)	14.5%	1/3/2017	30.4	30.4(2)	
		Senior subordinated loan ($0.0 par due 12/2020)		1/3/2017		(15)	
		Senior subordinated loan ($29.2 par due 12/2020)		1/3/2017	11.5	1.4(15)	
		Common stock (810 shares)		1/3/2017			
					112.9	102.8	
Storm UK Holdco Limited and Storm US Holdco Inc.(20)	Provider of water infrastructure software solutions for municipalities / utilities and engineering consulting firms	First lien senior secured revolving loan ($0.2 par due 5/2022)	8.75% (Base Rate + 4.50%/Q)	5/5/2017	0.2	0.2(2)(16)	
		First lien senior secured loan ($4.6 par due 5/2023)	6.56% (Libor + 5.25%/Q)	5/5/2017	4.6	4.5(2)(16)	

					4.8	4.7	
Waste Pro USA, Inc	Waste management services	Second lien senior secured loan ($75.4 par due 10/2020)	8.74% (Libor + 7.50%/Q)	10/15/2014	75.4	75.4(3)(16)	
					201.9	182.9	2.60%
Aerospace and Defense							
Cadence Aerospace, LLC	Aerospace precision components manufacturer	First lien senior secured loan ($4.0 par due 5/2018)	7.56% (Libor + 6.25%/Q)	5/15/2012	4.0	4.0(4)(16)	
		First lien senior secured loan ($0.0 par due 5/2018)	9.50% (Base Rate + 5.25%/Q)	5/15/2012		(4)(16)	
		Second lien senior secured loan ($5.3 par due 5/2019)	20.00% PIK	4/17/2017	5.3	5.3(2)	
		Second lien senior secured loan ($79.7 par due 5/2019)	11.55% (Libor + 10.25%/Q)	5/10/2012	79.7	79.7(2)(16)	
					89.0	89.0	
Jazz Acquisition, Inc.	Designer and distributor of aftermarket replacement components to the commercial airlines industry	Second lien senior secured loan ($25.0 par due 6/2022)	8.08% (Libor + 6.75%/Q)	1/3/2017	19.7	22.5(2)(16)	
					108.7	111.5	1.59%

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Printing, Publishing and Media							
Connoisseur Media, LLC	Owner and operator of radio stations	First lien senior secured loan ($22.4 par due 6/2019)	7.68% (Libor + 6.38%/Q)	7/26/2017	22.4	22.2(2)(16)	
		First lien senior secured loan ($61.2 par due 6/2019)	7.42% (Libor + 6.38%/Q)	7/26/2017	61.2	60.6(2)(16)	
					83.6	82.8	
Earthcolor Group, LLC	Printing management services	Limited liability company interests (9.30%)		5/18/2012			
EDS Group(8)(9)	Provider of print and digital services	Common stock (2,432,750 shares)		1/3/2017		2.8	
Roark-Money Mailer LLC	Marketer, advertiser and distributor of coupons in the mail industry	Membership units (35,000 units)		1/3/2017			
The Teaching Company Holdings, Inc.	Education publications provider	Preferred stock (10,663 shares)		9/29/2006	1.1	2.4(2)	
		Common stock (15,393 shares)		9/29/2006		(2)	
					1.1	2.4	
					84.7	88.0	1.25%
Chemicals							
AMZ Holding Corp.(20)	Specialty chemicals manufacturer	First lien senior secured loan ($0.1 par due 6/2022)	8.25% (Base Rate + 4.00%/Q)	6/27/2017	0.1	0.1(2)(16)	
		First lien senior secured loan ($12.2 par due 6/2022)	6.24% (Libor + 5.00%/Q)	6/27/2017	12.2	12.2(2)(16)	
					12.3	12.3	
Borchers Americas, Inc.	Provider of performance enhancing coating additives	First lien senior secured loan ($5.0 par due 1/2024)	6.08% (Libor + 4.75%/Q)	1/12/2017	5.0	5.0(4)(16)	
Genomatica, Inc.	Developer of a biotechnology platform for the production of chemical products	Warrant to purchase 322,422 shares of Series D preferred stock (expires 3/2023)		3/28/2013		(2)	
K2 Pure Solutions Nocal, L.P.(20)	Chemical producer	First lien senior secured revolving loan ($1.5 par due 2/2021)	8.37% (Libor + 7.13%/Q)	8/19/2013	1.5	1.5(2)(16)	
		First lien senior secured loan ($40.0 par due 2/2021)	11.20% (Libor + 9.96%/Q)	8/19/2013	40.0	40.0(3)(16)	
		First lien senior secured loan ($13.0 par due 2/2021)	11.20% (Libor + 9.96%/Q)	8/19/2013	13.0	13.0(4)(16)	

					54.5	54.5	
Kinestral Technologies, Inc.	Designer of adaptive, dynamic glass for the commercial and residential markets.	First lien senior secured loan ($5.0 par due 10/2018)	9.05% (Libor + 7.75%/M)	4/22/2014	5.0	5.0(2)(16)	
		Warrant to purchase up to 325,000 shares of Series A preferred stock (expires 4/2024)		4/22/2014	0.1	0.2(2)	
		Warrant to purchase up to 131,883 shares of Series B preferred stock (expires 4/2025)		4/9/2015		(2)	
					5.1	5.2	
					76.9	77.0	1.10%

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Retail							
Fashion Holding Luxembourg SCA (Modacin/Camaeiu)(8)(9)	Retailer of women's clothing	Preferred stock (241,776,675 shares)		1/3/2017			
Galls, LLC(20)	Distributor of public safety, private security and defense products in the United States	Second lien senior secured loan ($8.1 par due 8/2021)	9.57% (Libor + 8.25%/Q)	8/25/2017	8.1	8.1(2)(16)	
		Second lien senior secured loan ($1.9 par due 8/2021)	9.58% (Libor + 8.25%/Q)	8/25/2017	1.9	1.9(2)(16)	
		Second lien senior secured loan ($14.3 par due 8/2021)	9.58% (Libor + 8.25%/Q)	1/3/2017	14.3	14.3(2)(16)	
		Second lien senior secured loan ($26.0 par due 8/2021)	9.58% (Libor + 8.25%/Q)	1/3/2017	26.0	26.0(2)(16)	
					50.3	50.3	
Paper Source, Inc. and Pine Holdings, Inc.(20)	Retailer of fine and artisanal paper products	First lien senior secured revolving loan ($1.0 par due 9/2019)	9.25% (Base Rate + 5.00%/Q)	9/23/2013	1.0	1.0(2)(16)	
		First lien senior secured loan ($9.6 par due 9/2018)	7.55% (Libor + 6.25%/Q)	9/23/2013	9.6	9.4(4)(16)	
		Class A common stock (36,364 shares)		9/23/2013	6.0	3.6(2)	
					16.6	14.0	
Things Remembered, Inc. and TRM Holdco Corp.(7)(20)	Personalized gifts retailer	First lien senior secured revolving loan ($0.4 par due 2/2019)	9.31% (Libor + 8.00%/Q)	8/30/2016	0.4	0.4(2)(16)	
		First lien senior secured revolving loan ($0.6 par due 2/2019)	9.32% (Libor + 8.00%/Q)	8/30/2016	0.6	0.6(2)(16)	
		First lien senior secured revolving loan ($0.6 par due 2/2019)	11.25% (Base Rate + 7.00%/Q)	8/30/2016	0.6	0.6(2)(16)	
		First lien senior secured loan ($12.0 par due 3/2020)		8/30/2016	10.5	1.9(2)(15)	
		Common stock (10,631,940 shares)		8/30/2016	6.1	(2)	
					18.2	3.5	
					85.1	67.8	0.96%
Health Clubs							
Athletic Club Holdings, Inc.	Premier health club operator	First lien senior secured loan ($35.0 par due 10/2020)	9.74% (Libor + 8.50%/Q)	10/11/2007	35.0	35.0(3)(16)	
CFW Co-Invest, L.P., NCP Curves, L.P. and Curves International Holdings, Inc.	Health club franchisor	Limited partnership interest (4,152,165 shares)		7/31/2012	4.2	5.9(2)	
				11/12/2014		(2)(9)	

		Common stock (1,680 shares)					
		Limited partnership interest (2,218,235 shares)		7/31/2012	2.2	3.2(2)(9)	
					6.4	9.1	
					41.4	44.1	0.63%
Farming and Agriculture							
QC Supply, LLC(20)	Specialty distributor and solutions provider to the swine and poultry markets	First lien senior secured revolving loan ($4.0 par due 12/2021)	7.24% (Libor + 6.00%/Q)	12/29/2016	4.0	4.0(2)(16)	
		First lien senior secured loan ($11.3 par due 12/2022)	7.24% (Libor + 6.00%/Q)	12/29/2016	11.3	11.3(2)(16)	
		First lien senior secured loan ($14.9 par due 12/2022)	7.24% (Libor + 6.00%/Q)	12/29/2016	14.9	14.9(4)(16)	
					30.2	30.2	
					30.2	30.2	0.43%

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Hotel Services							
Pyramid Management Advisors, LLC and Pyramid Investors, LLC	Hotel Operator	First lien senior secured loan ($3.0 par due 7/2021)	8.24% (Libor + 7.00%/Q)	7/15/2016	3.0	3.0(2)(16)	
		First lien senior secured loan ($19.5 par due 7/2021)	11.10% (Libor + 10.10%/Q)	7/15/2016	19.5	19.3(3)(16)	
		Membership units (996,833 units)		7/15/2016	1.0	0.7(2)	
					23.5	23.0	
					23.5	23.0	0.33%
Computers and Electronics							
Everspin Technologies, Inc.	Designer and manufacturer of computer memory solutions	Warrant to purchase up to 18,461 shares of common stock (expires 10/2026)		6/5/2015	0.4	(5)(23)	
Imaging Business Machines, L.L.C. and Scanner Holdings Corporation(8)	Provider of high-speed intelligent document scanning hardware and software	Senior subordinated loan ($8.3 par due 6/2022)	14%	1/3/2017	8.1	8.3(2)	
		Senior subordinated loan ($8.3 par due 6/2022)	14%	1/3/2017	8.1	8.3(2)	
		Series A preferred stock (66,424,135 shares)		1/3/2017		4.7	
		Class A common stock (33,173 shares)		1/3/2017			
		Class B common stock (134,214 shares)		1/3/2017			
					16.2	21.3	
					16.6	21.3	0.30%
Telecommunications							
Adaptive Mobile Security Limited(9)	Developer of security software for mobile communications networks	First lien senior secured loan ($1.3 par due 7/2018)	12.00% (EURIBOR + 9.00% Cash, 1.00%/M)	1/16/2015	1.3	0.8(2)(14)(16)	
		First lien senior secured loan ($0.4 par due 10/2018)	12.00% (EURIBOR + 9.00% Cash, 1.00%/M)	1/16/2015	0.4	0.2(2)(14)(16)	
		First lien senior secured loan ($1.1 par due 10/2018)	12.00% (EURIBOR + 9.00% Cash, 1.00%/M)	10/17/2016	1.0	0.7(2)(14)(16)	
					2.7	1.7	
American Broadband Holding Company and Cameron Holdings of NC, Inc.	Broadband communication services	Warrant to purchase up to 208 shares (expires 11/2017)		11/7/2007		4.1	

		Warrant to purchase up to 200 shares (expires 9/2020)	9/1/2010	10.0
				14.1
CHL, LTD.	Repair and service solutions provider for cable, satellite and telecommunications based service providers	Warrant to purchase up to 120,000 shares of Series A common stock (expires 5/2020)	1/3/2017	
		Warrant to purchase up to 280,000 shares of Series B common stock (expires 5/2020)	1/3/2017	
		Warrant to purchase up to 80,000 shares of Series C common stock (expires 5/2020)	1/3/2017	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
LTG Acquisition, Inc.	Designer and manufacturer of display, lighting and passenger communication systems for mass transportation markets	Class A membership units (5,000 units)		1/3/2017	5.1	3.9	
Startec Equity, LLC(8)	Communication services	Member interest		4/1/2010			
					7.8	19.7	0.28%
Commercial Real Estate Financial							
ACAS Real Estate Holdings Corporation(8)	Real estate holding company	Common stock (1,001 shares)		1/3/2017	2.6	2.1	
NECCO Realty Investments LLC(8)	Real estate holding company	Membership units (7,450 units)		1/3/2017			
Parmenter Woodland Park Plaza, LLC	Real estate holding company	First lien senior secured loan ($17.8 par due 9/2018)	6.14% (Libor + 4.90%/Q)	1/3/2017	16.6	16.0(16)	
					19.2	18.1	0.26%
Housing and Building Materials							
Halex Holdings, Inc.(8)(20)	Manufacturer of flooring installation products	First lien senior secured revolving loan ($1.1 par due 12/2018)		1/24/2017	1.1	1.1	
		Common stock (51,853 shares)		1/3/2017			
					1.1	1.1	
					1.1	1.1	0.02%
Total Investments					$ 11,739.9	$ 11,456.1(24)	163.01%

Derivative Instruments

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Appreciation / (Depreciation)
Foreign currency forward contract	$ 2	€ 2	Bank of Montreal	October 5, 2017	$
Foreign currency forward contract	$ 17	€ 15	Bank of Montreal	October 16, 2017	(1)
Foreign currency forward contract	$ 29	€ 24	Bank of Montreal	November 15, 2017	
Foreign currency forward contract	$ 1	€ 1	Bank of Montreal	December 15, 2017	
Foreign currency forward contract	$ 8	CAD 10			

					Bank of Montreal	October 16, 2017		
Foreign currency forward contract	$	82	CAD	103	Bank of Montreal	November 24, 2017		
Foreign currency forward contract	$	81	£	62	Bank of Montreal	November 15, 2017		(3)
Total							$	(4)

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(1)
Other than the Company's investments listed in footnote 8 below (subject to the limitations set forth therein), the Company does not "Control" any of its portfolio companies, for the purposes of the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"). In general, under the Investment Company Act, the Company would "Control" a portfolio company if the Company owned more than 25% of its outstanding voting securities (i.e., securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. All of the Company's portfolio company investments, which as of September 30, 2017 represented 163% of the Company's net assets or 95% of the Company's total assets, are subject to legal restrictions on sales.

(2)
These assets are pledged as collateral for the Revolving Credit Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Revolving Credit Facility (see Note 5 to the consolidated financial statements).

(3)
These assets are owned by the Company's consolidated subsidiary Ares Capital CP Funding LLC ("Ares Capital CP"), are pledged as collateral for the Revolving Funding Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than Ares Capital CP's obligations under the Revolving Funding Facility (see Note 5 to the consolidated financial statements).

(4)
These assets are owned by the Company's consolidated subsidiary Ares Capital JB Funding LLC ("ACJB"), are pledged as collateral for the SMBC Funding Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than ACJB's obligations under the SMBC Funding Facility (see Note 5 to the consolidated financial statements).

(5)
These assets are owned by the Company's consolidated subsidiary Ares Venture Finance, L.P. ("AVF LP"), are pledged as collateral for the SBA-guaranteed debentures (the "SBA Debentures") and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than

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AVF LP's obligations (see Note 5 to the consolidated financial statements). AVF LP operates as a Small Business Investment Company ("SBIC") under the provisions of Section 301(c) of the Small Business Investment Act of 1958, as amended.

(6)

Investments without an interest rate are non-income producing.

(7)

As defined in the Investment Company Act, the Company is deemed to be an "Affiliated Person" because it owns 5% or more of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions during the nine months ended September 30, 2017 in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to Control) are as follows:

(in millions) Company	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)
Campus Management Acquisition Corp.	$	$	$	$	$	$	$	$	$ (3.0)
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC	$ 7.0	$ 0.8	$	$ 0.7	$ 0.1	$	$ 0.2	$	$ 0.5
ESCP PPG Holdings, LLC	$	$	$	$	$	$	$	$	$ (1.1)
Financial Asset Management Systems, Inc. and FAMS Holdings, Inc.	$ 3.0	$ 3.0	$	$	$	$	$	$	$
Ioxus, Inc	$	$	$	$ 1.0	$	$	$	$	$ (0.1)
Multi-Ad Services, Inc.	$	$	$	$	$	$	$	$ 0.1	$
Petroflow Energy Corporation and TexOak Petro Holdings LLC	$	$ 2.6	$ 1.8	$ 0.3	$	$	$	$ 0.2	$ (5.3)
PIH Corporation and Primrose Holding Corporation	$ 17.0	$	$	$	$	$	$	$	$ 2.6
Shock Doctor, Inc. and Shock Doctor Holdings, LLC	$	$	$	$ 7.9	$	$	$	$	$ (8.9)
Things Remembered, Inc. and TRM Holdco Corp.	$ 4.3	$ 2.5	$ 0.2	$ 0.1	$	$	$ 0.1	$	$ (1.5)
UL Holding Co., LLC	$	$	$	$ 2.4	$	$	$	$	$ 6.4

(8)

As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" and "Control" this portfolio company because it owns more than 25% of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions during the nine months ended September 30, 2017 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control are as follows:

(in millions) Company	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)
10th Street, LLC and New 10th Street, LLC	$	$ 53.3	$ 0.6	$ 2.0	$	$	$	$ 34.5	$ (34.7)
ACAS 2007-1 CLO	$	$	$	$	$	$	$	$	$
ACAS Equity Holdings Corporation	$ 0.5	$	$	$	$	$	$	$	$ (0.1)
ACAS Real Estate Holdings Corporation	$ 2.6	$	$	$	$	$	$	$	$
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.	$	$	$	$ 0.5	$	$	$	$	$ (17.2)
Alcami Holdings, LLC	$ 271.1	$ 5.2	$ 0.3	$ 20.0	$	$	$ 1.6	$	$ 82.3
AllBridge Financial, LLC	$	$	$	$	$	$	$	$	$ (0.4)
Ares IIIR/IVR CLO Ltd.	$	$ 5.2	$	$	$	$	$	$ 0.3	$ 0.4
Bellotto Holdings Limited	$ 193.6	$ 193.6	$	$	$	$	$	$ 58.1	$
Callidus Capital Corporation	$	$	$	$	$	$	$	$	$
Ciena Capital LLC	$	$	$ 10.0	$ 0.6	$	$	$	$	$ 8.0
CoLTS 2005-1	$	$	$	$	$	$	$	$	$
CoLTS 2005-2	$	$	$	$	$	$	$	$	$
Columbo Midco Limited, Columbo Bidco Limited and Columbo Topco Limited	$ 27.9	$	$	$	$	$	$	$	$ 5.9

Community Education Centers, Inc. and CEC Parent Holdings LLC	$	$ 36.2	$ 38.1	$ 1.2	$	$ 8.4	$	$ 24.4	$ (10.9)
Competitor Group, Inc., Calera XVI, LLC and Champion Parent Corporation	$ 0.5	$ 18.5	$ 42.8	$ 0.5	$	$	$	$ (20.6)	$ 17.5
CSHM LLC	$	$	$	$	$	$	$	$	$
EDS Group	$ 11.8	$ 12.0	$	$ 0.6	$	$	$	$ 3.2	$ 2.8
ETG Holdings, Inc.	$	$	$	$	$	$	$	$	$
European Capital Private Debt LP	$ 97.9	$ 0.3	$ 97.7	$	$	$	$	$ 1.1	$
European Capital UK SME Debt LP	$ 46.8	$ 4.1	$ 0.8	$	$	$	$	$ (0.1)	$ 2.2
Fashion Holding Luxembourg SCA (Modacin/Camaeiu)	$	$	$	$	$	$	$	$	$
FPI Holding Corporation	$ 0.4	$	$	$	$	$	$	$	$
Garden Fresh Restaurant Corp. and GFRC Holdings LLC	$ 11.2	$ 8.1	$ 18.9	$ 3.0	$	$	$ 0.2	$	$ 2.0
Halex Holdings, Inc.	$ 1.1	$	$	$	$	$	$	$	$
HALT Medical, Inc.	$ 0.7	$	$ 0.6	$	$	$	$	$	$
Hard 8 Games, LLC	$ 9.4	$	$ 9.4	$	$	$	$	$ 4.6	$
HCI Equity, LLC	$	$	$	$	$	$	$	$	$
Imaging Business Machines, L.L.C. and Scanner Holdings Corporation	$ 16.1	$	$	$ 1.8	$	$	$ 0.5	$	$ 5.1
Ivy Hill Asset Management, L.P.	$ 228.6	$ 155.5	$	$	$	$ 30.0	$	$	$ (5.9)
LLSC Holdings Corporation (dba Lawrence Merchandising Services)	$ 19.2	$	$	$	$	$	$ 0.1	$	$ (2.6)
Miles 33 (Finance) Limited	$ 15.2	$ 0.9	$ 0.6	$ 1.4	$	$	$	$	$ 7.0
Montgomery Lane, LLC and Montgomery Lane, Ltd.	$ 2.2	$ 2.3	$	$	$	$	$	$ 1.2	$ 0.6
MVL Group, Inc.	$	$	$	$	$	$	$	$	$
NECCO Holdings, Inc.	$ 43.7	$ 27.6	$ 7.1	$	$	$	$	$	$ (3.6)
NECCO Realty Investments LLC	$ 32.7	$ 27.4	$ 6.4	$ 1.2	$	$	$	$ 13.0	$

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(in millions) Company	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)
Orion Foods, LLC	$	$	$	$	$	$	$	$	$
Pillar Processing LLC and PHL Investors, Inc.	$	$	$	$	$	$	$	$	$
Rug Doctor, LLC and RD Holdco Inc.	$ 30.9	$	$	$ 1.4	$	$	$	$	$ (4.7)
S Toys Holdings LLC (fka The Step2 Company, LLC)	$	$	$	$	$	$	$	$ 6.8	$ (5.7)
Senior Direct Lending Program, LLC	$ 171.0	$ 1.3	$ 2.1	$ 35.6	$ 8.0	$	$ 1.7	$	$
Senior Secured Loan Fund LLC	$	$ 1,938.4	$	$ 69.3	$ 0.9	$	$ 4.5	$ (17.5)	$ 24.2
Soil Safe, Inc. and Soil Safe Acquisition Corp.	$ 110.6	$ 3.2	$ 1.0	$ 9.8	$	$	$ 0.6	$	$ (10.1)
Startec Equity, LLC	$	$	$	$	$	$	$	$	$
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC	$	$	$ 12.8	$	$	$	$	$ (12.3)	$ 12.5

*

Together with Varagon Capital Partners ("Varagon") and its clients, the Company has co-invested through the Senior Direct Lending Program LLC (d/b/a the "Senior Direct Lending Program" or the "SDLP"). The SDLP has been capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of the Company and Varagon (with approval from a representative of each required); therefore, although the Company owns more than 25% of the voting securities of the SDLP, the Company does not believe that it has control over the SDLP (for purposes of the Investment Company Act or otherwise) because, among other things, these "voting securities" do not afford the Company the right to elect directors of the SDLP or any other special rights (see Note 4 to the consolidated financial statements).

(9)

Non-U.S. company or principal place of business outside the U.S. and as a result is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets. Pursuant to Section 55(a) of the Investment Company Act, 12% of the Company's total assets are represented by investments at fair value and other assets that are considered "non-qualifying assets" as of September 30, 2017.

(10)

Exception from the definition of investment company under Section 3(c) of the Investment Company Act and as a result is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(11)

Variable rate loans to the Company's portfolio companies bear interest at a rate that may be determined by reference to either the London Interbank Offered Rate ("LIBOR") or an alternate base rate (commonly based on the Federal Funds Rate or the Prime Rate), at the borrower's option, which reset annually (A), semi-annually (S), quarterly (Q), bi-monthly (B), monthly (M) or daily (D). For each such loan, the Company has provided the interest rate in effect on the date presented.

(12)

In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.00% on $73.4 aggregate principal amount of a "first out" tranche of the portfolio company's senior term debt previously syndicated by the Company into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(13)

In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 1.75% on $62.7 aggregate principal amount of a "first out" tranche of the portfolio company's first lien senior secured loans, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(14)

The Company is entitled to receive a fixed fee upon the occurrence of certain events as defined in the credit agreement governing the Company's debt investment in the portfolio company. The fair value of such fee is included in the fair value of the debt investment.

(15)

Loan was on non-accrual status as of September 30, 2017.

(16)

Loan includes interest rate floor feature.

(17)

In addition to the interest earned based on the stated contractual interest rate of this security, the certificates entitle the holders thereof to receive a portion of the excess cash flow from the SDLP's loan portfolio, after expenses, which may result in a return to the Company greater than the contractual stated interest rate.

(18)

As of September 30, 2017, no amounts were funded by the Company under this first lien senior secured revolving loan; however, there were letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 to the consolidated financial statements for further information on letters of credit commitments related to certain portfolio companies.

(19)

As of September 30, 2017, in addition to the amounts funded by the Company under this first lien senior secured revolving loan, there were also letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 to the consolidated financial statements for further information on letters of credit commitments related to certain portfolio companies.

(20)

As of September 30, 2017, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to issue letters of credit through a financial intermediary on behalf of certain portfolio companies. Such commitments are subject to the satisfaction of certain conditions set forth in the documents governing these loans and letters of credit and there can be no assurance that such conditions will be satisfied. See Note 7 to the consolidated financial statements for further information on revolving and delayed draw loan commitments, including commitments to issue letters of credit, related to certain portfolio companies.

(in millions) **Portfolio Company**	**Total revolving and delayed draw loan commitments**	**Less: drawn commitments**	**Total undrawn commitments**	**Less: commitments substantially at discretion of the Company**	**Less: unavailable commitments due to borrowing base or other covenant restrictions**	**Total net adjusted undrawn revolving and delayed draw commitments**
A.U.L. Corp.	$ 1.3	$	$ 1.3	$	$	$ 1.3
Accruent, LLC	38.0		38.0			38.0
Achilles Acquisition LLC	2.3		2.3			2.3
Acrisure, LLC	9.4		9.4			9.4
ADCS Clinics Intermediate Holdings, LLC	5.0	(4.8)	0.2			0.2

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(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: drawn commitments	Total undrawn commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted undrawn revolving and delayed draw commitments
ADF Pizza I LLC	1.3		1.3			1.3
ADG, LLC	13.7	(10.9)	2.8			2.8
Alcami Holdings LLC	30.0	(23.6)	6.4			6.4
Alita Care, LLC	5.0	(1.3)	3.7			3.7
AMZ Holding Corp.	3.4		3.4			3.4
Benihana, Inc.	3.2	(3.1)	0.1			0.1
BeyondTrust Software, Inc.	2.8		2.8			2.8
CCS Intermediate Holdings, LLC	7.5	(6.4)	1.1			1.1
Chariot Acquisition, LLC	1.0		1.0			1.0
Ciena Capital LLC	20.0	(14.0)	6.0	(6.0)		
Clearwater Analytics, LLC	5.0	(0.5)	4.5			4.5
Command Alkon Incorporated	2.9		2.9			2.9
Component Hardware Group, Inc.	3.7	(1.9)	1.8			1.8
Convergint Technologies LLC	8.0		8.0			8.0
Cozzini Bros., Inc.	19.1		19.1			19.1
Crown Health Care Laundry Services, Inc.	10.0	(0.6)	9.4			9.4
CST Buyer Company	4.2		4.2			4.2
D4C Dental Brands, Inc.	5.0	(2.5)	2.5			2.5
DCA Investment Holding, LLC	5.8	(2.9)	2.9			2.9
DecoPac, Inc.	8.1	(1.6)	6.5			6.5
DFC Global Facility Borrower II LLC	43.6		43.6			43.6
Dorner Holding Corp.	3.3	(1.5)	1.8			1.8
DTI Holdco, Inc. and OPE DTI Holdings, Inc.	8.8		8.8			8.8
Eckler Industries, Inc.	4.0	(2.0)	2.0	(2.0)		
Emergency Communication Network, LLC	6.5		6.5			6.5
Emerus Holdings, Inc.	2.0	(0.3)	1.7			1.7
EN Engineering, L.L.C.	5.0	(1.2)	3.8			3.8
Entertainment Partners, LLC	28.0		28.0			28.0
Faction Holdings, Inc.	2.0	(1.0)	1.0			1.0
FPI Holding Corporation	2.6		2.6			2.6
Frontline Technologies Group Holding LLC	11.8		11.8			11.8
FWR Holding Corporation	3.5	(0.6)	2.9			2.9
Galls, LLC	1.0		1.0			1.0
Garden Fresh Restaurant Corp.	7.5	(3.7)	3.8			3.8
Gentle Communications, LLC	5.0		5.0			5.0
Global Franchise Group, LLC	1.2		1.2			1.2
Greenphire, Inc.	2.0	(1.0)	1.0			1.0
GTCR-Ultra Acquisition Inc	2.0		2.0			2.0
Halex Holdings, Inc.	2.0	(1.1)	0.9			0.9
Harvey Tool Company, LLC	0.8		0.8			0.8
Hojeij Branded Foods, LLC	3.2		3.2			3.2
Hygiena Borrower LLC	5.3		5.3			5.3
ICSH Parent, Inc.	11.8		11.8			11.8
Infilaw Holding, LLC	20.0	(11.5)	8.5	(8.5)		
Instituto De Banca y Comercio, Inc (EduK)	12.5	(11.5)	1.0			1.0
iPipeline, Inc.	4.0		4.0			4.0
JDC Healthcare Management, LLC	12.2	(1.5)	10.7			10.7
Jim N Nicks Management LLC	9.0	(1.7)	7.3			7.3
K2 Pure Solutions Nocal, L.P.	5.0	(1.5)	3.5			3.5
Key Surgical LLC	2.8	(0.9)	1.9			1.9
KHC Holdings, Inc.	6.9	(1.4)	5.5			5.5
Lakeland Tours, LLC	15.8	(7.7)	8.1			8.1
LBP Intermediate Holdings LLC	0.9	(0.1)	0.8			0.8
Liaison Acquisition, LLC	3.9	(1.2)	2.7			2.7
Lonestar Prospects, Ltd.	17.0		17.0			17.0
Massage Envy, LLC	5.9	(1.5)	4.4			4.4
MB2 Dental Solutions, LLC	3.5		3.5			3.5
McKenzie Sports Products, LLC	4.5		4.5			4.5

Ministry Brands LLC	27.3		27.3	27.3
MSHC, Inc.	9.8	(0.2)	9.6	9.6
MW Dental Holding Corp.	10.0	(9.7)	0.3	0.3
NECCO Holdings, Inc.	25.0	(19.2)	5.8	5.8
Niagara Fiber Intermediate Corp.	2.2	(1.9)	0.3	0.3
Nordco Inc	12.5		12.5	12.5
NSM Sub Holdings Corp.	5.0	(0.9)	4.1	4.1
OmniSYS Acquisition Corporation	2.5		2.5	2.5
Osmose Utilities Services, Inc.	6.0		6.0	6.0

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(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: drawn commitments	Total undrawn commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted undrawn revolving and delayed draw commitments
OTG Management, LLC	14.9		14.9			14.9
Palermo Finance Corporation	1.1	(0.2)	0.9			0.9
Paper Source, Inc.	3.3	(1.0)	2.3			2.3
PDI TA Holdings, Inc.	24.3		24.3			24.3
Pegasus Intermediate Holdings, LLC	5.0		5.0			5.0
PIH Corporation	3.3	(0.6)	2.7			2.7
Practice Insight, LLC	2.9	(0.6)	2.3			2.3
QC Supply, LLC	26.7	(4.0)	22.7			22.7
Restaurant Technologies, Inc.	5.4	(1.4)	4.0			4.0
Retriever Medical/Dental Payments LLC	3.5		3.5			3.5
RuffaloCODY, LLC	7.7	(0.2)	7.5			7.5
Sanders Industries Holdings, Inc.	15.0		15.0			15.0
SCM Insurance Services Inc.	4.3		4.3			4.3
SCSG EA Acquisition Company, Inc.	4.0		4.0			4.0
Severin Acquisition, LLC	2.9		2.9			2.9
SFE Acquisition LLC	3.8		3.8			3.8
Shift PPC LLC	1.5		1.5			1.5
Soil Safe, Inc.	10.5	(5.6)	4.9			4.9
Sonny's Enterprises, LLC	1.8		1.8			1.8
Sparta Systems, Inc.	6.5		6.5			6.5
Storm US Holdco Inc	1.1	(0.2)	0.9			0.9
Teasdale Foods, Inc.	0.8	(0.2)	0.6			0.6
The Gordian Group, Inc.	1.1		1.1			1.1
Things Remembered, Inc.	2.4	(1.6)	0.8			0.8
Towne Holdings, Inc.	1.0		1.0			1.0
TPTM Merger Corp.	2.5	(0.8)	1.7			1.7
Urgent Cares of America Holdings I, LLC	10.0		10.0			10.0
Visual Edge Technology, Inc.	3.0		3.0			3.0
VRC Companies LLC	1.6	(0.6)	1.0			1.0
Woodstream Group, Inc.	3.1		3.1			3.1
Zemax, LLC	3.0		3.0			3.0
ZocDoc, Inc.	10.0		10.0			10.0
Zywave, Inc.	10.5		10.5			10.5
	$ 801.3	$ (175.9)	$ 625.4	$ (16.5)	$	$ 608.9

(21) As of September 30, 2017, the Company was party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

(in millions) Portfolio Company	Total private equity commitments	Less: funded private equity commitments	Total unfunded private equity commitments	Less: private equity commitments substantially at the discretion of the Company	Total net adjusted unfunded private equity commitments
Partnership Capital Growth Investors III, L.P.	$ 5.0	$ (4.4)	$ 0.6	$	$ 0.6
PCG-Ares Sidecar Investment, L.P. and PCG-Ares Sidecar Investment II, L.P.	50.0	(11.6)	38.4	(38.4)	
Piper Jaffray Merchant Banking Fund I, L.P.	2.0	(1.8)	0.2		0.2
European Capital UK SME Debt LP	60.3	(49.2)	11.1	(11.1)	

	$	117.3	$	(67.0)	$	50.3	$	(49.5)	$	0.8

(22) As of September 30, 2017, the Company had commitments to co-invest in the SDLP for its portion of the SDLP's commitment to fund delayed draw loans of up to $32.7. See Note 4 to the consolidated financial statements for more information on the SDLP.

(23) Other than the investments noted by this footnote, the fair value of the Company's investments is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 8 to the consolidated financial statements for more information regarding the fair value of the Company's investments.

(24) As of September 30, 2017, the net estimated unrealized loss for federal tax purposes was $1.1 billion based on a tax cost basis of $12.6 billion. As of September 30, 2017, the estimated aggregate gross unrealized loss for federal income tax purposes was $1.5 billion and the estimated aggregate gross unrealized gain for federal income tax purposes was $0.4 billion.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2016
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Investment Funds and Vehicles							
HCI Equity, LLC(8)(9)(10)	Investment company	Member interest (100.00% interest)		4/1/2010	$	$ 0.1	
Imperial Capital Private Opportunities, LP(10)(25)	Investment partnership	Limited partnership interest (80.00% interest)		5/10/2007	4.0	16.8(2)	
Partnership Capital Growth Fund I, L.P.(10)	Investment partnership	Limited partnership interest (25.00% interest)		6/16/2006		0.1(2)	
Partnership Capital Growth Investors III, L.P.(10)(25)	Investment partnership	Limited partnership interest (2.50% interest)		10/5/2011	2.7	3.2(2)	
PCG-Ares Sidecar Investment II, L.P.(10)(25)	Investment partnership	Limited partnership interest (100.00% interest)		10/31/2014	7.5	12.5(2)	
PCG-Ares Sidecar Investment, L.P.(10)(25)	Investment partnership	Limited partnership interest (100.00% interest)		5/22/2014	3.4	4.2(2)	
Piper Jaffray Merchant Banking Fund I, L.P.(10)(25)	Investment partnership	Limited partnership interest (2.00% interest)		8/16/2012	1.7	1.5	
Senior Direct Lending Program, LLC(8)(10)(27)	Co-investment vehicle	Subordinated certificates ($269.8 par due 12/2036)(21)	9.00% (Libor + 8.00%/Q)(21)	7/27/2016	269.8	269.8	
		Member interest (87.50% interest)		7/27/2016			
					269.8	269.8	
Senior Secured Loan Fund LLC(8)(11)(26)	Co-investment vehicle	Subordinated certificates ($2,004.0 par due 12/2024)(20)	9.00% (Libor + 8.00%/M)(20)	10/30/2009	1,938.4	1,914.2	
		Member interest (87.50% interest)		10/30/2009			
					1,938.4	1,914.2	
VSC Investors LLC(10)	Investment company	Membership interest (1.95% interest)		1/24/2008	0.3	1.2(2)	
					2,227.8	2,223.6	43.05%

Healthcare Services						
Absolute Dental Management LLC and ADM Equity, LLC	Dental services provider	First lien senior secured loan ($18.8 par due 1/2022)	9.06% (Libor + 8.06%/Q)	1/5/2016	18.8	17.8(3)(19)
		First lien senior secured loan ($5.0 par due 1/2022)	9.06% (Libor + 8.06%/Q)	1/5/2016	5.0	4.8(4)(19)
		Class A preferred units (4,000,000 units)		1/5/2016	4.0	0.8(2)
		Class A common units (4,000,000 units)		1/5/2016		0.8(2)
					27.8	24.2
ADCS Billings Intermediate Holdings, LLC(24)	Dermatology practice	First lien senior secured revolving loan ($1.6 par due 5/2022)	8.50% (Base Rate + 4.75%/Q)	5/18/2016	1.6	1.6(2)(19)(23)
ADG, LLC and RC IV GEDC Investor LLC(24)	Dental services provider	First lien senior secured revolving loan ($2.0 par due 9/2022)	5.75% (Libor + 4.75%/Q)	9/28/2016	2.0	2.0(2)(19)
		Second lien senior secured loan ($87.5 par due 3/2024)	10.00% (Libor + 9.00%/Q)	9/28/2016	87.5	87.5(2)(19)
		Membership units (3,000,000 units)		9/28/2016	3.0	3.0(2)
					92.5	92.5
Alegeus Technologies Holdings Corp.	Benefits administration and transaction processing provider	Preferred stock (2,997 shares)		12/13/2013	3.1	2.2
		Common stock (3 shares)		12/13/2013		
					3.1	2.2

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Argon Medical Devices, Inc.	Manufacturer and marketer of single-use specialty medical devices	Second lien senior secured loan ($9.0 par due 6/2022)	10.50% (Libor + 9.50%/Q)	12/23/2015	8.8	9.0(2)(19)	
AwarePoint Corporation	Healthcare technology platform developer	First lien senior secured loan ($8.8 par due 6/2018)	11.50% (Libor + 10.50%/M)	9/5/2014	8.6	8.8(2)(19)	
		Warrant to purchase up to 3,213,367 shares of Series 1 preferred stock (expires 9/2024)		11/14/2014		0.6(2)	
					8.6	9.4	
CCS Intermediate Holdings, LLC and CCS Group Holdings, LLC(24)	Correctional facility healthcare operator	First lien senior secured revolving loan ($3.8 par due 7/2019)	5.00% (Libor + 4.00%/Q)	7/23/2014	3.8	3.2(2)(19)(23)	
		First lien senior secured revolving loan ($1.6 par due 7/2019)	6.75% (Base Rate + 3.00%/Q)	7/23/2014	1.6	1.4(2)(19)(23)	
		First lien senior secured loan ($6.6 par due 7/2021)	5.00% (Libor + 4.00%/Q)	7/23/2014	6.6	5.6(2)(19)	
		Second lien senior secured loan ($135.0 par due 7/2022)	9.38% (Libor + 8.38%/Q)	7/23/2014	134.0	101.3(2)(19)	
		Class A units (601,937 units)		8/19/2010		0.1(2)	
					146.0	111.6	
Correctional Medical Group Companies, Inc.	Correctional facility healthcare operator	First lien senior secured loan ($3.1 par due 9/2021)	9.38% (Libor + 8.38%/Q)	9/29/2015	3.1	3.0(2)(19)	
		First lien senior secured loan ($48.8 par due 9/2021)	9.38% (Libor + 8.38%/Q)	9/29/2015	48.8	47.8(3)(19)	
					51.9	50.8	
D4C Dental Brands HoldCo, Inc. and Bambino Group Holdings, LLC(24)	Dental services provider	Class A preferred units (1,000,000 units)		12/21/2016	1.0	1.0(2)	
DCA Investment Holding, LLC(24)	Multi-branded dental practice management	First lien senior secured revolving loan ($2.1 par due 7/2021)	8.00% (Base Rate + 4.25%/Q)	7/2/2015	2.1	2.0(2)(19)(23)	
		First lien senior secured loan ($18.9 par due 7/2021)	6.25% (Libor + 5.25%/Q)	7/2/2015	18.8	18.5(4)(19)	
					20.9	20.5	
DNAnexus, Inc.	Bioinformatics company	First lien senior secured loan ($9.7 par due 10/2018)	9.25% (Libor + 8.25%/M)	3/21/2014	9.5	9.7(2)(19)	
		Warrant to purchase up to 909,092 units of Series C preferred stock (expires 3/2024)		3/21/2014		0.1(2)	

					9.5	9.8
Global Healthcare Exchange, LLC and GHX Ultimate Parent Corp.	On-demand supply chain automation solutions provider	Second lien senior secured loan ($47.5 par due 8/2023)	9.75% (Libor + 8.75%/Q)	8/18/2016	46.8	47.5(2)(19)
		Class A common stock (1,788 shares)		3/11/2014	1.8	1.8(2)
		Class B common stock (980 shares)		3/11/2014		5.5(2)
					48.6	54.8
Greenphire, Inc. and RMCF III CIV XXIX, L.P(24)	Software provider for clinical trial management	First lien senior secured loan ($1.5 par due 12/2018)	9.00% (Libor + 8.00%/M)	12/19/2014	1.5	1.5(2)(19)
		First lien senior secured loan ($3.6 par due 12/2018)	9.00% (Libor + 8.00%/M)	12/19/2014	3.6	3.6(2)(19)
		Limited partnership interest (99.90% interest)		12/19/2014	1.0	1.2(2)
					6.1	6.3
Hygiena Borrower LLC(24)	Adenosine triphosphate testing technology provider	Second lien senior secured loan ($10.0 par due 8/2023)	10.00% (Libor + 9.00%/Q)	8/26/2016	10.0	10.0(2)(19)
INC Research Mezzanine Co-Invest, LLC	Pharmaceutical and biotechnology consulting services	Common stock (13,252 shares)		9/27/2010		0.7(2)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Intermedix Corporation	Revenue cycle management provider to the emergency healthcare industry	Second lien senior secured loan ($112.0 par due 6/2020)	9.25% (Libor + 8.25%/Q)	12/27/2012	112.0	108.6(2)(19)	
MC Acquisition Holdings I, LLC	Healthcare professional provider	Class A units (1,338,314 shares)		1/17/2014	1.3	1.2(2)	
MW Dental Holding Corp.(24)	Dental services provider	First lien senior secured revolving loan ($1.5 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	1.5	1.5(2)(19)	
		First lien senior secured loan ($44.9 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	44.9	44.9(2)(19)	
		First lien senior secured loan ($47.3 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	47.3	47.3(3)(19)	
		First lien senior secured loan ($19.5 par due 4/2018)	9.00% (Libor + 7.50%/Q)	4/12/2011	19.5	19.5(4)(19)	
					113.2	113.2	
My Health Direct, Inc.(24)	Healthcare scheduling exchange software solution provider	First lien senior secured revolving loan ($0.5 par due 9/2017)	8.75% (Base Rate + 5.00%/M)	9/18/2014	0.5	0.5(2)(19)	
		First lien senior secured loan ($1.3 par due 1/2018)	10.75%	9/18/2014	1.3	1.3(2)	
		Warrant to purchase up to 4,548 shares of Series D preferred stock (expires 9/2024)		9/18/2014		(2)	
					1.8	1.8	
New Trident Holdcorp, Inc.	Outsourced mobile diagnostic healthcare service provider	Second lien senior secured loan ($80.0 par due 7/2020)	10.75% (Libor + 9.50%/Q)	8/6/2013	79.1	80.0(2)(19)	
NMSC Holdings, Inc. and ASP NAPA Holdings, LLC	Anesthesia management services provider	Second lien senior secured loan ($72.8 par due 10/2023)	11.00% (Libor + 10.00%/Q)	4/19/2016	72.8	72.8(2)(19)	
		Class A units (25,277 units)		4/19/2016	2.5	2.4(2)	
					75.3	75.2	
Nodality, Inc.	Biotechnology company	First lien senior secured loan ($2.3 par due 8/2016)		11/12/2015	2.1	0.4(2)(18)	
		First lien senior secured loan ($10.9 par due 8/2016)		4/25/2014	9.7	2.0(2)(18)	
		Warrant to purchase up to 3,736,255 shares of common stock (expires 3/2026)		3/15/16		(2)	
					11.8	2.4	
NSM Sub Holdings Corp.(24)	Provider of customized mobility,	First lien senior secured revolving loan	6.00% (Libor + 5.00%/Q)	10/3/2016	0.6	0.6(2)(19)	

	rehab and adaptive seating systems	($0.6 par due 10/2022)				
		First lien senior secured revolving loan ($0.3 par due 10/2022)	7.75% (Base Rate + 4.00%/Q)	10/3/2016	0.3	0.3(2)(19)
					0.9	0.9
nThrive, Inc. (fka Precyse Acquisition Corp.)	Provider of healthcare information management technology and services	Second lien senior secured loan ($10.0 par due 4/2023)	10.75% (Libor + 9.75%/Q)	4/20/2016	9.6	10.0(2)(19)
OmniSYS Acquisition Corporation, OmniSYS, LLC, and OSYS Holdings, LLC(24)	Provider of technology-enabled solutions to pharmacies	First lien senior secured loan ($5.9 par due 11/2018)	8.50% (Libor + 7.50%/Q)	11/21/2013	5.9	5.9(4)(19)
		Limited liability company membership interest (1.57%)		11/21/2013	1.0	0.7(2)
					6.9	6.6
Patterson Medical Supply, Inc.	Distributor of rehabilitation supplies and equipment	Second lien senior secured loan ($78.0 par due 8/2023)	9.50% (Libor + 8.50%/Q)	9/2/2015	76.1	78.0(2)(19)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
PerfectServe, Inc.	Communications software platform provider for hospitals and physician practices	First lien senior secured loan ($9.0 par due 3/2020)	9.00% (Libor + 8.00%/M)	9/15/2015	8.7	9.0(2)(19)	
		First lien senior secured loan ($2.0 par due 6/2020)	9.00% (Libor + 8.00%/M)	9/15/2015	2.0	2.0(2)(19)	
		First lien senior secured loan ($3.0 par due 6/2021)	9.00% (Libor + 8.00%/M)	9/15/2015	3.0	3.0(2)(19)	
		Warrant to purchase up to 28,428 shares of Series C preferred stock (expires 9/2025)		9/15/2015	0.2	0.3(2)	
		Warrant to purchase up to 34,113 units of Series C preferred stock (expires 12/2023)		12/26/2013		0.3(2)	
					13.9	14.6	
PhyMED Management LLC	Provider of anesthesia services	Second lien senior secured loan ($47.2 par due 5/2021)	9.75% (Libor + 8.75%/Q)	12/18/2015	46.6	45.8(2)(19)	
Respicardia, Inc.	Developer of implantable therapies to improve cardiovascular health	Warrant to purchase up to 99,094 shares of Series C preferred stock (expires 6/2022)		6/28/2012		(2)	
Sarnova HC, LLC, Tri-Anim Health Services, Inc., and BEMS Holdings, LLC	Distributor of emergency medical service and respiratory products	Second lien senior secured loan ($54.0 par due 7/2022)	10.50% (Libor + 9.50%/Q)	1/29/2016	54.0	54.0(2)(19)	
Transaction Data Systems, Inc.	Pharmacy management software provider	Second lien senior secured loan ($7.8 par due 6/2022)	10.00% (Libor + 9.00%/Q)	6/15/2015	7.8	7.8(2)(19)	
		Second lien senior secured loan ($27.5 par due 6/2022)	10.00% (Libor + 9.00%/Q)	6/15/2015	27.5	27.5(2)(19)	
					35.3	35.3	
U.S. Anesthesia Partners, Inc.	Anesthesiology service provider	Second lien senior secured loan ($23.5 par due 9/2020)	10.25% (Libor + 9.25%/Q)	12/14/2015	23.5	23.5(2)(19)	
		Second lien senior secured loan ($50.0 par due 9/2020)	10.25% (Libor + 9.25%/Q)	9/24/2014	50.0	50.0(2)(19)	
					73.5	73.5	
Urgent Cares of America Holdings I, LLC and FastMed Holdings I, LLC(24)	Operator of urgent care clinics	First lien senior secured loan ($13.9 par due 12/2022)	7.00% (Libor + 6.00%/Q)	12/1/2015	13.9	12.6(2)(19)	
		First lien senior secured loan ($54.2 par due 12/2022)	7.00% (Libor + 6.00%/Q)	12/1/2015	54.2	49.3(2)(19)	
		Preferred units (7,696,613 units)		6/11/2015	7.7	9.4	

		Series A common units (2,000,000 units)	6/11/2015	2.0	0.1
		Series C common units (1,026,866 units)	6/11/2015		
				77.8	71.4
Vertice Pharma UK Parent Limited	Manufacturer and distributor of generic pharmaceutical products	Preferred shares (40,662 shares)	12/21/2015	0.4	0.4(9)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Young Innovations, Inc.	Dental supplies and equipment manufacturer	Second lien senior secured loan ($31.4 par due 7/2019)	10.25% (Libor + 9.25%/Q)	10/18/2016	31.4	31.4(2)(19)	
		Second lien senior secured loan ($55.0 par due 7/2019)	10.25% (Libor + 9.25%/Q)	5/30/2014	55.0	55.0(2)(19)	
					86.4	86.4	
					1,312.3	1,263.7	24.47%
Business Services							
Accruent, LLC and Athena Parent, Inc.(24)	Real estate and facilities management software provider	First lien senior secured revolving loan ($0.3 par due 5/2022)	8.00% (Base Rate + 4.25%/Q)	5/16/2016	0.3	0.3(2)(19)	
		Second lien senior secured loan ($10.5 par due 11/2022)	12.50% (Base Rate + 8.75%/Q)	9/19/2016	10.5	10.5(2)(19)	
		Second lien senior secured loan ($42.5 par due 11/2022)	10.75% (Libor + 9.75%/Q)	9/19/2016	42.5	42.5(2)(19)	
		Series A preferred stock (778 shares)		9/19/2016	0.8	0.8(2)	
		Common stock (3,000 shares)		5/16/2016	3.0	3.1(2)	
					57.1	57.2	
Acrisure, LLC, Acrisure Investors FO, LLC and Acrisure Investors SO, LLC(24)	Retail insurance advisor and brokerage	Second lien senior secured loan ($88.6 par due 11/2024)	10.25% (Libor + 9.25%/Q)	11/22/2016	88.6	88.6(2)(19)	
		Membership interests (8,502,697 units)		11/18/2016	8.5	8.5(2)	
		Membership interests (2,125,674 units)		11/18/2016	2.1	2.1(2)	
					99.2	99.2	
Brandtone Holdings Limited(9)	Mobile communications and marketing services provider	First lien senior secured loan ($4.7 par due 11/2018)		5/11/2015	4.5	(2)(18)	
		First lien senior secured loan ($3.1 par due 2/2019)		5/11/2015	3.0	(2)(18)	
		Warrant to purchase up to 184,003 units of Series Three participating convertible preferred shares (expires 8/2026)		5/11/2015		(2)	
					7.5		
CallMiner, Inc.	Provider of cloud-based conversational analytics solutions	Second lien senior secured loan ($2.1 par due 5/2018)	10.50% (Libor + 9.50%/M)	7/23/2014	2.1	2.1(2)(19)	
				7/23/2014	1.2	1.2(2)(19)	

		Second lien senior secured loan ($1.2 par due 8/2018)	10.50% (Libor + 9.50%/M)				
		Warrant to purchase up to 2,350,636 shares of Series 1 preferred stock (expires 7/2024)		7/23/2014		(2)	
					3.3	3.3	
CIBT Investment Holdings, LLC	Expedited travel document processing services	Class A shares (2,500 shares)		12/15/2011	2.5	5.9(2)	
CMW Parent LLC (fka Black Arrow, Inc.)	Multiplatform media firm	Series A units (32 units)		9/11/2015		(2)	
Command Alkon, Incorporated and CA Note Issuer, LLC	Software solutions provider to the ready-mix concrete industry	Second lien senior secured loan ($10.0 par due 8/2020)	9.25% (Libor + 8.25%/Q)	9/28/2012	10.0	10.0(2)(19)	
		Second lien senior secured loan ($11.5 par due 8/2020)	9.44% (Libor + 8.25%/Q)	9/28/2012	11.5	11.5(2)(19)	
		Second lien senior secured loan ($26.5 par due 8/2020)	9.25% (Libor + 8.25%/Q)	9/28/2012	26.5	26.5(2)(19)	
		Senior subordinated loan ($23.3 par due 8/2021)	14.00% PIK	8/8/2014	23.3	23.3(2)	
					71.3	71.3	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Compuware Parent, LLC	Web and mobile cloud performance testing and monitoring services provider	Class A-1 common stock (4,132 units)		12/15/2014	2.3	2.0(2)	
		Class B-1 common stock (4,132 units)		12/15/2014	0.5	0.4(2)	
		Class C-1 common stock (4,132 units)		12/15/2014	0.3	0.3(2)	
		Class A-2 common stock (4,132 units)		12/15/2014		(2)	
		Class B-2 common stock (4,132 units)		12/15/2014		(2)	
		Class C-2 common stock (4,132 units)		12/15/2014		(2)	
					3.1	2.7	
Directworks, Inc. and Co-Exprise Holdings, Inc.	Provider of cloud-based software solutions for direct materials sourcing and supplier management for manufacturers	First lien senior secured loan ($1.9 par due 4/2018)	10.25% (Libor + 9.25%/M)	12/19/2014	1.9	1.7(2)(19)	
		Warrant to purchase up to 1,875,000 shares of Series 1 preferred stock (expires 12/2024)		12/19/2014		(2)	
					1.9	1.7	
DTI Holdco, Inc. and OPE DTI Holdings, Inc.(24)	Provider of legal process outsourcing and managed services	First lien senior secured loan ($4.2 par due 9/2023)	6.25% (Libor + 5.25%/Q)	9/23/2016	4.1	4.1(2)(19)	
		Class A common stock (7,500 shares)		8/19/2014	7.5	3.8(2)	
		Class B common stock (7,500 shares)		8/19/2014		3.8(2)	
					11.6	11.7	
Faction Holdings, Inc. and The Faction Group LLC (fka PeakColo Holdings, Inc.)(24)	Wholesaler of cloud-based software applications and services	First lien senior secured revolving loan ($2.0 par due 11/2017)	8.00% (Base Rate + 4.25%/M)	11/3/2014	2.0	2.0(2)(19)	
		First lien senior secured loan ($3.0 par due 12/2019)	9.75% (Libor + 8.75%/M)	12/3/2015	3.0	3.0(2)(19)	
		First lien senior secured loan ($3.2 par due 5/2019)	9.75% (Libor + 8.75%/M)	11/3/2014	3.2	3.2(2)(19)	
		Warrant to purchase up to 1,481 shares of Series A preferred stock (expires 12/2025)		12/3/2015		(2)	
		Warrant to purchase up to 2,037 shares of Series A preferred stock (expires		11/3/2014	0.1	0.1(2)	

		11/2024)				
					8.3	8.3
First Insight, Inc.	Software company providing merchandising and pricing solutions to companies worldwide	Warrant to purchase up to 122,827 units of Series C preferred stock (expires 3/2024)		3/20/2014		(2)
iControl Networks, Inc. and uControl Acquisition, LLC	Software and services company for the connected home market	Second lien senior secured loan ($20.0 par due 3/2019)	9.74% (Libor + 8.50%/M)	2/19/2015	19.8	20.2(2)(17)(19)
		Warrant to purchase up to 385,616 shares of Series D preferred stock (expires 2/2022)		2/19/2015		(2)
					19.8	20.2
IfByPhone Inc.	Voice-based marketing automation software provider	Warrant to purchase up to 124,300 shares of Series C preferred stock (expires 10/2022)		10/15/2012	0.1	0.1(2)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Interactions Corporation	Developer of a speech recognition software based customer interaction system	Second lien senior secured loan ($2.3 par due 7/2019)	9.85% (Libor + 8.85%/M)	6/16/2015	2.1	2.3(19)	
		Second lien senior secured loan ($21.1 par due 7/2019)	9.85% (Libor + 8.85%/M)	6/16/2015	20.9	21.1(5)(19)	
		Warrant to purchase up to 68,187 shares of Series G-3 convertible preferred stock (expires 6/2022)		6/16/2015	0.3	0.3(2)	
					23.3	23.7	
iPipeline, Inc., Internet Pipeline, Inc. and iPipeline Holdings, Inc.(24)	Provider of SaaS-based software solutions to the insurance and financial services industry	First lien senior secured loan ($46.9 par due 8/2022)	8.25% (Libor + 7.25%/Q)	8/4/2015	46.9	46.9(3)(19)	
		First lien senior secured loan ($14.8 par due 8/2022)	8.25% (Libor + 7.25%/Q)	8/4/2015	14.8	14.8(4)(19)	
		Preferred stock (1,485 shares)		8/4/2015	1.5	2.7(2)	
		Common stock (647,542 shares)		8/4/2015		0.1(2)	
					63.2	64.5	
IronPlanet, Inc.	Online auction platform provider for used heavy equipment	Warrant to purchase up to 133,333 shares of Series C preferred stock (expires 9/2023)		9/24/2013	0.2	0.1(2)	
Itel Laboratories, Inc.(24)	Data services provider for building materials to property insurance industry	Preferred units (1,798,391 units)		6/29/2012	1.0	1.3(2)	
Market Track Holdings, LLC	Business media consulting services company	Preferred stock (1,685 shares)		12/13/2013	2.2	2.8	
		Common stock (16,251 shares)		12/13/2013	2.2	2.8	
					4.4	5.6	
Maximus Holdings, LLC	Provider of software simulation tools and related services	Warrant to purchase up to 1,050,013 shares of common stock (expires 10/2019)		12/13/2013		1.5	
Ministry Brands, LLC and MB Parent HoldCo, L.P.(24)	Software and payment services provider to faith-based institutions	First lien senior secured revolving loan ($3.8 par due 12/2022)	6.00% (Libor + 5.00%/Q)	12/2/2016	3.8	3.8(2)(19)	
		First lien senior secured loan ($7.6 par due 12/2022)	6.00% (Libor + 5.00%/Q)	12/2/2016	7.5	7.6(2)(19)	

		Second lien senior secured loan ($90.0 par due 6/2023)	10.25% (Libor + 9.25%/Q)	12/2/2016	89.2	90.0(2)(19)
		Class A units (500,000 units)		12/2/2016	5.0	5.0(2)
					105.5	106.4
MVL Group, Inc.(8)	Marketing research provider	Senior subordinated loan ($0.5 par due 7/2012)		4/1/2010	0.2	0.2(2)(18)
		Common stock (560,716 shares)		4/1/2010		(2)
					0.2	0.2
NAS, LLC, Nationwide Marketing Group, LLC and Nationwide Administrative Services, Inc.	Buying and marketing services organization for appliance, furniture and consumer electronics dealers	Second lien senior secured loan ($24.1 par due 12/2021)	9.75% (Libor + 8.75%/Q)	6/1/2015	24.1	22.4(2)(19)
PayNearMe, Inc.	Electronic cash payment system provider	First lien senior secured loan ($10.0 par due 9/2019)	9.50% (Libor + 8.50%/M)	3/11/2016	9.6	10.0(5)(19)
		Warrant to purchase up to 195,726 shares of Series E preferred stock (expires 3/2023)		3/11/2016	0.2	(5)
					9.8	10.0

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Pegasus Intermediate Holdings, LLC(24)	Plant maintenance and scheduling process software provider	First lien senior secured loan ($1.3 par due 11/2022)	7.25% (Libor + 6.25%/Q)	11/7/2016	1.3	1.3(2)(19)	
PHL Investors, Inc., and PHL Holding Co.(8)	Mortgage services	Class A common stock (576 shares)		7/31/2012	3.8	(2)	
Planview, Inc.	Provider of project and portfolio management software	Second lien senior secured loan ($30.0 par due 8/2022)	10.50% (Libor + 9.50%/Q)	8/9/2016	30.0	30.5(2)(19)	
Poplicus Incorporated	Business intelligence and market analytics platform for companies that sell to the public sector	First lien senior secured loan ($5.3 par due 1/2018)		6/25/2015	4.7	2.6(5)(18)	
		Warrant to purchase up to 2,402,991 shares of Series C preferred stock (expires 6/2025)		6/25/2015	0.1	(5)	
					4.8	2.6	
PowerPlan, Inc. and Project Torque Ultimate Parent Corporation	Fixed asset financial management software provider	Second lien senior secured loan ($30.0 par due 2/2023)	10.00% (Libor + 9.00%/Q)	2/23/2015	29.8	30.0(2)(19)	
		Second lien senior secured loan ($50.0 par due 2/2023)	10.00% (Libor + 9.00%/Q)	2/23/2015	49.6	50.0(3)(19)	
		Class A common stock (1,980 shares)		2/23/2015	2.0	(2)	
		Class B common stock (989,011 shares)		2/23/2015		3.8(2)	
					81.4	83.8	
Powersport Auctioneer Holdings, LLC	Powersport vehicle auction operator	Common units (1,972 units)		3/2/2012	1.0	1.5(2)	
Project Alpha Intermediate Holding, Inc. and Qlik Parent, Inc.	Provider of data visualization software for data analytics	First lien senior secured loan ($50.4 par due 8/2022)	9.25% (Libor + 8.25%/Q)	8/22/2016	49.7	50.4(2)(19)	
		First lien senior secured loan ($59.9 par due 8/2022)	9.25% (Libor + 8.25%/Q)	8/22/2016	59.0	59.9(3)(19)	
		First lien senior secured loan ($20.0 par due 8/2022)	9.25% (Libor + 8.25%/Q)	8/22/2016	19.7	20.0(4)(19)	
		Class A common shares (7,445 shares)		8/22/2016	7.4	0.1(2)	
		Class B common shares (1,841,609 shares)		8/22/2016	0.1	8.3(2)	
					135.9	138.7	
R2 Acquisition Corp.	Marketing services	Common stock (250,000 shares)		5/29/2007	0.3	0.3(2)	

Rocket Fuel Inc.	Provider of open and integrated software for digital marketing optimization	Common stock (11,405 shares)		9/9/2014		(2)
Shift PPC LLC	Digital solutions provider	First lien senior secured loan ($12.5 par due 12/2021)	7.00% (Libor + 6.00%/Q)	12/22/2016	12.5	12.5(2)(19)
Sonian Inc.	Cloud-based email archiving platform	First lien senior secured loan ($7.5 par due 6/2020)	8.65% (Libor + 7.65%/M)	9/9/2015	7.4	7.5(5)(17)(19)
		Warrant to purchase up to 169,045 shares of Series C preferred stock (expires 9/2022)		9/9/2015	0.1	0.1(5)
					7.5	7.6
Talari Networks, Inc.	Networking equipment provider	First lien senior secured loan ($6.0 par due 12/2018)	9.75% (Libor + 8.75%/M)	8/3/2015	5.9	6.0(5)(19)
		Warrant to purchase up to 421,052 shares of Series D-1 preferred stock (expires 8/2022)		8/3/2015	0.1	0.1(5)
					6.0	6.1

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC(8)	Healthcare compliance advisory services	Senior subordinated loan ($10.2 par due 3/2017)		3/5/2013		0.4(2)(18)	
		Class A units (14,293,110 units)		6/26/2008	12.8	(2)	
					12.8	0.4	
TraceLink, Inc.	Supply chain management software provider for the pharmaceutical industry	Warrant to purchase up to 283,353 shares of Series A-2 preferred stock (expires 1/2025)		1/2/2015	0.1	2.5(2)	
UL Holding Co., LLC(7)	Manufacturer and distributor of re-refined oil products	Senior subordinated loan ($5.8 par due 5/2020)	10.00% PIK	4/30/2012	1.4	5.4(2)	
		Senior subordinated loan ($0.3 par due 5/2020)		4/30/2012	0.1	0.3(2)	
		Senior subordinated loan ($23.9 par due 5/2020)	10.00% PIK	4/30/2012	5.9	22.4(2)	
		Senior subordinated loan ($2.0 par due 5/2020)		4/30/2012	0.5	1.9(2)	
		Senior subordinated loan ($2.8 par due 5/2020)	10.00% PIK	4/30/2012	0.7	2.6(2)	
		Senior subordinated loan ($0.2 par due 5/2020)		4/30/2012	0.1	0.2(2)	
		Class A common units (533,351 units)		6/17/2011	5.0	(2)	
		Class B-5 common units (272,834 units)		6/17/2011	2.5	(2)	
		Class C common units (758,546 units)		4/25/2008		(2)	
		Warrant to purchase up to 719,044 shares of Class A units		5/2/2014		(2)	
		Warrant to purchase up to 28,663 shares of Class B-1 units		5/2/2014		(2)	
		Warrant to purchase up to 57,325 shares of Class B-2 units		5/2/2014		(2)	
		Warrant to purchase up to 29,645 shares of Class B-3 units		5/2/2014		(2)	
		Warrant to purchase up to 80,371 shares of Class B-5 units		5/2/2014		(2)	
		Warrant to purchase up to 59,655 shares of Class B-6 units		5/2/2014		(2)	
		Warrant to purchase up to 1,046,713 shares of Class C units		5/2/2014		(2)	
					16.2	32.8	
Velocity Holdings Corp.				12/13/2013	4.5	2.8	

	Hosted enterprise resource planning application management services provider	Common units (1,713,546 units)					
WorldPay Group PLC(9)	Payment processing company	C2 shares (73,974 shares)		10/21/2015			
Zywave, Inc.(24)	Provider of software and technology-enabled content and analytical solutions to insurance brokers	Second lien senior secured loan ($27.0 par due 11/2023)	10.00% (Libor + 9.00%/Q)	11/17/2016	27.0	27.0(2)(19)	
					862.5	867.7	16.80%
Other Services							
American Residential Services L.L.C.	Heating, ventilation and air conditioning services provider	Second lien senior secured loan ($67.0 par due 12/2021)	9.00% (Libor + 8.00%/Q)	6/30/2014	66.7	67.0(2)(19)	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Community Education Centers, Inc. and CEC Parent Holdings LLC(8)	Offender re-entry and in-prison treatment services provider	First lien senior secured loan ($13.6 par due 12/2017)	6.25% (Libor + 5.25%/Q)	12/10/2010	13.6	13.6(2)(13)(19)	
		First lien senior secured loan ($0.7 par due 12/2017)	8.00% (Base Rate + 4.25%/Q)	12/10/2010	0.7	0.7(2)(13)(19)	
		Second lien senior secured loan ($21.9 par due 6/2018)	15.89% (Libor + 15.00%/Q)	12/10/2010	21.9	21.9(2)	
		Class A senior preferred units (7,846 units)		3/27/2015	9.4	11.9(2)	
		Class A junior preferred units (26,154 units)		3/27/2015	20.2	28.5(2)	
		Class A common units (134 units)		3/27/2015		(2)	
					65.8	76.6	
Competitor Group, Inc., Calera XVI, LLC and Champion Parent Corporation(8)(24)	Endurance sports media and event operator	First lien senior secured revolving loan ($0.9 par due 11/2018)	5.00% (Libor + 3.75%/Q)	9/29/2016	0.9	0.9(2)(19)	
		First lien senior secured revolving loan ($4.7 par due 11/2018)	5.00% (Libor + 3.75%/Q)	11/30/2012	4.5	4.5(2)(19)	
		First lien senior secured loan ($39.6 par due 11/2018)	5.00% (Libor + 3.75%/Q)	11/30/2012	38.0	38.6(2)(19)	
		Preferred shares (18,875 shares)		3/25/2016	16.0	(2)	
		Membership units (2,522,512 units)		11/30/2012	2.5	(2)	
		Common shares (114,000 shares)		3/25/2016		(2)	
					61.9	44.0	
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC(7)(24)	Provider of outsourced healthcare linen management solutions	First lien senior secured revolving loan		3/13/2014		(22)	
		First lien senior secured loan ($5.8 par due 12/2021)	7.25% (Libor + 6.25%/Q)	3/13/2014	5.8	5.8(2)(19)	
		First lien senior secured loan ($5.2 par due 12/2021)	7.25% (Libor + 6.25%/Q)	3/13/2014	5.2	5.2(3)(19)	
		Class A preferred units (2,475,000 units)		3/13/2014	2.5	3.0(2)	
		Class B common units (275,000 units)		3/13/2014	0.3	0.3(2)	
					13.8	14.3	
Dwyer Acquisition Parent, Inc. and TDG Group Holding Company	Operator of multiple franchise concepts primarily related to home maintenance or repairs	Senior subordinated loan ($31.5 par due 2/2020)	11.00%	6/12/2015	31.5	31.5(2)	

		Senior subordinated loan ($52.7 par due 2/2020)	11.00%	8/15/2014	52.7	52.7(2)
		Common stock (32,843 shares)		8/15/2014	3.4	5.0(2)
					87.6	89.2
Massage Envy, LLC and ME Equity LLC(24)	Franchisor in the massage industry	First lien senior secured revolving loan ($3.5 par due 9/2020)	7.75% (Libor + 6.75%/Q)	9/27/2012	3.5	3.5(2)(19)
		First lien senior secured loan ($38.9 par due 9/2020)	7.75% (Libor + 6.75%/Q)	9/27/2012	38.9	38.9(3)(19)
		First lien senior secured loan ($18.9 par due 9/2020)	7.75% (Libor + 6.75%/Q)	9/27/2012	18.9	18.9(4)(19)
		Common stock (3,000,000 shares)		9/27/2012	3.0	3.3(2)
					64.3	64.6
McKenzie Sports Products, LLC(24)	Designer, manufacturer and distributor of hunting-related supplies	First lien senior secured loan ($5.5 par due 9/2020)	6.75% (Libor + 5.75%/Q)	9/18/2014	5.5	5.4(3)(14)(19)
		First lien senior secured loan ($84.5 par due 9/2020)	6.75% (Libor + 5.75%/Q)	9/18/2014	84.5	82.8(3)(14)(19)
					90.0	88.2

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
OpenSky Project, Inc. and OSP Holdings, Inc.	Social commerce platform operator	First lien senior secured loan ($0.9 par due 9/2017)	10.00%	6/4/2014	0.9	0.9(2)	
		Warrant to purchase up to 159,496 shares of Series D preferred stock (expires 4/2025)		6/29/2015		(2)	
					0.9	0.9	
Osmose Holdings, Inc.	Provider of structural integrity management services to transmission and distribution infrastructure	Second lien senior secured loan ($25.0 par due 8/2023)	8.75% (Libor + 7.75%/Q)	9/3/2015	24.6	24.5(2)(19)	
SocialFlow, Inc.	Social media optimization platform provider	First lien senior secured loan ($4.0 par due 8/2019)	9.50% (Libor + 8.50%/M)	1/29/2016	3.9	4.0(5)(19)	
		Warrant to purchase up to 215,331 shares of Series C preferred stock (expires 1/2026)		1/29/2016		(5)	
					3.9	4.0	
Spin HoldCo Inc.	Laundry service and equipment provider	Second lien senior secured loan ($140.0 par due 5/2020)	8.00% (Libor + 7.00%/Q)	5/14/2013	140.0	138.6(2)(19)	
Surface Dive, Inc.	SCUBA diver training and certification provider	Second lien senior secured loan ($31.6 par due 1/2022)	9.00% (Libor + 8.00%/Q)	7/28/2015	31.6	31.6(2)(19)	
		Second lien senior secured loan ($94.1 par due 1/2022)	10.25% (Libor + 9.25%/Q)	1/29/2015	93.8	94.1(2)(19)	
					125.4	125.7	
U.S. Security Associates Holdings, Inc	Security guard service provider	Second lien senior secured loan ($25.0 par due 7/2018)	11.00%	11/24/2015	25.0	25.0(2)	
WASH Multifamily Acquisition Inc. and Coinamatic Canada Inc.	Laundry service and equipment provider	Second lien senior secured loan ($3.7 par due 5/2023)	8.00% (Libor + 7.00%/Q)	5/14/2015	3.7	3.7(2)(19)	
		Second lien senior secured loan ($21.3 par due 5/2023)	8.00% (Libor + 7.00%/Q)	5/14/2015	20.9	21.1(2)(19)	
					24.6	24.8	
					794.5	787.4	15.25%
Consumer Products							
Badger Sportswear Acquisition, Inc.	Provider of team uniforms and athletic wear	Second lien senior secured loan ($50.0 par due 3/2024)	10.00% (Libor + 9.00%/Q)	9/6/2016	49.9	50.0(2)(19)	

Feradyne Outdoors, LLC and Bowhunter Holdings, LLC	Provider of branded archery and bowhunting accessories	First lien senior secured loan ($4.4 par due 3/2019)	4.00% (Libor + 3.00%/Q)	4/24/2014	4.4	4.3(3)(19)
		First lien senior secured loan ($5.2 par due 3/2019)	4.00% (Libor + 3.00%/Q)	4/24/2014	5.2	5.1(3)(19)
		First lien senior secured loan ($9.5 par due 3/2019)	6.55% (Libor + 5.55%/Q)	4/24/2014	9.5	9.0(3)(16)(19)
		First lien senior secured loan ($50.1 par due 3/2019)	6.55% (Libor + 5.55%/Q)	4/24/2014	50.1	47.6(3)(16)(19)
		Common units (300 units)		4/24/2014	3.7	2.4(2)
					72.9	68.4
Indra Holdings Corp.	Designer, marketer, and distributor of rain and cold weather products	Second lien senior secured loan ($80.0 par due 11/2021)	8.50% (Libor + 7.50%/Q)	5/1/2014	79.2	60.8(2)(19)
Plantation Products, LLC, Seed Holdings, Inc. and Flora Parent, Inc.	Provider of branded lawn and garden products	Second lien senior secured loan ($2.0 par due 6/2021)	8.99% (Libor + 7.99%/Q)	12/23/2014	2.0	2.0(2)(19)
		Second lien senior secured loan ($54.0 par due 6/2021)	8.99% (Libor + 7.99%/Q)	12/23/2014	53.8	54.0(3)(19)
		Second lien senior secured loan ($10.0 par due 6/2021)	8.99% (Libor + 7.99%/Q)	12/23/2014	10.0	10.0(4)(19)
		Common stock (30,000 shares)		12/23/2014	3.0	5.2(2)
					68.8	71.2

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
SHO Holding I Corporation	Manufacturer and distributor of slip resistant footwear	Second lien senior secured loan ($100.0 par due 4/2023)	9.50% (Libor + 8.50%/Q)	10/27/2015	97.8	99.0(2)(19)	
Shock Doctor, Inc. and Shock Doctor Holdings, LLC (7)	Developer, marketer and distributor of sports protection equipment and accessories	Second lien senior secured loan ($89.4 par due 10/2021)	11.76% (Libor + 10.50%/Q)	4/22/2015	89.4	87.6(2)(19)	
		Class A preferred units (50,000 units)		3/14/2014	5.0	3.8(2)	
		Class C preferred units (50,000 units)		4/22/2015	5.0	3.8(2)	
					99.4	95.2	
The Step2 Company, LLC(8)	Toy manufacturer	Common units (1,116,879 units)		4/1/2011		6.2	
		Class B common units (126,278,000 units)		10/30/2014		(2)	
		Warrant to purchase up to 3,157,895 units		4/1/2010			
						6.2	
Varsity Brands Holding Co., Inc., Hercules Achievement, Inc., Hercules Achievement Holdings, Inc. and Hercules VB Holdings, Inc.	Leading manufacturer and distributor of textiles, apparel & luxury goods	Second lien senior secured loan ($25.0 par due 12/2022)	9.75% (Libor + 8.75%/Q)	10/28/2016	25.0	25.0(2)(19)	
		Second lien senior secured loan ($1.6 par due 12/2022)	9.75% (Libor + 8.75%/Q)	12/11/2014	1.6	1.6(2)(19)	
		Second lien senior secured loan ($54.0 par due 12/2022)	9.75% (Libor + 8.75%/Q)	12/11/2014	53.6	54.0(3)(19)	
		Second lien senior secured loan ($91.7 par due 12/2022)	9.75% (Libor + 8.75%/Q)	12/11/2014	91.0	91.7(2)(19)	
		Common stock (3,353,370 shares)		12/11/2014	3.4	3.7(2)	
		Common stock (3,353,371 shares)		12/11/2014	4.1	4.6(2)	
					178.7	180.6	
Wonder Holdings Acquisition Corp.	Developer and marketer of OTC healthcare products	Warrant to purchase up to 1,654,678 shares of common stock (expires 6/2021)		7/27/2011		0.8(2)	
		Warrant to purchase up to 941 shares of preferred stock (expires 6/2021)		7/27/2011		1.5(2)	
						2.3	
					646.7	633.7	12.27%

Power Generation						
Alphabet Energy, Inc.	Technology developer to convert waste-heat into electricity	First lien senior secured loan ($3.9 par due 8/2017)	14.50% (Libor + 11.50% Cash, 2.00% PIK/M)	12/16/2013	3.8	3.9(2)(17)(19)
		Series 1B preferred stock (12,976 shares)		6/21/2016	0.2	0.1(2)
		Warrant to purchase up to 125,000 shares of Series 2 preferred stock (expires 12/2023)		6/30/2016	0.1	0.1(2)
					4.1	4.1
CEI Kings Mountain Investor, LP	Gas turbine power generation facilities operator	Senior subordinated loan ($32.6 par due 3/2017)	11.00% PIK	3/11/2016	32.6	32.6(2)
CPV Maryland Holding Company II, LLC	Gas turbine power generation facilities operator	Senior subordinated loan ($44.5 par due 12/2020)	10.00%	8/8/2014	44.5	43.3(2)
		Warrant to purchase up to 4 units of common stock (expires 8/2018)		8/8/2014		0.2(2)
					44.5	43.5

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
DESRI VI Management Holdings, LLC	Wind power generation facility operator	Senior subordinated loan ($25.0 par due 12/2021)	9.75%	12/24/2014	25.0	25.0(2)	
		Non-controlling units (10.0 units)		12/24/2014	1.6	1.8(2)	
					26.6	26.8	
Green Energy Partners, Stonewall LLC and Panda Stonewall Intermediate Holdings II LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($25.0 par due 11/2021)	6.50% (Libor + 5.50%/Q)	11/13/2014	24.8	24.6(2)(19)	
		Senior subordinated loan ($19.5 par due 12/2021)	8.00% Cash, 5.25% PIK	11/13/2014	19.5	19.2(2)	
		Senior subordinated loan ($91.2 par due 12/2021)	8.00% Cash, 5.25% PIK	11/13/2014	91.2	89.8(2)	
					135.5	133.6	
Joule Unlimited Technologies, Inc. and Stichting Joule Global Foundation	Renewable fuel and chemical production developer	First lien senior secured loan ($8.8 par due 10/2018)		3/31/2015	8.5	6.2(2)(17)(18)	
		Warrant to purchase up to 32,051 shares of Series C-2 preferred stock (expires 7/2023)		7/25/2013		(2)(9)	
					8.5	6.2	
La Paloma Generating Company, LLC	Natural gas fired, combined cycle plant operator	Second lien senior secured loan ($10.0 par due 2/2020)		2/20/2014	8.8	(2)(18)	
Moxie Liberty LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($34.7 par due 8/2020)	7.50% (Libor + 6.50%/Q)	8/21/2013	34.5	34.7(2)(19)	
Moxie Patriot LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($34.3 par due 12/2020)	6.75% (Libor + 5.75%/Q)	12/19/2013	34.0	34.1(2)(19)	
Noonan Acquisition Company, LLC	Gas turbine power generation facilities operator	Senior subordinated loan ($50.9 par due 10/2017)	10.25%	7/22/2016	50.9	50.9(2)	
Panda Power Annex Fund Hummel Holdings II LLC	Gas turbine power generation facilities operator	Senior subordinated loan ($52.2 par due 1/2017)	13.00% PIK	10/27/2015	52.2	52.2(2)	
Panda Temple Power II, LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($19.8 par due 4/2019)	7.25% (Libor + 6.00%/Q)	4/3/2013	19.7	18.0(2)(19)	
Panda Temple Power, LLC	Gas turbine power generation facilities operator	First lien senior secured loan ($24.6 par due 3/2022)	7.25% (Libor + 6.25%/Q)	3/6/2015	23.6	21.4(2)(19)	
PERC Holdings 1 LLC	Operator of recycled energy, combined heat and power, and	Class B common units (21,653,543 units)		10/20/2014	21.7	26.1(2)	

	energy efficiency facilities						
Riverview Power LLC	Natural gas and oil fired power generation facilities operator	First lien senior secured loan ($8.6 par due 12/2021)	7.25% (Base Rate + 3.50%/Q)	12/29/2016	8.6	8.6(2)(19)	
		First lien senior secured loan ($73.6 par due 12/2022)	11.00% (Base Rate + 7.25%/Q)	12/29/2016	73.6	73.6(2)(19)	
					82.2	82.2	
					579.4	566.4	10.97%

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Restaurants and Food Services							
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.(8)	Restaurant owner and operator	First lien senior secured loan ($3.1 par due 12/2018)	15.00% (Libor + 14.00%/Q)	12/22/2016	3.1	3.1(2)(19)	
		First lien senior secured loan ($29.6 par due 12/2018)		11/27/2006	28.9	20.4(2)(18)	
		First lien senior secured loan ($11.3 par due 12/2018)		11/27/2006	11.0	7.8(3)(18)	
		Promissory note ($25.5 par due 12/2023)		11/27/2006	13.8	(2)	
		Warrant to purchase up to 23,750 units of Series D common stock (expires 12/2023)		12/18/2013		(2)	
					56.8	31.3	
Benihana, Inc.(24)	Restaurant owner and operator	First lien senior secured revolving loan ($0.8 par due 7/2018)	8.25% (Libor + 7.00%/Q)	8/21/2012	0.8	0.8(2)(19)(23)	
		First lien senior secured revolving loan ($0.7 par due 7/2018)	9.50% (Base Rate + 5.75%/Q)	8/21/2012	0.7	0.7(2)(19)(23)	
		First lien senior secured loan ($4.8 par due 1/2019)	8.25% (Libor + 7.00%/Q)	8/21/2012	4.8	4.6(4)(19)	
		First lien senior secured loan ($0.3 par due 1/2019)	8.25% (Libor + 7.00%/Q)	12/28/2016	0.3	0.3(2)(19)	
					6.6	6.4	
DineInFresh, Inc.	Meal-delivery provider	First lien senior secured loan ($4.8 par due 7/2018)	9.75% (Libor + 8.75%/M)	12/19/2014	4.7	4.8(2)(19)	
		Warrant to purchase up to 143,079 shares of Series A preferred stock (expires 12/2024)		12/19/2014		(2)	
					4.7	4.8	
Garden Fresh Restaurant Corp.(24)	Restaurant owner and operator	First lien senior secured revolving loan		10/3/2013		(22)	
		First lien senior secured loan ($40.1 par due 7/2018)	10.50% (Libor + 9.00%/Q)	10/3/2013	40.1	38.1(2)(19)	
		First lien senior secured loan ($1.5 par due 10/2017)	15.50% PIK	11/14/2016	1.5	1.5(2)	
					41.6	39.6	
Global Franchise Group, LLC and GFG Intermediate Holding, Inc.	Worldwide franchisor of quick service restaurants	First lien senior secured loan ($60.8 par due 12/2019)	10.47% (Libor + 9.47%/Q)	12/18/2014	60.8	60.8(3)(19)	

Heritage Food Service Group, Inc. and WCI-HFG Holdings, LLC	Distributor of repair and replacement parts for commercial kitchen equipment	Second lien senior secured loan ($31.6 par due 10/2022)	9.50% (Libor + 8.50%/Q)	10/20/2015	31.6	31.6(2)(19)
		Preferred units (3,000,000 units)		10/20/2015	3.0	3.1(2)
					34.6	34.7
Orion Foods, LLC(8)	Convenience food service retailer	First lien senior secured loan ($1.2 par due 9/2015)		4/1/2010	1.2	0.5(2)(18)
		Second lien senior secured loan ($19.4 par due 9/2015)		4/1/2010		(2)(18)
		Preferred units (10,000 units)		10/28/2010		
		Class A common units (25,001 units)		4/1/2010		
		Class B common units (1,122,452 units)		4/1/2010		
					1.2	0.5

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
OTG Management, LLC(24)	Airport restaurant operator	First lien senior secured loan ($97.8 par due 8/2021)	9.50% (Libor + 8.50%/Q)	8/26/2016	97.8	97.8(3)(19)	
		Senior subordinated loan ($21.2 par due 2/2022)	17.50% PIK	8/26/2016	21.1	21.2(2)	
		Class A preferred units (3,000,000 units)		8/26/2016	30.0	30.9(2)	
		Common units (3,000,000 units)		1/5/2011	3.0	11.0(2)	
		Warrant to purchase up to 7.73% of common units (expires 6/2018)		6/19/2008	0.1	24.2(2)	
		Warrant to purchase 0.60% of the common units deemed outstanding (expires 12/2018)		8/26/2016		(2)	
					152.0	185.1	
Restaurant Holding Company, LLC	Fast food restaurant operator	First lien senior secured loan ($34.5 par due 2/2019)	8.75% (Libor + 7.75%/Q)	3/13/2014	34.4	33.8(3)(19)	
Restaurant Technologies, Inc.(24)	Provider of bulk cooking oil management services to the restaurant and fast food service industries	First lien senior secured revolving loan ($0.3 par due 11/2021)	7.50% (Base Rate + 3.75%/Q)	11/23/2016	0.3	0.3(2)(19)(23)	
					393.0	397.3	7.69%
Financial Services							
AllBridge Financial, LLC(8)	Asset management services	Equity interests		4/1/2010		0.4	
Callidus Capital Corporation(8)	Asset management services	Common stock (100 shares)		4/1/2010	3.0	1.7	
Ciena Capital LLC(8)(24)	Real estate and small business loan servicer	First lien senior secured revolving loan ($14.0 par due 12/2017)	6.00%	11/29/2010	14.0	14.0(2)	
		Equity interests		11/29/2010	35.0	17.7(2)	
					49.0	31.7	
Commercial Credit Group, Inc.	Commercial equipment finance and leasing company	Senior subordinated loan ($28.0 par due 8/2022)	11.00% (Libor + 9.75%/Q)	5/10/2012	28.0	28.0(2)(19)	
Imperial Capital Group LLC	Investment services	Class A common units (32,369 units)		5/10/2007	7.9	12.2(2)	
		2006 Class B common units (10,605 units)		5/10/2007		(2)	
		2007 Class B common units (1,323 units)		5/10/2007		(2)	

					7.9	12.2	
Ivy Hill Asset Management, L.P.(8)(10)	Asset management services	Member interest (100.00% interest)		6/15/2009	171.0	229.2	
Javlin Three LLC, Javlin Four LLC, and Javlin Five LLC(10)	Asset-backed financial services company	First lien senior secured loan ($32.1 par due 6/2017)	10.47% (Libor + 10%/Q)	6/24/2014	32.1	32.1(2)	
LSQ Funding Group, L.C. and LM LSQ Investors LLC(10)	Asset based lender	Senior subordinated loan ($30.0 par due 6/2021)	10.50%	6/25/2015	30.0	30.0(2)	
		Membership units (3,275,000 units)		6/25/2015	3.3	3.3	
					33.3	33.3	
The Gordian Group, Inc.	Financial services firm	Common stock (526 shares)		11/30/2012		(2)	
					324.3	368.6	7.14%
Manufacturing							
Component Hardware Group, Inc.(24)	Commercial equipment	First lien senior secured revolving loan ($1.9 par due 7/2019)	5.50% (Libor + 4.50%/Q)	7/1/2013	1.9	1.9(2)(19)	
		First lien senior secured loan ($8.0 par due 7/2019)	5.50% (Libor + 4.50%/Q)	7/1/2013	8.0	8.0(4)(19)	
					9.9	9.9	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Harvey Tool Company, LLC and Harvey Tool Holding, LLC(24)	Cutting tool provider to the metalworking industry	First lien senior secured revolving loan		8/13/2015		(22)	
		Senior subordinated loan ($28.1 par due 9/2020)	10.00% Cash, 1.00% PIK	8/13/2015	28.1	28.1(2)	
		Class A membership units (750 units)		3/28/2014	0.9	1.7(2)	
					29.0	29.8	
Ioxus, Inc	Energy storage devices	First lien senior secured loan ($0.7 par due 8/2017)	12.00% PIK	8/24/2016	0.7	0.6(2)	
		First lien senior secured loan ($10.2 par due 6/2019)	5.00% Cash, 7.00% PIK	4/29/2014	10.0	9.7(2)	
		First lien senior secured loan ($0.4 par due 6/2019)		4/29/2014	0.4	0.4(2)	
		Warrant to purchase up to 1,210,235 shares of Series BB preferred stock (expires 8/2026)		1/28/2016		(2)	
		Warrant to purchase up to 3,038,730 shares of common stock (expires 1/2026)		1/28/2016		(2)	
					11.1	10.7	
KPS Global LLC	Walk-in cooler and freezer systems	First lien senior secured loan ($27.1 par due 12/2020)	9.67% (Libor + 8.67%/Q)	12/4/2015	27.1	27.1(2)(19)	
MacLean-Fogg Company and MacLean-Fogg Holdings, L.L.C.	Manufacturer and supplier for the power utility and automotive markets worldwide	Senior subordinated loan ($99.9 par due 10/2025)	10.50% Cash, 3.00% PIK	10/31/2013	99.9	99.9(2)	
		Preferred units (70,183 units)	4.50% Cash, 9.25% PIK	10/9/2015	73.5	73.5	
					173.4	173.4	
Niagara Fiber Intermediate Corp.(24)	Insoluble fiber filler products	First lien senior secured revolving loan ($1.9 par due 5/2018)		5/8/2014	1.8	1.4(2)(18)	
		First lien senior secured loan ($1.4 par due 5/2018)		5/8/2014	1.3	1.0(2)(18)	
		First lien senior secured loan ($13.6 par due 5/2018)		5/8/2014	12.9	10.0(2)(18)	
					16.0	12.4	
Nordco Inc.	Railroad maintenance-of-way machinery	First lien senior secured revolving loan		8/26/2015		(22)	
Pelican Products, Inc.	Flashlights	Second lien senior secured loan ($40.0 par	9.25% (Libor + 8.25%/Q)	4/11/2014	40.0	38.0(2)(19)	

		due 4/2021)					
Saw Mill PCG Partners LLC	Metal precision engineered components	Common units (1,000 units)		1/30/2007	1.0	(2)	
SI Holdings, Inc.	Elastomeric parts, mid-sized composite structures, and composite tooling	Common stock (1,500 shares)		5/30/2014	1.5	1.5(2)	
TPTM Merger Corp.(24)	Time temperature indicator products	First lien senior secured revolving loan ($1.3 par due 9/2018)	7.50% (Libor + 6.50%/Q)	9/12/2013	1.3	1.3(2)(19)	
		First lien senior secured loan ($17.0 par due 9/2018)	9.67% (Libor + 8.67%/Q)	9/12/2013	17.0	17.0(3)(19)	
		First lien senior secured loan ($10.0 par due 9/2018)	9.67% (Libor + 8.67%/Q)	9/12/2013	10.0	10.0(4)(19)	
					28.3	28.3	
					337.3	331.1	6.41%

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net
Containers and Packaging							
Charter NEX US Holdings, Inc.	Producer of high-performance specialty films used in flexible packaging	Second lien senior secured loan ($11.8 par due 2/2023)	9.25% (Libor + 8.25%/Q)	2/5/2015	11.7	11.8(2)(19)	
GS Pretium Holdings, Inc.	Manufacturer and supplier of high performance plastic containers	Common stock (500,000 shares)		6/2/2014	0.5	0.8(2)	
ICSH, Inc.(24)	Industrial container manufacturer, reconditioner and servicer	First lien senior secured revolving loan ($1.0 par due 12/2018)	6.75% (Libor + 5.75%/Q)	8/30/2011	1.0	1.0(2)(19)(23)	
		Second lien senior secured loan ($66.0 par due 12/2019)	10.00% (Libor + 9.00%/Q)	12/31/2015	66.0	66.0(2)(19)	
					67.0	67.0	
LBP Intermediate Holdings LLC(24)	Manufacturer of paper and corrugated foodservice packaging	First lien senior secured revolving loan		7/10/2015		(22)	
		First lien senior secured loan ($12.7 par due 7/2020)	6.50% (Libor + 5.50%/Q)	7/10/2015	12.6	12.7(3)(19)	
					12.6	12.7	
Microstar Logistics LLC, Microstar Global Asset Management LLC, and MStar Holding Corporation	Keg management solutions provider	Second lien senior secured loan ($78.5 par due 12/2018)	8.50% (Libor + 7.50%/Q)	12/14/2012	78.5	78.5(2)(19)	
		Second lien senior secured loan ($54.0 par due 12/2018)	8.50% (Libor + 7.50%/Q)	12/14/2012	54.0	54.0(3)(19)	
		Second lien senior secured loan ($10.0 par due 12/2018)	8.50% (Libor + 7.50%/Q)	12/14/2012	10.0	10.0(4)(19)	
		Common stock (50,000 shares)		12/14/2012	4.0	8.1(2)	
					146.5	150.6	
					238.3	242.9	4.70%
Food and Beverage							
American Seafoods Group LLC and American Seafoods Partners LLC(24)	Harvester and processor of seafood	First lien senior secured loan ($6.9 par due 8/2021)	6.00% (Libor + 5.00%/Q)	8/19/2015	6.9	6.9(2)(19)	
		First lien senior secured loan ($0.1 par due 8/2021)	7.75% (Base Rate + 4.00%/Q)	8/19/2015	0.1	0.1(2)(19)	
		Second lien senior secured loan ($55.0 par due 2/2022)	10.00% (Libor + 9.00%/Q)	8/19/2015	55.0	55.0(2)(19)	
				8/19/2015	0.1	0.1(2)	

		Class A units (77,922 units)				
		Warrant to purchase up to 7,422,078 Class A units (expires 8/2035)		8/19/2015	7.4	7.8(2)
					69.5	69.9
Eagle Family Foods Group LLC	Manufacturer and producer of milk products	First lien senior secured loan ($21.6 par due 12/2021)	10.05% (Libor + 9.05%/Q)	8/22/2016	21.6	21.6(3)(19)
		First lien senior secured loan ($54.8 par due 12/2021)	10.05% (Libor + 9.05%/Q)	12/31/2015	54.4	54.8(3)(19)
					76.0	76.4
GF Parent LLC	Producer of low-acid, aseptic food and beverage products	Class A preferred units (2,940 units)		5/13/2015	2.9	1.4(2)
		Class A common units (60,000 units)		5/13/2015	0.1	(2)
					3.0	1.4
JWC/KI Holdings, LLC	Foodservice sales and marketing agency	Membership units (5,000 units)		11/16/2015	5.0	6.2(2)
Kettle Cuisine, LLC	Manufacturer of fresh refrigerated and frozen food products	Second lien senior secured loan ($28.5 par due 2/2022)	10.75% (Libor + 9.75%/Q)	8/21/2015	28.5	28.5(2)(19)

Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net
RF HP SCF Investor, LLC	Branded specialty food company	Membership interest (10.08% interest)		12/22/2016	12.5	12.8(2)	
					194.5	195.2	3.78%
Education							
Campus Management Acquisition Corp.(7)	Education software developer	Preferred stock (485,159 shares)		2/8/2008	10.5	10.4(2)	
Infilaw Holding, LLC(24)	Operator of for-profit law schools	First lien senior secured revolving loan ($6.0 par due 2/2018)		8/25/2011	6.0	6.0(2)(18)(23)	
		Series A preferred units (1.25 units)		8/25/2011	125.5	1.3(2)(18)	
		Series A-1 preferred units (0.03 units)		7/29/2016	2.5	2.5(2)	
		Series B preferred units (0.39 units)		10/19/2012	9.2	(2)	
					143.2	9.8	
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.	Private School Operator	First lien senior secured loan ($2.9 par due 12/2018)	10.50% PIK (Libor + 9.00%/Q)	10/31/2015	2.9	2.9(2)(19)	
		Series B preferred stock (1,750,000 shares)		8/5/2010	5.0	(2)	
		Series C preferred stock (2,512,586 shares)		6/7/2010	0.7	(2)	
		Senior preferred series A-1 shares (163,902 shares)		10/31/2015	119.4	47.8(2)	
		Common stock (20 shares)		6/7/2010		(2)	
					128.0	50.7	
Lakeland Tours, LLC(24)	Educational travel provider	First lien senior secured revolving loan		2/10/2016		(22)	
		First lien senior secured loan ($5.0 par due 2/2022)	5.75% (Libor + 4.75%/Q)	2/10/2016	5.0	5.0(2)(19)	
		First lien senior secured loan ($31.7 par due 2/2022)	10.43% (Libor + 9.43%/Q)	2/10/2016	31.3	31.7(3)(19)	
					36.3	36.7	
PIH Corporation(24)	Franchisor of education-based early childhood centers	First lien senior secured revolving loan ($0.6 par due 12/2018)	7.00% (Libor + 6.00%/Q)	12/13/2013	0.6	0.6(2)(19)	
R3 Education Inc., Equinox EIC Partners LLC and Sierra Education Finance Corp.	Medical school operator	Preferred stock (1,977 shares)		7/30/2008	0.5	0.5(2)	
		Common membership interest (15.76% interest)		9/21/2007	15.8	32.4(2)	
				12/8/2009		(2)	

		Warrant to purchase up to 27,890 shares (expires 11/2019)				
					16.3	32.9
Regent Education, Inc.	Provider of software solutions designed to optimize the financial aid and enrollment processes	First lien senior secured loan ($3.8 par due 1/2021)	12.00% (Libor + 8.00% Cash, 2.00% PIK/M)	7/1/2014	3.7	3.8(2)(19)
		First lien senior secured loan ($0.1 par due 1/2021)		7/1/2014	0.1	0.1(2)
		Warrant to purchase up to 987 shares of common stock (expires 12/2026)		12/23/2016		(2)
		Warrant to purchase up to 5,393,194 shares of common stock (expires 12/2026)		12/23/2016		0.1(2)
					3.8	4.0
RuffaloCODY, LLC(24)	Provider of student fundraising and enrollment management services	First lien senior secured revolving loan		5/29/2013		(23)

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net
Severin Acquisition, LLC	Provider of student information system software solutions to the K-12 education market	Second lien senior secured loan ($15.0 par due 7/2022)	9.75% (Libor + 8.75%/Q)	7/31/2015	14.8	15.0(2)(19)	
		Second lien senior secured loan ($4.2 par due 7/2022)	9.75% (Libor + 8.75%/Q)	10/28/2015	4.1	4.2(2)(19)	
		Second lien senior secured loan ($3.3 par due 7/2022)	10.25% (Libor + 9.25%/Q)	2/1/2016	3.2	3.3(2)(19)	
		Second lien senior secured loan ($2.8 par due 7/2022)	10.25% (Libor + 9.25%/Q)	8/8/2016	2.8	2.8(2)(19)	
		Second lien senior secured loan ($3.1 par due 7/2022)	10.00% (Libor + 9.00%/Q)	10/14/2016	3.1	3.1(2)(19)	
					28.0	28.4	
WCI-Quantum Holdings, Inc.	Distributor of instructional products, services and resources	Series A preferred stock (1,272 shares)		10/24/2014	1.0	1.3(2)	
					367.7	174.8	3.38%
Automotive Services							
AEP Holdings, Inc. and Arrowhead Holdco Company	Distributor of non-discretionary, mission-critical aftermarket replacement parts	First lien senior secured loan ($1.9 par due 8/2021)	7.75% (Libor + 6.75%/Q)	12/14/2016	1.9	1.9(2)(19)	
		Common stock (3,467 shares)		8/31/2015	3.5	3.8(2)	
					5.4	5.7	
CH Hold Corp.(24)	Collision repair company	First lien senior secured revolving loan ($1.2 par due 11/2019)	8.00% (Base Rate + 4.25%/Q)	2/24/2016	1.2	1.2(2)(19)(23)	
ChargePoint, Inc.	Developer and operator of electric vehicle charging stations	Second lien senior secured loan ($20.0 par due 8/2020)	9.75% (Libor + 8.75%/M)	12/24/2014	19.5	20.0(2)(19)	
		Warrant to purchase up to 809,126 shares of Series E preferred stock (expires 12/2024)		12/24/2014	0.3	1.5(2)	
					19.8	21.5	
Dent Wizard International Corporation and DWH Equity Investors, L.P.	Automotive reconditioning services	Second lien senior secured loan ($50.0 par due 10/2020)	10.25% (Libor + 9.25%/Q)	4/7/2015	50.0	50.0(3)(19)	
		Class A common stock (10,000 shares)		4/7/2015	0.3	0.7(2)	
		Class B common stock (20,000 shares)		4/7/2015	0.7	1.3(2)	
					51.0	52.0	

Eckler Industries, Inc.(24)	Restoration parts and accessories provider for classic automobiles	First lien senior secured revolving loan ($2.0 par due 7/2017)	8.75% (Base Rate + 5.00%/Q)	7/12/2012	2.0	1.9(2)(19)
		First lien senior secured loan ($6.9 par due 7/2017)	7.25% (Libor + 6.00%/Q)	7/12/2012	6.9	6.7(3)(19)
		First lien senior secured loan ($25.9 par due 7/2017)	7.25% (Libor + 6.00%/Q)	7/12/2012	25.9	25.2(3)(19)
		Series A preferred stock (1,800 shares)		7/12/2012	1.8	(2)
		Common stock (20,000 shares)		7/12/2012	0.2	(2)
					36.8	33.8
EcoMotors, Inc.	Engine developer	First lien senior secured loan ($9.8 par due 3/2018)	11.00%	9/1/2015	9.5	7.9(2)
		Warrant to purchase up to 321,888 shares of Series C preferred stock (expires 12/2022)		12/28/2012		(2)
		Warrant to purchase up to 70,000 shares of Series C preferred stock (expires 2/2025)		2/24/2015		(2)
					9.5	7.9

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net
ESCP PPG Holdings, LLC(7)	Distributor of new equipment and aftermarket parts to the heavy-duty truck industry	Class A units (3,500,000 units)		12/14/2016	3.5	3.7(2)	
Simpson Performance Products, Inc.	Provider of motorsports safety equipment	First lien senior secured loan ($18.5 par due 2/2020)	9.70% (Libor + 8.70%/Q)	2/20/2015	18.5	18.5(3)(19)	
SK SPV IV, LLC	Collision repair site operators	Series A common stock (12,500 units)		8/18/2014	0.6	2.9(2)	
		Series B common stock (12,500 units)		8/18/2014	0.6	2.9(2)	
					1.2	5.8	
TA THI Parent, Inc.	Collision repair company	Series A preferred stock (50,000 shares)		7/28/2014	5.0	14.3(2)	
					151.9	164.4	3.18%
Oil and Gas							
Lonestar Prospects, Ltd.	Sand proppant producer and distributor to the oil and natural gas industry	First lien senior secured loan ($70.1 par due 9/2018)	8.50% (Libor + 6.50% Cash, 1.00% PIK/Q)	9/18/2014	70.1	70.1(3)(19)	
Petroflow Energy Corporation and TexOak Petro Holdings LLC(7)	Oil and gas exploration and production company	First lien senior secured loan ($16.5 par due 6/2019)	3.00% (Libor + 2.00%/Q)	6/29/2016	16.1	15.0(2)(19)	
		Second lien senior secured loan ($22.6 par due 12/2019)		6/29/2016	21.8	6.6(2)(18)	
		Common units (202,000 units)		6/29/2016	11.1		
					49.0	21.6	
					119.1	91.7	1.78%
Commercial Real Estate Finance							
10th Street, LLC and New 10th Street, LLC(8)	Real estate holding company	First lien senior secured loan ($25.6 par due 11/2019)	12.00% Cash, 1.00% PIK	3/31/2014	25.6	25.6(2)	
		Senior subordinated loan ($27.5 par due 11/2019)	12.00% Cash, 1.00% PIK	4/1/2010	27.5	27.5(2)	
		Member interest (10.00% interest)		4/1/2010	0.6		
		Option (25,000 units)		4/1/2010		35.3	
					53.7	88.4	
					53.7	88.4	1.71%
Aerospace and Defense							

Cadence Aerospace, LLC	Aerospace precision components manufacturer	First lien senior secured loan ($4.0 par due 5/2018)	7.00% (Libor + 5.75%/Q)	5/15/2012	4.0	4.0(4)(19)	
		Second lien senior secured loan ($79.7 par due 5/2019)	11.00% (Libor + 9.75%/Q)	5/10/2012	79.7	77.3(2)(19)	
					83.7	81.3	
					83.7	81.3	1.57%
Environmental Services							
MPH Energy Holdings, LP	Operator of municipal recycling facilities	Limited partnership interest (3.13% interest)		1/8/2014		(2)	
Pegasus Community Energy, LLC	Operator of municipal recycling facilities	Preferred stock (1,000 shares)		3/1/2011	8.8	(2)	
Waste Pro USA, Inc	Waste management services	Second lien senior secured loan ($75.9 par due 10/2020)	8.50% (Libor + 7.50%/Q)	10/15/2014	75.9	75.9(3)(19)	
					84.7	75.9	1.47%
Chemicals							
Genomatica, Inc.	Developer of a biotechnology platform for the production of chemical products	Warrant to purchase 322,422 shares of Series D preferred stock (expires 3/2023)		3/28/2013		(2)	

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net
K2 Pure Solutions Nocal, L.P.(24)	Chemical Producer	First lien senior secured revolving loan ($1.5 par due 2/2021)	8.125% (Libor + 7.125%/Q)	8/19/2013	1.5	1.5(2)(19)	
		First lien senior secured loan ($40.0 par due 2/2021)	7.00% (Libor + 6.00%/Q)	8/19/2013	40.0	40.0(3)(19)	
		First lien senior secured loan ($13.0 par due 2/2021)	7.00% (Libor + 6.00%/Q)	8/19/2013	13.0	13.0(4)(19)	
					54.5	54.5	
Kinestral Technologies, Inc.	Designer of adaptive, dynamic glass for the commercial and residential markets	First lien senior secured loan ($8.5 par due 10/2018)	8.75% (Libor + 7.75%/M)	4/22/2014	8.4	8.5(2)(17)(19)	
		Warrant to purchase up to 325,000 shares of Series A preferred stock (expires 4/2024)		4/22/2014	0.1	0.2(2)	
		Warrant to purchase up to 131,883 shares of Series B preferred stock (expires 4/2025)		4/9/2015		(2)	
					8.5	8.7	
					63.0	63.2	1.22%
Health Clubs							
Athletic Club Holdings, Inc.	Premier health club operator	First lien senior secured loan ($35.0 par due 10/2020)	9.50% (Libor + 8.50%/Q)	10/11/2007	35.0	35.0(3)(19)	
CFW Co-Invest, L.P., NCP Curves, L.P. and Curves International Holdings, Inc.	Health club franchisor	Limited partnership interest (4,152,165 shares)		7/31/2012	4.2	0.8(2)	
		Common stock (1,680 shares)		11/12/2014		(2)(9)	
		Limited partnership interest (2,218,235 shares)		7/31/2012	2.2	8.5(2)(9)	
					6.4	9.3	
					41.4	44.3	0.86%
Hotel Services							
Aimbridge Hospitality, LLC(24)	Hotel operator	First lien senior secured loan ($2.9 par due 10/2018)	8.25% (Libor + 7.00%/Q)	1/7/2016	2.8	2.9(2)(15)(19)	
		First lien senior secured loan ($3.3 par due 10/2018)	8.25% (Libor + 7.00%/Q)	7/15/2015	3.2	3.3(2)(15)(19)	
		First lien senior secured loan ($14.8 par due 10/2018)	8.25% (Libor + 7.00%/Q)	7/15/2015	14.7	14.8(4)(15)(19)	
					20.7	21.0	

Pyramid Management Advisors, LLC and Pyramid Investors, LLC	Hotel operator	First lien senior secured loan ($3.0 par due 7/2021)	11.12% (Libor + 10.12%/Q)	7/15/2016	3.0	2.9(2)(19)	
		First lien senior secured loan ($19.5 par due 7/2021)	11.12% (Libor + 10.12%/Q)	7/15/2016	19.5	19.1(3)(19)	
		Membership units (990,369 units)		7/15/2016	1.0	0.7(2)	
					23.5	22.7	
					44.2	43.7	0.85%
Wholesale Distribution							
Flow Solutions Holdings, Inc.	Distributor of high value fluid handling, filtration and flow control products	Second lien senior secured loan ($6.0 par due 10/2018)	10.00% (Libor + 9.00%/Q)	12/16/2014	6.0	5.3(2)(19)	
		Second lien senior secured loan ($29.5 par due 10/2018)	10.00% (Libor + 9.00%/Q)	12/16/2014	29.5	26.0(2)(19)	
					35.5	31.3	
					35.5	31.3	0.61%

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net
Farming and Agriculture							
QC Supply, LLC(24)	Specialty distributor and solutions provider to the swine and poultry markets	First lien senior secured revolving loan ($2.3 par due 12/2021)	7.00% (Libor + 6.00%/Q)	12/29/2016	2.3	2.3(2)(19)	
		First lien senior secured loan ($28.9 par due 12/2022)	7.00% (Libor + 6.00%/Q)	12/29/2016	28.9	28.9(2)(19)	
					31.2	31.2	
					31.2	31.2	0.60%
Telecommunications							
Adaptive Mobile Security Limited(9)	Developer of security software for mobile communications networks	First lien senior secured loan ($1.8 par due 7/2018)	12.00% (Euribor + 9.00% Cash, 1% PIK/M)	1/16/2015	2.0	1.8(2)(17)(19)	
		First lien senior secured loan ($0.5 par due 10/2018)	12.00% (Euribor + 9.00% Cash, 1% PIK/M)	1/16/2015	0.5	0.5(2)(17)(19)	
		First lien senior secured loan ($1.1 par due 10/2018)	12.00% (Euribor + 9.00% Cash, 1% PIK/M)	10/17/2016	1.1	1.1(2)(17)(19)	
					3.6	3.4	
American Broadband Holding Company and Cameron Holdings of NC, Inc.	Broadband communication services	Warrant to purchase up to 208 shares (expires 11/2017)		11/7/2007		7.2	
		Warrant to purchase up to 200 shares (expires 9/2020)		9/1/2010		6.9	
						14.1	
Startec Equity, LLC(8)	Communication services	Member interest		4/1/2010			
Wilcon Holdings LLC	Communications infrastructure provider	Class A common stock (2,000,000 shares)		12/13/2013	1.8	3.7	
					5.4	21.2	0.41%
Retail							
Paper Source, Inc. and Pine Holdings, Inc.(24)	Retailer of fine and artisanal paper products	First lien senior secured loan ($9.7 par due 9/2018)	7.25% (Libor + 6.25%/Q)	9/23/2013	9.7	9.7(4)(19)	
		Class A common stock (36,364 shares)		9/23/2013	6.0	5.9(2)	
					15.7	15.6	
Things Remembered, Inc. and TRM Holdco Corp.(7)	Personalized gifts retailer	First lien senior secured loan ($11.0 par due 3/2020)		8/30/2016	10.6	3.5(2)(18)	
		Common stock (10,631,940 shares)		8/30/2016	6.1	(2)	

					16.7	3.5	
					32.4	19.1	0.37%
Computers and Electronics							
Everspin Technologies, Inc.(24)	Designer and manufacturer of computer memory solutions	First lien senior secured revolving loan ($1.1 par due 6/2017)	7.50% (Base Rate + 7.50%/M)	6/5/2015	1.1	1.1(5)(19)	
		First lien senior secured loan ($7.3 par due 6/2019)	8.75% (Libor + 7.75%/M)	6/5/2015	7.0	7.3(5)(19)	
		Warrant to purchase up to 18,461 shares of common stock (expires 10/2026)		6/5/2015	0.4	0.4(5)	
					8.5	8.8	
					8.5	8.8	0.17%
Printing, Publishing and Media							
Earthcolor Group, LLC	Printing management services	Limited liability company interests (9.30%)		5/18/2012			

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net
The Teaching Company Holdings, Inc.	Education publications provider	Preferred stock (10,663 shares)		9/29/2006	1.1	3.0(2)	
		Common stock (15,393 shares)		9/29/2006		(2)	
					1.1	3.0	
					1.1	3.0	0.06%
Total Investments					$ 9,034.1	$ 8,819.9(29)	170.77%

Derivative Instruments

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Appreciation / (Depreciation)
Foreign currency forward contract	$ 3	€ 2	Bank of Montreal	January 5, 2017	$

(1) Other than the Company's investments listed in footnote 8 below (subject to the limitations set forth therein), the Company does not "Control" any of its portfolio companies, for the purposes of the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"). In general, under the Investment Company Act, the Company would "Control" a portfolio company if the Company owned more than 25% of its outstanding voting securities (i.e., securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. All of the Company's portfolio company investments, which as of December 31, 2016 represented 171% of the Company's net assets or 95% of the Company's total assets, are subject to legal restrictions on sales.

(2) These assets are pledged as collateral for the Revolving Credit Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Revolving Credit Facility (see Note 5 to the consolidated financial statements).

(3) These assets are owned by the Company's consolidated subsidiary Ares Capital CP Funding LLC ("Ares Capital CP"), are pledged as collateral for the Revolving Funding Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than Ares Capital CP's obligations under the Revolving Funding Facility (see Note 5 to the consolidated financial statements).

(4) These assets are owned by the Company's consolidated subsidiary Ares Capital JB Funding LLC ("ACJB"), are pledged as collateral for the SMBC Funding Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than ACJB's obligations under the SMBC Funding Facility (see Note 5 to the consolidated financial statements).

(5) These assets are owned by the Company's consolidated subsidiary Ares Venture Finance, L.P. ("AVF LP"), are pledged as collateral for the SBA-guaranteed debentures (the "SBA Debentures") and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than AVF LP's obligations (see Note 5 to the consolidated financial statements). AVF LP operates as a Small Business Investment Company ("SBIC") under the provisions of Section 301(c) of the Small Business Investment Act of 1958, as amended.

(6) Investments without an interest rate are non-income producing.

(7) As defined in the Investment Company Act, the Company is deemed to be an "Affiliated Person" because it owns 5% or more of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions during the year ended December 31, 2016 in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to Control) are as follows:

(in millions) Company	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)
Campus Management Corp. and Campus Management Acquisition Corp.	$	$	$	$	$	$	$	$	$ 1.0
Crown Health Care Laundry Services, Inc. and Crown Laundry Holdings, LLC	$ 9.3	$ 4.1	$ 18.0	$ 1.2	$ 0.4	$	$	$	$ (0.6)
ESCP PPG Holdings, LLC	$ 3.5	$	$	$	$	$	$	$	$
Investor Group Services, LLC	$	$	$	$	$	$	$	$ 0.4	$
Multi-Ad Services, Inc.	$	$	$	$	$	$	$	$	$
Petroflow Energy Corporation and TexOak Petro Holdings LLC	$	$	$	$	$	$	$	$	$ 3.4
Shock Doctor, Inc. and Shock Doctor Holdings, LLC	$	$	$	$ 10.5	$	$	$	$	$ (4.8)
Things Remembered, Inc. and TRM Holdco Corp.	$ 3.3	$ 3.3	$	$	$	$	$	$	$ (2.1)
UL Holding Co., LLC and Universal Lubricants, LLC	$	$ 45.3	$	$ 3.8	$	$	$	$ 13.2	$ 17.2

(8) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" and "Control" this portfolio company because it owns more than 25% of the portfolio company's outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company

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(including through a management agreement). Transactions during the year ended December 31, 2016 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control are as follows:

(in millions) Company	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)
10th Street, LLC and New 10th Street, LLC	$	$	$	$ 6.9	$	$	$	$	$ (9.2)
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.	$ 3.1	$	$	$	$	$	$	$	$ (10.8)
AllBridge Financial, LLC	$	$ 1.1	$	$	$	$	$	$ 6.3	$ (6.5)
Callidus Capital Corporation	$	$	$	$	$	$	$	$	$
Ciena Capital LLC	$	$ 12.0	$	$ 1.5	$	$	$	$	$ 0.9
Community Education Centers, Inc. and CEC Parent Holdings LLC	$	$	$	$ 4.6	$	$	$	$	$ 18.9
Competitor Group, Inc., Calera XVI, LLC and Champion Parent Corporation	$ 2.5	$	$	$ 1.7	$	$	$	$	$ (0.8)
Crescent Hotels & Resorts, LLC and affiliates	$	$	$	$ 1.2	$	$	$	$ 2.5	$ (2.7)
HCI Equity, LLC	$	$	$	$	$	$	$	$	$
Industrial Air Tool, LP and Affiliates d/b/a Industrial Air Tool	$	$	$	$	$	$	$	$	$
Ivy Hill Asset Management, L.P.	$	$	$	$	$	$ 40.0	$	$	$ (6.3)
Liquid Light, Inc.	$	$ 2.4	$	$	$	$	$	$ (0.6)	$
MVL Group, Inc.	$	$	$	$	$	$	$	$	$
Orion Foods, LLC	$	$ 6.4	$	$	$	$	$	$	$ 3.1
PHL Investors, Inc., and PHL Holding Co.	$	$	$	$	$	$	$	$	$
Senior Direct Lending Program, LLC*	$ 271.6	$ 1.7	$	$ 12.6	$ 4.9	$	$ 0.7	$	$
Senior Secured Loan Fund LLC**	$ 3.0	$	$	$ 208.0	$ 2.9	$	$ 17.0	$	$ 26.3
Startec Equity, LLC	$	$	$	$	$	$	$	$	$
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC	$	$ 2.7	$	$	$	$	$	$ 3.9	$ 3.1
The Step2 Company, LLC	$	$ 64.7	$	$ 4.6	$	$	$	$ 18.1	$ 24.4

*

Together with Varagon Capital Partners ("Varagon"), the Company has co-invested through the Senior Direct Lending Program LLC (d/b/a the "Senior Direct Lending Program" or the "SDLP"). The SDLP has been capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of the Company and Varagon (with approval from a representative of each required); therefore, although the Company owns more than 25% of the voting securities of the SDLP, the Company does not believe that it has control over the SDLP (for purposes of the Investment Company Act or otherwise) because, among other things, these "voting securities" do not afford the Company the right to elect directors of the SDLP or any other special rights (see Note 4 to the consolidated financial statements).

**

Together with GE Global Sponsor Finance LLC and General Electric Capital Corporation (together, "GE"), the Company had previously co-invested through the Senior Secured Loan Fund LLC (d/b/a the "Senior Secured Loan Program" or the "SSLP"). The SSLP was capitalized as transactions were completed and all portfolio decisions and generally all other decisions in respect of the SSLP were approved by an investment committee of the SSLP consisting of representatives of the Company and GE (with approval from a representative of each required); therefore, although the Company owned more than 25% of the voting securities of the SSLP, the Company did not believe that it had control over the SSLP (for purposes of the Investment Company Act or otherwise) because, among other things, these "voting securities" did not afford the Company the right to elect directors of the SSLP or any other special rights (see Note 4 to the consolidated financial statements).

(9)

Non-U.S. company or principal place of business outside the U.S. and as a result is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(10)
Exception from the definition of investment company under Section 3(c) of the Investment Company Act and as a result is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(11)
In the first quarter of 2011, the staff of the Securities and Exchange Commission (the "Staff") informally communicated to certain business development companies ("BDCs") the Staff's belief that certain entities, which would be classified as an "investment company" under the Investment Company Act but for the exception from the definition of "investment company" set forth in Rule 3a-7 promulgated under the Investment Company Act, could not be treated as eligible portfolio companies (as defined in Section 2(a)(46) under Investment Company Act) (i.e. not eligible to be included in a BDC's 70% "qualifying assets" basket). Subsequently, in August 2011 the Securities and Exchange Commission issued a concept release (the "Concept Release") which stated that "[a]s a general matter, the Commission presently does not believe that Rule 3a-7 issuers are the type of small, developing and financially troubled businesses in which the U.S. Congress intended BDCs primarily to invest" and requested comment on whether or not a 3a-7 issuer should be considered an "eligible portfolio company". The Company provided a comment letter in respect of the Concept Release and continues to believe that the language of Section 2(a)(46) of the Investment Company Act permits a BDC to treat as "eligible portfolio companies" entities that rely on the 3a-7 exception. However, given the current uncertainty in this area (including the language in the Concept Release) and subsequent discussions with the Staff, the Company has, solely for purposes of calculating the composition of its portfolio pursuant to Section 55(a) of the Investment Company Act, identified such entities, which include the SSLP, as "non-qualifying assets" should the Staff ultimately disagree with the Company's position. Pursuant to Section 55(a) of the Investment Company Act (using the Staff's methodology described above solely for this purpose), 29% of the Company's total assets are represented by investments at fair value and other assets that are considered "non-qualifying assets" as of December 31, 2016.

(12)
Variable rate loans to the Company's portfolio companies bear interest at a rate that may be determined by reference to either the LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the Prime Rate), at the borrower's option, which reset annually (A), semi-annually (S), quarterly (Q), bi-monthly (B), monthly (M) or daily (D). For each such loan, the Company has provided the interest rate in effect on the date presented.

(13)
In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 1.13% on $8.9 aggregate principal amount of a "first out" tranche of the portfolio company's senior term debt previously syndicated by the Company into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(14)
In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.00% on $81.5 aggregate principal amount of a "first out" tranche of the portfolio company's senior term debt previously syndicated by the Company into "first out" and "last

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out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(15) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.50% on $69.5 aggregate principal amount of a "first out" tranche of the portfolio company's senior term debt previously syndicated by the Company into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(16) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.55% on $35.2 aggregate principal amount of a "first out" tranche of the portfolio company's first lien senior secured loans, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(17) The Company is entitled to receive a fixed fee upon the occurrence of certain events as defined in the credit agreement governing the Company's debt investment in the portfolio company. The fair value of such fee is included in the fair value of the debt investment.

(18) Loan was on non-accrual status as of December 31, 2016.

(19) Loan includes interest rate floor feature.

(20) The certificates have a stated contractual interest rate and also entitle the holders thereof to receive a portion of the excess cash flow from the SSLP's loan portfolio, after expenses. However, the SSLP Certificates (defined below) are junior in right of payment to the senior notes held by GE, and the Company expects that for so long as principal proceeds from SSLP repayments are directed entirely to repay the senior notes as discussed above, the yield on the SSLP Certificates will be lower than the stated coupon and continue to decline. See Note 4 to the consolidated financial statements for more information on the SSLP.

(21) In addition to the interest earned based on the stated contractual interest rate of this security, the certificates entitle the holders thereof to receive a portion of the excess cash flow from the SDLP's loan portfolio, after expenses, which may result in a return to the Company greater than the contractual stated interest rate.

(22) As of December 31, 2016, no amounts were funded by the Company under this first lien senior secured revolving loan; however, there were letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 to the consolidated financial statements for further information on letters of credit commitments related to certain portfolio companies.

(23) As of December 31, 2016, in addition to the amounts funded by the Company under this first lien senior secured revolving loan, there were also letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 to the consolidated financial statements for further information on letters of credit commitments related to certain portfolio companies.

(24) As of December 31, 2016, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to issue letters of credit through a financial intermediary on behalf of certain portfolio companies. Such commitments are subject to the satisfaction of certain conditions set forth in the documents governing these loans and letters of credit and there can be no assurance that such conditions will be satisfied. See Note 7 to the consolidated financial statements for further information on revolving and delayed draw loan commitments, including commitments to issue letters of credit, related to certain portfolio companies.

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(in millions) Company	Total revolving and delayed draw loan commitments	Less: drawn commitments	Total undrawn commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted undrawn revolving and delayed draw commitments
Accruent, LLC	$ 3.2	$ (0.3)	$ 2.9	$	$	$ 2.9
Acrisure, LLC	9.7		9.7			9.7
ADCS Clinics Intermediate Holdings, LLC	5.0	(1.7)	3.3			3.3
ADG, LLC	13.7	(2.0)	11.7			11.7
Aimbridge Hospitality, LLC	2.4		2.4			2.4
American Seafoods Group LLC	22.1		22.1			22.1
Benihana, Inc.	3.2	(2.1)	1.1			1.1
CCS Intermediate Holdings, LLC	7.5	(7.3)	0.2			0.2
CH Hold Corp.	5.0	(1.2)	3.8			3.8
Chariot Acquisition, LLC	1.0		1.0			1.0
Ciena Capital LLC	20.0	(14.0)	6.0	(6.0)		
Clearwater Analytics, LLC	5.0		5.0			5.0
Competitor Group, Inc.	5.7	(5.5)	0.2			0.2
Component Hardware Group, Inc.	3.7	(1.9)	1.8			1.8
Crown Health Care Laundry Services, Inc.	17.0	(0.6)	16.4			16.4
D4C Dental Brands, Inc.	5.0		5.0			5.0
DCA Investment Holding, LLC	5.8	(2.2)	3.6			3.6
DTI Holdco, Inc. and OPE DTI Holdings, Inc.	8.8		8.8			8.8
Eckler Industries, Inc.	4.0	(2.0)	2.0			2.0
EN Engineering, L.L.C.	5.0		5.0			5.0
Everspin Technologies, Inc.	4.0	(1.1)	2.9			2.9
Faction Holdings, Inc.	2.0	(2.0)				
Garden Fresh Restaurant Corp.	7.0	(2.3)	4.7			4.7
Gentle Communications, LLC	5.0		5.0			5.0
Greenphire, Inc.	2.0		2.0			2.0
Harvey Tool Company, LLC	0.8		0.8			0.8
Hygiena Borrower LLC	1.9		1.9			1.9
ICSH, Inc.	5.0	(1.8)	3.2			3.2
Infilaw Holding, LLC	20.0	(13.6)	6.4	(6.4)		
iPipeline, Inc.	4.0		4.0			4.0
Itel Laboratories, Inc.	2.5		2.5			2.5
K2 Pure Solutions Nocal, L.P.	5.0	(1.5)	3.5			3.5
Lakeland Tours, LLC	11.9	(0.5)	11.4			11.4
LBP Intermediate Holdings LLC	0.9	(0.1)	0.8			0.8
Massage Envy, LLC	5.0	(3.5)	1.5			1.5
McKenzie Sports Products, LLC	4.5		4.5			4.5
Ministry Brands LLC	29.2	(3.8)	25.4			25.4
MW Dental Holding Corp.	10.0	(1.5)	8.5			8.5
My Health Direct, Inc.	1.0	(0.5)	0.5			0.5
Niagara Fiber Intermediate Corp.	1.9	(1.9)				
Nordco Inc	11.3		11.3			11.3
NSM Sub Holdings Corp.	5.0	(0.8)	4.2			4.2
OmniSYS Acquisition Corporation	2.5		2.5			2.5
OTG Management, LLC	22.2		22.2			22.2
Paper Source, Inc.	2.5		2.5			2.5
Pegasus Intermediate Holdings, LLC	5.0		5.0			5.0
PIH Corporation	3.3	(0.6)	2.7			2.7
QC Supply, LLC	28.1	(2.3)	25.8			25.8
Restaurant Technologies, Inc.	5.4	(0.7)	4.7			4.7
RuffaloCODY, LLC	7.7	(0.2)	7.5			7.5
Severin Acquisition, LLC	2.9		2.9			2.9
Shift PPC LLC	1.5		1.5			1.5
Sonny's Enterprises, LLC	1.8		1.8			1.8
Things Remembered, Inc.	2.8		2.8			2.8
Towne Holdings, Inc.	1.0		1.0			1.0
TPTM Merger Corp.	2.5	(1.3)	1.2			1.2
Urgent Cares of America Holdings I, LLC	16.0		16.0			16.0
Zemax, LLC	3.0		3.0			3.0

Zywave, Inc.	10.5		10.5			10.5
	$ 411.4	$ (80.8)	$ 330.6	$ (12.4)	$	$ 318.2

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(25)

As of December 31, 2016, the Company was party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

(in millions) **Company**	**Total private equity commitments**	**Less: funded private equity commitments**	**Total unfunded private equity commitments**	**Less: private equity commitments substantially at the discretion of the Company**	**Total net adjusted unfunded private equity commitments**
Partnership Capital Growth Investors III, L.P.	$ 5.0	$ (4.2)	$ 0.8	$	$ 0.8
PCG-Ares Sidecar Investment, L.P. and PCG-Ares Sidecar Investment II, L.P.	50.0	(10.9)	39.1	(39.1)	
Piper Jaffray Merchant Banking Fund I, L.P.	2.0	(1.7)	0.3		0.3
	$ 57.0	$ (16.8)	$ 40.2	$ (39.1)	$ 1.1

(26)

As of December 31, 2016, the Company had commitments to co-invest in the SSLP for its portion of the SSLP's commitment to fund delayed draw loans of up to $7.3. See Note 4 to the consolidated financial statements for more information on the SSLP.

(27)

As of December 31, 2016, the Company had commitments to co-invest in the SDLP for its portion of the SDLP's commitment to fund delayed draw loans of up to $37.1. See Note 4 to the consolidated financial statements for more information on the SDLP.

(28)

Other than the investments noted by this footnote, the fair value of the Company's investments is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 8 to the consolidated financial statements for more information regarding the fair value of the Company's investments.

(29)

As of December 31, 2016, the net estimated unrealized loss for federal tax purposes was $0.8 billion based on a tax cost basis of $9.7 billion. As of December 31, 2016, the estimated aggregate gross unrealized loss for federal income tax purposes was $0.9 billion and the estimated aggregate gross unrealized gain for federal income tax purposes was $0.1 billion.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(in millions, except per share data)

(unaudited)

	Common Stock		Capital in Excess of Par Value	Accumulated Undistributed (Overdistributed) Net Investment Income	Accumulated Net Realized Gains on Investments, Foreign Currency Transactions, Extinguishment of Debt and Other Assets	Net Unrealized Losses on Investments, Foreign Currency and Other Transactions	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2016	314	$ —	$ 5,292	$ 37	$ 57	$ (221)	$ 5,165
Issuance of common stock in connection with the American Capital Acquisition	112		1,839				1,839
Deemed contribution from Ares Capital Management (See Note 14)			54				54
Shares issued in connection with dividend reinvestment plan			6				6
Issuances of Convertible Unsecured Notes (See Note 5)			15				15
Net increase in stockholders' equity resulting from operations				371	143	(79)	435
Dividends declared and payable ($1.14 per share)				(486)			(486)
Balance at September 30, 2017	426	$ —	$ 7,206	$ (78)	$ 200	$ (300)	$ 7,028

See accompanying notes to consolidated financial statements.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

(unaudited)

	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
OPERATING ACTIVITIES:		
Net increase in stockholders' equity resulting from operations	$ 435	$ 399
Adjustments to reconcile net increase in stockholders' equity resulting from operations:		
Net realized gains on investments and foreign currency and other transactions	(147)	(78)
Net unrealized losses on investments, foreign currency and other transactions	79	35
Realized losses on extinguishment of debt	4	
Net accretion of discount on investments	(7)	(4)
Payment-in-kind interest and dividends	(57)	(32)
Collections of payment-in-kind interest and dividends	62	3
Amortization of debt issuance costs	14	11
Net accretion of discount on notes payable	5	5
Depreciation	1	1
Acquisition of American Capital, net of cash acquired	(2,381)	
Proceeds from sales and repayments of investments	5,804	2,700
Purchases of investments	(5,760)	(2,386)
Changes in operating assets and liabilities:		
Interest receivable	17	17
Other assets	25	(13)
Base management fees payable	10	
Income based fees payable	(7)	2
Capital gains incentive fees payable	23	8
Accounts payable and other liabilities	(94)	(10)
Interest and facility fees payable		(19)
Net cash (used in) provided by operating activities	(1,974)	639
FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock	1,839	
Borrowings on debt	10,305	7,168
Repayments and repurchases of debt	(9,535)	(7,567)
Debt issuance costs	(37)	(9)
Dividends paid	(480)	(358)
Repurchases of common stock		(5)
Net cash provided by (used) in financing activities	2,092	(771)
CHANGE IN CASH AND CASH EQUIVALENTS	118	(132)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	223	257
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 341	$ 125

Supplemental Information:

Interest paid during the period	$	141	$	139
Taxes, including excise tax, paid during the period	$	21	$	16
Dividends declared and payable during the period	$	486	$	358
Deemed contribution from Ares Capital Management (see Note 14)	$	54	$	

See accompanying notes to consolidated financial statements.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of September 30, 2017
(unaudited)
(in millions, except per share data, percentages and as otherwise indicated;
for example, with the word "billion" or otherwise)

1. ORGANIZATION

Ares Capital Corporation (the "Company") is a specialty finance company that is a closed-end, non-diversified management investment company incorporated in Maryland. The Company has elected to be regulated as a BDC under the Investment Company Act. The Company has elected to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code") and operates in a manner so as to qualify for the tax treatment applicable to RICs.

The Company's investment objective is to generate both current income and capital appreciation through debt and equity investments. The Company invests primarily in first lien senior secured loans (including "unitranche" loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component. To a lesser extent, the Company also makes equity investments.

The Company is externally managed by Ares Capital Management LLC ("Ares Capital Management" or the Company's "investment adviser"), a subsidiary of Ares Management, L.P. ("Ares Management"), a publicly traded, leading global alternative asset manager, pursuant to an investment advisory and management agreement. Ares Operations LLC ("Ares Operations" or the Company's "administrator"), a subsidiary of Ares Management, provides certain administrative and other services necessary for the Company to operate.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles ("GAAP"), and include the accounts of the Company and its consolidated subsidiaries. The Company is an investment company following accounting and reporting guidance in Accounting Standards Codification ("ASC") 946. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the results of the operations and financial condition as of and for the periods presented. All significant intercompany balances and transactions have been eliminated.

Interim financial statements are prepared in accordance with GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6 or 10 of Regulation S-X. In the opinion of management, all adjustments, consisting solely of normal recurring accruals considered necessary for the fair presentation of financial statements for the interim period presented, have been included. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending December 31, 2017.

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Cash and Cash Equivalents

Cash and cash equivalents include funds from time to time deposited with financial institutions and short-term, liquid investments in a money market account. Cash and cash equivalents are carried at cost which approximates fair value.

Concentration of Credit Risk

The Company places its cash and cash equivalents with financial institutions and, at times, cash held in money market accounts may exceed the Federal Deposit Insurance Corporation insured limit.

Investments

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment using the specific identification method without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. Unrealized gains or losses primarily reflect the change in investment values, including the reversal of previously recorded unrealized gains or losses when gains or losses are realized.

Investments for which market quotations are readily available are typically valued at such market quotations. In order to validate market quotations, the Company looks at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available (i.e., substantially all of the Company's investments) are valued at fair value as determined in good faith by the Company's board of directors, based on, among other things, the input of the Company's investment adviser, audit committee and independent third-party valuation firms that have been engaged at the direction of the Company's board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12-month period (with certain de minimis exceptions) and under a valuation policy and a consistently applied valuation process. The valuation process is conducted at the end of each fiscal quarter, and a portion of the Company's investment portfolio at fair value is subject to review by an independent valuation firm each quarter. In addition, the Company's independent registered public accounting firm obtains an understanding of, and performs select procedures relating to, the Company's investment valuation process within the context of performing the integrated audit.

As part of the valuation process, the Company may take into account the following types of factors, if relevant, in determining the fair value of the Company's investments: the enterprise value of a portfolio company (the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, changes in the interest rate environment and the credit markets, which may affect the price at which similar investments would trade in their principal markets and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the Company considers the pricing indicated by the external event to corroborate its valuation.

Because there is not a readily available market value for most of the investments in its portfolio, the Company values substantially all of its portfolio investments at fair value as determined in good faith by its board of directors, as described herein. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of the Company's investments may differ significantly from the values that would have been used had a

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ready market existed for such investments and may differ materially from the values that the Company may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Company was required to liquidate a portfolio investment in a forced or liquidation sale, the Company could realize significantly less than the value at which the Company has recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned.

The Company's board of directors undertakes a multi-step valuation process each quarter, as described below:

- The Company's quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with the Company's portfolio management team.

- Preliminary valuations are reviewed and discussed with the Company's investment adviser's management and investment professionals, and then valuation recommendations are presented to the Company's board of directors.

- The audit committee of the Company's board of directors reviews these valuations, as well as the input of third parties, including independent third-party valuation firms who have reviewed a portion of the investments in the Company's portfolio at fair value.

- The Company's board of directors discusses valuations and ultimately determines the fair value of each investment in the Company's portfolio without a readily available market quotation in good faith based on, among other things, the input of the Company's investment adviser, audit committee and, where applicable, independent third-party valuation firms.

See Note 8 for more information on the Company's valuation process.

Interest and Dividend Income Recognition

Interest income is recorded on an accrual basis and includes the accretion of discounts and amortization of premiums. Discounts from and premiums to par value on securities purchased are accreted/amortized into interest income over the life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discounts and amortization of premiums, if any.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. The Company may make exceptions to this policy if the loan has sufficient collateral value and is in the process of collection.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

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Payment-in-Kind Interest

The Company has loans in its portfolio that contain payment-in-kind ("PIK") provisions. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To maintain the Company's status as a RIC, this non-cash source of income must be paid out to stockholders in the form of dividends, even though the Company has not yet collected the cash.

Capital Structuring Service Fees and Other Income

The Company's investment adviser seeks to provide assistance to its portfolio companies and in return the Company may receive fees for capital structuring services. These fees are generally only available to the Company as a result of the Company's underlying investments, are normally paid at the closing of the investments, are generally non-recurring and are recognized as revenue when earned upon closing of the investment. The services that the Company's investment adviser provides vary by investment, but generally include reviewing existing credit facilities, arranging bank financing, arranging equity financing, structuring financing from multiple lenders, structuring financing from multiple equity investors, restructuring existing loans, raising equity and debt capital, and providing general financial advice, which concludes upon closing of the investment. Any services of the above nature subsequent to the closing would generally generate a separate fee payable to the Company. In certain instances where the Company is invited to participate as a co-lender in a transaction and does not provide significant services in connection with the investment, a portion of loan fees paid to the Company in such situations will be deferred and amortized over the estimated life of the loan.

Other income includes fees for management and consulting services, loan guarantees, commitments, amendments and other services rendered by the Company to portfolio companies. Such fees are recognized as income when earned or the services are rendered.

Foreign Currency Translation

The Company's books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

(1) Fair value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the period.

(2) Purchases and sales of investment securities, income and expenses at the exchange rates prevailing on the respective dates of such transactions, income or expenses.

Results of operations based on changes in foreign exchange rates are separately disclosed in the statement of operations, if any. Foreign security and currency translations may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices more volatile than those of comparable U.S. companies or U.S. government securities.

Derivative Instruments

The Company does not utilize hedge accounting and as such values its derivatives at fair value with the unrealized gains or losses recorded in "net unrealized gains (losses) from foreign currency and other transactions" in the Company's consolidated statement of operations.

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Equity Offering Expenses

The Company's offering costs are charged against the proceeds from equity offerings when proceeds are received.

Debt Issuance Costs

Debt issuance costs are amortized over the life of the related debt instrument using the straight line method or the effective yield method, depending on the type of debt instrument.

Income Taxes

The Company has elected to be treated as a RIC under the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, the Company must (among other requirements) meet certain source-of-income and asset diversification requirements and timely distribute to its stockholders at least 90% of its investment company taxable income, as defined by the Code, for each year. The Company (among other requirements) has made and intends to continue to make the requisite distributions to its stockholders, which will generally relieve the Company from U.S. federal corporate-level income taxes.

Depending on the level of taxable income earned in a tax year, the Company may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year taxable income will be in excess of estimated dividend distributions for the current year, the Company accrues excise tax, if any, on estimated excess taxable income as such taxable income is earned.

Certain of the Company's consolidated subsidiaries are subject to U.S. federal and state corporate-level income taxes.

Dividends to Common Stockholders

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend is determined by the Company's board of directors each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are generally distributed, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any distributions the Company declares in cash on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Company's board of directors authorizes, and the Company declares, a cash dividend, then the Company's stockholders who have not "opted out" of the Company's dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of the Company's common stock, rather than receiving the cash dividend. The Company intends to use primarily newly issued shares to implement the dividend reinvestment plan (so long as the Company is trading at a premium to net asset value). If the Company's shares are trading at a discount to net asset value and the Company is otherwise permitted under applicable law to purchase such shares, the Company may purchase shares in the open market in connection with the Company's obligations under the dividend reinvestment plan. However, the Company reserves the right to issue new shares of the Company's common stock in connection with the Company's obligations under the dividend reinvestment plan even if the Company's shares are trading below net asset value.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of actual and contingent assets and

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liabilities at the date of the financial statements and the reported amounts of income or loss and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of investments.

3. AGREEMENTS

Investment Advisory and Management Agreement

The Company is party to an investment advisory and management agreement (the "investment advisory and management agreement") with Ares Capital Management. Subject to the overall supervision of the Company's board of directors, Ares Capital Management provides investment advisory and management services to the Company. For providing these services, Ares Capital Management receives fees from the Company consisting of a base management fee, a fee based on the Company's net investment income ("income based fee") and a fee based on the Company's net capital gains ("capital gains incentive fee"). The investment advisory and management agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

The base management fee is calculated at an annual rate of 1.5% based on the average value of the Company's total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) at the end of the two most recently completed calendar quarters. The base management fee is payable quarterly in arrears.

The income based fee is calculated and payable quarterly in arrears based on the Company's pre-incentive fee net investment income, as defined in the investment advisory and management agreement, for the quarter. Pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the administration agreement, and any interest expense and dividends paid on any outstanding preferred stock, but excluding the income based fee and capital gains incentive fee accrued under GAAP). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities, accrued income that the Company has not yet received in cash. The Company's investment adviser is not under any obligation to reimburse the Company for any part of the income based fees it received that was based on accrued interest that the Company never actually received.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses, unrealized capital appreciation, unrealized capital depreciation or income tax expense related to realized gains and losses. Because of the structure of the income based fee, it is possible that the Company may pay such fees in a quarter where the Company incurs a loss. For example, if the Company receives pre-incentive fee net investment income in excess of the hurdle rate (as defined below) for a quarter, the Company will pay the applicable income based fee even if the Company has incurred a loss in that quarter due to realized and/or unrealized capital losses.

Pre-incentive fee net investment income, expressed as a rate of return on the value of the Company's net assets (defined as total assets less indebtedness and before taking into account any income based fees and capital gains incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed "hurdle rate" of 1.75% per quarter. If market credit spreads rise, the Company may be able to invest its funds in debt instruments that provide for a higher return, which may increase the Company's pre-incentive fee net investment income and make it easier for the Company's investment adviser to surpass the fixed hurdle rate and receive an income based fee based on such net investment income. To the extent the Company has retained

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pre-incentive fee net investment income that has been used to calculate the income based fee, it is also included in the amount of the Company's total assets (other than cash and cash equivalents but including assets purchased with borrowed funds) used to calculate the 1.5% base management fee.

The Company pays its investment adviser an income based fee with respect to the Company's pre-incentive fee net investment income in each calendar quarter as follows:

- No income based fee in any calendar quarter in which the Company's pre-incentive fee net investment income does not exceed the hurdle rate;

- 100% of the Company's pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter. The Company refers to this portion of its pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.1875%) as the "catch-up" provision. The "catch-up" is meant to provide the Company's investment adviser with 20% of the pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeded 2.1875% in any calendar quarter; and

- 20% of the amount of the Company's pre-incentive fee net investment income, if any, that exceeds 2.1875% in any calendar quarter.

These calculations are adjusted for any share issuances or repurchases during the quarter.

In connection with the Company's acquisition of American Capital, Ltd., a Delaware corporation ("American Capital") (the "American Capital Acquisition"), Ares Capital Management agreed to waive, for each of the first 10 calendar quarters beginning with the second quarter of 2017, the lesser of (x) $10 of income based fees and (y) the amount of income based fees for such quarter, in each case, to the extent earned and payable by the Company in such quarter pursuant to and as calculated under the Company's investment advisory and management agreement (the "Fee Waiver"). See Note 14 for additional information regarding the American Capital Acquisition.

The capital gains incentive fee is determined and payable in arrears as of the end of each calendar year (or, upon termination of the investment advisory and management agreement, as of the termination date) and is calculated at the end of each applicable year by subtracting (a) the sum of the Company's cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (b) the Company's cumulative aggregate realized capital gains, in each case calculated from October 8, 2004 (the date the Company completed its initial public offering). Realized capital gains and losses include gains and losses on investments and foreign currencies, gains and losses on extinguishment of debt and from other assets, as well as any income tax and other expenses related to net realized gains and losses. If such amount is positive at the end of such year, then the capital gains incentive fee for such year is equal to 20% of such amount, less the aggregate amount of capital gains incentive fees paid in all prior years. If such amount is negative, then there is no capital gains incentive fee for such year.

The cumulative aggregate realized capital gains are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in the Company's portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The cumulative aggregate realized capital losses are calculated as the sum of the amounts by which (a) the net sales price of each investment in the Company's portfolio when sold is less than (b) the accreted or amortized cost basis of such investment.

The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in the Company's portfolio as of the applicable

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capital gains incentive fee calculation date and (b) the accreted or amortized cost basis of such investment.

Notwithstanding the foregoing, as a result of an amendment to the capital gains incentive fee under the investment advisory and management agreement that was adopted on June 6, 2011, if the Company is required by GAAP to record an investment at its fair value as of the time of acquisition instead of at the actual amount paid for such investment by the Company (including, for example, as a result of the application of the asset acquisition method of accounting), then solely for the purposes of calculating the capital gains incentive fee, the "accreted or amortized cost basis" of an investment shall be an amount (the "Contractual Cost Basis") equal to (1) (x) the actual amount paid by the Company for such investment plus (y) any amounts recorded in the Company's financial statements as required by GAAP that are attributable to the accretion of such investment plus (z) any other adjustments made to the cost basis included in the Company's financial statements, including PIK interest or additional amounts funded (net of repayments) minus (2) any amounts recorded in the Company's financial statements as required by GAAP that are attributable to the amortization of such investment, whether such calculated Contractual Cost Basis is higher or lower than the fair value of such investment (as determined in accordance with GAAP) at the time of acquisition.

There was no capital gains incentive fee earned by the Company's investment adviser as calculated under the investment advisory and management agreement (as described above) for the three and nine months ended September 30, 2017. However, in accordance with GAAP, the Company had cumulatively accrued a capital gains incentive fee of $61 as of September 30, 2017, of which $61 is not currently due under the investment advisory and management agreement. GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the investment advisory and management agreement. This GAAP accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital depreciation included in the calculation of the capital gains incentive fee plus the aggregate cumulative unrealized capital appreciation, net of any expenses associated with cumulative unrealized capital depreciation or appreciation. If such amount is positive at the end of a period, then GAAP requires the Company to record a capital gains incentive fee equal to 20% of such cumulative amount, less the aggregate amount of actual capital gains incentive fees paid or capital gains incentive fees accrued under GAAP in all prior periods. As of September 30, 2017, the Company has paid capital gains incentive fees since inception totaling $57. The resulting accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. There can be no assurance that such unrealized capital appreciation will be realized in the future.

The Company defers cash payment of any income based fees and capital gains incentive fees otherwise earned by the Company's investment adviser if during the most recent four full calendar quarter period ending on or prior to the date such payment is to be made the sum of (a) the aggregate distributions to the Company's stockholders and (b) the change in net assets (defined as total assets less indebtedness and before taking into account any income based fees and capital gains incentive fees payable during the period) is less than 7.0% of the Company's net assets (defined as total assets less indebtedness) at the beginning of such period. Any deferred income based fees and capital gains incentive fees are carried over for payment in subsequent calculation periods to the extent such payment is payable under the investment advisory and management agreement.

For the three and nine months ended September 30, 2017, base management fees were $44 and $127, respectively, and income based fees were $25 and $77, respectively. The income based fees for the three and nine months ended September 30, 2017 were net of the Fee Waiver of $10 and $20, respectively. For the three months ended September 30, 2017, the reduction in capital gains incentive fees calculated in accordance with GAAP was $3. For the nine months ended September 30, 2017, the capital gains incentive fees calculated in accordance with GAAP was $23. For the nine months ended September 30, 2017, $11 of capital gains incentive fees calculated in accordance with GAAP was recorded in connection with the American Capital Acquisition as a result of the fair value of the net assets acquired exceeding the fair value of the merger consideration paid by the Company. See Note 14 for additional information regarding the American Capital Acquisition. For the three and nine months ended September 30, 2016, base management fees were $34 and $103, respectively, and income based fees were $33 and $91, respectively. For the three months ended September 30, 2016, the reduction in capital gains incentive fees calculated in accordance with GAAP was $6. For the nine months ended September 30, 2016, the capital gains incentive fees calculated in accordance with GAAP was $8.

The services of all investment professionals and staff of the Company's investment adviser, when and to the extent engaged in providing investment advisory and management services to the Company and routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Company's investment adviser. The Company bears all other costs and expenses of its operations and transactions, including, but not limited to, those relating to: rent for the offices in which the Company operates, including rent expenses for investment activities of the Company; organization; calculation of the Company's net asset value (including, but not limited to, the cost and expenses of any independent valuation firm); expenses incurred by the Company's investment adviser payable to third parties, including agents, consultants or other advisers, in monitoring the Company's financial and legal affairs and in monitoring the Company's investments (including the cost of consultants hired to develop information technology systems designed to monitor the Company's investments) and performing due diligence on the Company's prospective portfolio companies; interest payable on indebtedness, if any, incurred to finance the Company's investments (including payments to third party vendors for financial information services); offerings of the Company's common stock and other securities; investment advisory and management fees; administration fees; fees payable to third parties, including agents, consultants or other advisers, relating to, or associated with, evaluating and making investments regardless of whether such transactions are ultimately consummated; transfer agent and custodial fees; registration fees; listing fees; taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents with the SEC; the costs of any reports, proxy statements or other notices to stockholders, including printing costs; to the extent the Company is covered by any joint insurance policies, the Company's allocable portion of the insurance premiums for such policies; direct costs and expenses of administration, including auditor and legal costs; and all other expenses incurred by the Company or its administrator in connection with administering the Company's business as described in more detail under "Administration Agreement" below.

Administration Agreement

The Company is party to an administration agreement, referred to herein as the "administration agreement", with its administrator, Ares Operations. Pursuant to the administration agreement, Ares Operations furnishes the Company with office equipment and clerical, bookkeeping and record keeping services at the Company's office facilities. Under the administration agreement, Ares Operations also performs, or oversees the performance of, the Company's required administrative services, which include, among other things, providing assistance in accounting, legal, compliance, operations, technology and investor relations, being responsible for the financial records that the Company is required to maintain and preparing reports to its stockholders and reports filed with the Securities and Exchange Commission (the "SEC"). In addition, Ares Operations assists the Company in determining and publishing its net asset value, assists the Company in providing managerial assistance to its portfolio companies, oversees the preparation and filing of the Company's tax returns and the printing and dissemination of reports to its stockholders, and generally oversees the payment of

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its expenses and the performance of administrative and professional services rendered to the Company by others. Payments under the administration agreement are equal to an amount based upon its allocable portion of Ares Operations' overhead and other expenses (including travel expenses) incurred by Ares Operations in performing its obligations under the administration agreement, including the Company's allocable portion of the compensation, rent and other expenses of certain of its officers (including the Company's chief compliance officer, chief financial officer, chief accounting officer, general counsel, treasurer and assistant treasurer) and their respective staffs. The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

For the three and nine months ended September 30, 2017, the Company incurred $3 and $9, respectively, in administrative fees. In addition, for the three and nine months ended September 30, 2017, the Company incurred an additional $1 and $6, respectively, in administrative fees related to the integration of the American Capital Acquisition. These acquisition-related expenses are included in "professional fees and other costs related to the American Capital Acquisition" in the consolidated statement of operations. As of September 30, 2017, a total of $4 in administrative fees were unpaid and included in "accounts payable and other liabilities" in the accompanying consolidated balance sheet. For the three and nine months ended September 30, 2016, the Company incurred $3 and $10, respectively, in administrative fees.

4. INVESTMENTS

As of September 30, 2017 and December 31, 2016, investments consisted of the following:

	As of			
	September 30, 2017		December 31, 2016	
	Amortized Cost(1)	Fair Value	Amortized Cost(1)	Fair Value
First lien senior secured loans	$ 4,797	$ 4,657	$ 2,102	$ 2,036
Second lien senior secured loans	4,198	4,082	3,069	2,987
Subordinated certificates of the SDLP(2)	437	437	270	270
Subordinated certificates of the SSLP(3)			1,938	1,914
Senior subordinated loans	895	922	692	714
Collateralized loan obligations	161	158		
Preferred equity securities	628	435	505	273
Other equity securities	624	765	458	626
Total	$ 11,740	$ 11,456	$ 9,034	$ 8,820

(1) The amortized cost represents the original cost adjusted for the accretion of discounts and amortization of premiums, if any.

(2) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans to 18 and 14 different borrowers as of September 30, 2017 and December 31, 2016, respectively.

(3) The proceeds from these certificates were applied to co-investments with GE to fund first lien senior secured loans to 19 different borrowers as of December 31, 2016.

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The industrial and geographic compositions of the Company's portfolio at fair value as of September 30, 2017 and December 31, 2016 were as follows:

	As of September 30, 2017	As of December 31, 2016
Industry		
Healthcare Services	20.8%	14.3%
Business Services	18.9	9.8
Consumer Products	7.4	7.2
Investment Funds and Vehicles(1)	6.0	25.2
Other Services	6.0	8.9
Manufacturing	5.5	3.8
Food and Beverage	4.3	2.2
Financial Services	4.3	4.2
Education	3.8	2.0
Power Generation	3.7	6.4
Automotive Services	3.3	1.9
Restaurants and Food Services	3.2	4.5
Wholesale Distribution	2.6	
Containers and Packaging	2.2	2.8
Oil and Gas	1.9	1.0
Other	6.1	5.8
Total	100.0%	100.0%

(1) Includes the Company's investment in the SDLP, which had made first lien senior secured loans to 18 and 14 different borrowers as of September 30, 2017 and December 31, 2016, respectively, and the Company's investment in the SSLP, which had made first lien senior secured loans to 19 different borrowers as of December 31, 2016. The portfolio companies in the SDLP are in industries similar to the companies in the Company's portfolio. The portfolio companies in the SSLP were in industries similar to the companies in the Company's portfolio.

	As of September 30, 2017	As of December 31, 2016
Geographic Region		
Midwest	28.1%	19.7%
Southeast	27.3	19.5
West(1)	21.1	41.5
Mid Atlantic	15.8	14.7
Northeast	3.9	3.6
International	3.8	1.0
Total	100.0%	100.0%

(1) Includes the Company's investment in the SDLP, which represented 3.8% and 3.1% of the total investment portfolio at fair value as of September 30, 2017 and December 31, 2016, respectively, and the Company's investment in the SSLP, which represented 21.7% of

the total investment portfolio at fair value as of December 31, 2016.

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As of September 30, 2017, 3.4% of total investments at amortized cost (or 0.9% of total investments at fair value) were on non-accrual status. As of December 31, 2016, 2.9% of total investments at amortized cost (or 0.8% of total investments at fair value) were on non-accrual status.

Co-Investment Programs

Senior Direct Lending Program

The Company has established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. (NYSE:AIG) and other partners. The joint venture is called the SDLP. In July 2016, the Company and Varagon and its clients completed the initial funding of the SDLP. In conjunction with the initial funding, we and Varagon and its clients sold investment commitments to the SDLP. Such investment commitments included $529 of investment commitments sold to the SDLP by the Company. No realized gains or losses were recorded by the Company on these transactions. The SDLP may generally commit and hold individual loans of up to $300. The Company and other accounts managed by the Company's investment adviser and its affiliates may directly co-invest with the SDLP to accommodate larger transactions. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of the Company and Varagon (with approval from a representative of each required).

The Company provides capital to the SDLP in the form of subordinated certificates (the "SDLP Certificates"), and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of September 30, 2017 and December 31, 2016, the Company and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates.

As of September 30, 2017 and December 31, 2016, the Company and Varagon and its clients had agreed to make capital available to the SDLP of $2,925 in the aggregate, of which $591 is to be made available from the Company. This capital will only be committed to the SDLP upon approval of transactions by the investment committee of the SDLP as discussed above. Below is a summary of the funded capital and unfunded capital commitments of the SDLP.

	As of	
	September 30, 2017	December 31, 2016
Total capital funded to the SDLP(1)	$ 2,083	$ 1,285
Total capital funded to the SDLP by the Company(1)	$ 437	$ 270
Total unfunded capital commitments to the SDLP(2)	$ 156	$ 177
Total unfunded capital commitments to the SDLP by the Company(2)	$ 33	$ 37

(1) At principal amount.

(2) These commitments have been approved by the investment committee of the SDLP and will be funded as the transactions are completed.

The SDLP Certificates pay a coupon of LIBOR plus 8.0% and also entitle the holders thereof to receive a portion of the excess cash flow from the loan portfolio, after expenses, which may result in a return to the holders of the SDLP Certificates that is greater than the stated coupon. The SDLP Certificates are junior in right of payment to the senior notes and intermediate funding notes.

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The amortized cost and fair value of the SDLP Certificates held by the Company were $437 and $437, respectively, as of September 30, 2017. The Company's yield on its investment in the SDLP at amortized cost and fair value was 14.0% and 14.0%, respectively, as of September 30, 2017. The amortized cost and fair value of the SDLP Certificates held by the Company were $270 and $270, respectively, as of December 31, 2016. The Company's yield on its investment in the SDLP at amortized cost and fair value was 14.0% and 14.0%, respectively, as of December 31, 2016. For the three and nine months ended September 30, 2017, the Company earned interest income of $15 and $36, respectively, from its investment in the SDLP Certificates. For the three and nine months ended September 30, 2016, the Company earned interest income of $5 for each period from its investment in the SDLP Certificates. The Company is also entitled to certain fees in connection with the SDLP. For the three and nine months ended September 30, 2017, in connection with the SDLP, the Company earned capital structuring service and other fees totaling $4 and $10, respectively. For the three and nine months ended September 30, 2016, in connection with the SDLP, the Company earned capital structuring service and other fees totaling $1 for each period.

As of September 30, 2017 and December 31, 2016, the SDLP's portfolio was comprised entirely of first lien senior secured loans to U.S. middle-market companies and were in industries similar to the companies in the Company's portfolio. As of September 30, 2017 and December 31, 2016, none of the loans were on non-accrual status. Below is a summary of the SDLP's portfolio.

	As of	
	September 30, 2017	**December 31, 2016**
Total first lien senior secured loans(1)	$ 2,080	$ 1,281
Largest loan to a single borrower(1)	$ 200	$ 125
Total of five largest loans to borrowers(1)	$ 886	$ 560
Number of borrowers in the SDLP	18	14
Commitments to fund delayed draw loans(2)	$ 156	$ 177

(1) At principal amount.

(2) As discussed above, these commitments have been approved by the investment committee of the SDLP.

Senior Secured Loan Program

The Company and GE had previously co-invested in first lien senior secured loans of middle market companies through the SSLP. The SSLP was capitalized as transactions were completed. All portfolio decisions and generally all other decisions in respect of the SSLP were approved by an investment committee of the SSLP consisting of representatives of the Company and GE (with approval from a representative of each required). The Company provided capital to the SSLP in the form of subordinated certificates (the "SSLP Certificates"). GE provided capital to the SSLP in the form of senior notes and the SSLP Certificates.

As of June 30, 2017, the Company's investment in the SSLP Certificates at amortized cost and fair value was $1.9 billion and $1.9 billion, respectively. As of June 30, 2017, the SSLP had $1.2 billion in cash and GE's senior notes outstanding totaled $601. In July 2017, the SSLP made its monthly waterfall distribution from this cash, which fully repaid the senior notes of the SSLP with the remaining amounts distributed to the holders of the SSLP Certificates. From this distribution, the Company received $474 in respect of the Company's SSLP Certificates. After this distribution, the Company's amortized cost in its SSLP Certificates was $1.5 billion.

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In addition, in July 2017, the Company and GE agreed to an effective termination of the SSLP whereby on July 26, 2017, the Company purchased the remaining $1.6 billion in aggregate principal amount of first lien senior secured loans outstanding at par plus accrued and unpaid interest and fees from the SSLP (the "SSLP Loan Sale") and assumed the SSLP's remaining unfunded loan commitments totaling $50. Upon completion of the SSLP Loan Sale, the SSLP made a liquidation distribution to the holders of the SSLP Certificates (the "SSLP Liquidation Distribution"), of which the Company received $1.5 billion. In connection with the SSLP Liquidation Distribution, the Company recognized an $18 realized loss. After completion of the transactions above, the operations of the SSLP were effectively terminated pursuant to the terms of the documents governing the SSLP and the SSLP no longer has an obligation to fund existing commitments and other amounts in respect of its former portfolio companies.

Below is a summary of the funded capital and unfunded capital commitments of the SSLP as of December 31, 2016.

Total capital funded to the SSLP(1)	$	3,819
Total capital funded to the SSLP by the Company(1)	$	2,004
Total unfunded capital commitments to the SSLP(2)	$	50
Total unfunded capital commitments to the SSLP by the Company(2)	$	7

(1) At principal amount.

(2) These commitments were approved by the investment committee of the SSLP.

As of December 31, 2016, the amortized cost and fair value of the SSLP Certificates held by the Company were $1,938 and $1,914, respectively. The Company's yield on its investment in the SSLP at amortized cost and fair value was 7.0% and 7.1%, respectively, as of December 31, 2016. For the three and nine months ended September 30, 2017, the Company earned interest income of $6 and $69, respectively, from its investment in the SSLP Certificates. The Company was also entitled to certain fees in connection with the SSLP. For the three and nine months ended September 30, 2017, in connection with the SSLP, the Company earned capital structuring service, sourcing and other fees totaling $1 and $5, respectively. For the three and nine months ended September 30, 2016, the Company earned interest income of $50 and $166, respectively, from its investment in the SSLP Certificates. For the three and nine months ended September 30, 2016, in connection with the SSLP, the Company earned capital structuring service, sourcing and other fees totaling $5 and $16, respectively.

In June 2017, the Company purchased the SSLP's entire $259 aggregate principal amount of first lien senior secured loan investments in Implus Footcare, LLC ("Implus") at fair value of $259. As a result of the transaction, the SSLP fully exited its investment in Implus.

As of December 31, 2016, the SSLP's portfolio was comprised of all first lien senior secured loans to U.S. middle-market companies and were in industries similar to the companies in the Company's portfolio. As of December 31, 2016, none of these loans were on non-accrual status. Below is a summary of the SSLP's portfolio as of December 31, 2016.

Total first lien senior secured loans(1)	$	3,360
Largest loan to a single borrower(1)	$	260
Total of five largest loans to borrowers(1)	$	1,257
Number of borrowers in the SSLP		19
Commitments to fund delayed draw loans(2)	$	50

(1) At principal amount.

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(2) As discussed above, these commitments were approved by the investment committee of the SSLP.

Ivy Hill Asset Management, L.P.

Ivy Hill Asset Management, L.P. ("IHAM") is an asset management services company and an SEC-registered investment adviser. The Company has made investments in IHAM, its wholly owned portfolio company, and previously made investments in certain vehicles managed by IHAM. As of September 30, 2017, IHAM had assets under management of approximately $4.2 billion. As of September 30, 2017, IHAM managed 22 vehicles and served as the sub-manager/sub-servicer for two other vehicles (these vehicles managed or sub-managed/sub-serviced by IHAM are collectively referred to as the "IHAM Vehicles"). IHAM earns fee income from managing the IHAM Vehicles and has also invested in certain of these vehicles as part of its business strategy. As of September 30, 2017 and December 31, 2016, IHAM had total investments of $201 and $223, respectively. For the three and nine months ended September 30, 2017, IHAM had management and incentive fee income of $6 and $21, respectively, and other investment-related income of $6 and $19, respectively. For the three and nine months ended September 30, 2016, IHAM had management and incentive fee income of $4 and $13, respectively, and other investment-related income of $6 and $17, respectively.

In connection with the American Capital Acquisition, which was completed on January 3, 2017 (the "Acquisition Date"), American Capital Asset Management, LLC ("ACAM"), a wholly owned portfolio company of American Capital, merged with and into IHAM, with IHAM remaining as the surviving entity as a wholly owned portfolio company of the Company. As a result of the merger of IHAM and ACAM, the Company's investment in IHAM increased by $179, which was recorded as a capital contribution in the amount of the fair value of the net assets of ACAM as of the Acquisition Date. In January 2017, as a result of sales of certain assets previously held by ACAM, IHAM made a distribution to the Company of $103, which was recorded as a return of the Company's capital contribution discussed above. Also in connection with the American Capital Acquisition, the Company assumed a $7 bridge loan receivable from a consolidated subsidiary of ACAM. Such receivable amount was repaid by IHAM in January 2017. See Note 14 for additional information regarding the American Capital Acquisition. In March 2017, the Company made an additional capital contribution of $50 to IHAM, which was unrelated to the American Capital Acquisition. In June 2017, IHAM made a distribution to the Company of $52, which was recorded as a return of the Company's capital.

The amortized cost and fair value of the Company's investment in IHAM was $244 and $296, respectively, as of September 30, 2017, and $171 and $229, respectively, as of December 31, 2016. For the three and nine months ended September 30, 2017, the Company received dividend income distributions from IHAM of $10 and $30, respectively. For the three and nine months ended September 30, 2016, the Company received dividend income distributions from IHAM of $10 and $30, respectively.

From time to time, IHAM or certain IHAM Vehicles may purchase investments from, or sell investments to, the Company. For any such sales or purchases by the IHAM Vehicles to or from the Company, the IHAM Vehicles must obtain approval from third parties unaffiliated with the Company or IHAM, as applicable. During the nine months ended September 30, 2017 and 2016, IHAM or certain of the IHAM Vehicles purchased $91 and $305, respectively, of investments from the Company. Net realized gains from these sales of $0 and $1 were recorded by the Company for the nine months ended September 30, 2017 and 2016, respectively.

IHAM is party to an administration agreement, referred to herein as the "IHAM administration agreement," with Ares Operations. Pursuant to the IHAM administration agreement, Ares Operations provides IHAM with, among other things, office facilities, equipment, clerical, bookkeeping and record keeping services, services relating to the marketing and sale of interests in

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vehicles managed by IHAM, services of, and oversight of, custodians, depositories, accountants, attorneys, underwriters and such other persons in any other capacity deemed to be necessary. Under the IHAM administration agreement, IHAM reimburses Ares Operations for all of the actual costs associated with such services, including Ares Operations' allocable portion of the compensation, rent and other expenses of its officers, employees and respective staff in performing its obligations under the IHAM administration agreement.

5. DEBT

In accordance with the Investment Company Act, with certain limited exceptions, the Company is only allowed to borrow amounts such that its asset coverage, calculated pursuant to the Investment Company Act, is at least 200% after such borrowing. On June 21, 2016, the Company, Ares Capital Management, Ares Venture Finance GP LLC, and Ares Venture Finance, L.P. ("AVF LP") received exemptive relief from the SEC allowing the Company to modify the Company's calculation of asset coverage requirements to exclude the SBA Debentures (defined below). As such, the Company's ratio of total consolidated assets to outstanding indebtedness may be less than 200%. This exemptive relief provides the Company with increased investment flexibility but also increases the Company's risk related to leverage. As of September 30, 2017 the Company's asset coverage was 247% (excluding the SBA Debentures).

The Company's outstanding debt as of September 30, 2017 and December 31, 2016 was as follows:

	As of					
	September 30, 2017			December 31, 2016		
	Total Aggregate Principal Amount Committed/ Outstanding(1)	Principal Amount Outstanding	Carrying Value	Total Aggregate Principal Amount Committed/ Outstanding(1)	Principal Amount Outstanding	Carrying Value
Revolving Credit Facility	$ 2,108(2)	$ 395	$ 395	$ 1,265	$ 571	$ 571
Revolving Funding Facility	1,000	450	450	540	155	155
SMBC Funding Facility	400			400	105	105
SBA Debentures	50			75	25	24
2017 Convertible Notes			(3)	162	162	162(4)
2018 Convertible Notes	270	270	269(4)	270	270	267(4)
2019 Convertible Notes	300	300	298(4)	300	300	296(4)
2022 Convertible Notes	388	388	367(4)			
2018 Notes	750	750	747(5)	750	750	745(5)
2020 Notes	600	600	597(6)	600	600	596(6)
January 2022 Notes	600	600	593(7)	600	600	592(7)
October 2022 Notes			(8)	183	183	179(9)
2023 Notes	750	750	742(10)			
2047 Notes	230	230	182(11)	230	230	182(11)
Total	$ 7,446	$ 4,733	$ 4,640	$ 5,375	$ 3,951	$ 3,874

(1) Subject to borrowing base, leverage and other restrictions. Represents the total aggregate amount committed or outstanding, as applicable, under such instrument.

(2)

Provides for a feature that allows the Company, under certain circumstances, to increase the size of the Revolving Credit Facility (as defined below) to a maximum of $3,095.

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(3) See below for more information on the repayment of the 2017 Convertible Notes (as defined below) at maturity.

(4) Represents the aggregate principal amount outstanding of the Convertible Unsecured Notes (as defined below). As of September 30, 2017, the total unamortized debt issuance costs and the unaccreted discount for the 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes (each as defined below) were $1, $2 and $21, respectively. As of December 31, 2016, the total unamortized debt issuance costs and the unaccreted discount for the 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes (each as defined below) were $0, $3 and $4, respectively.

(5) Represents the aggregate principal amount outstanding of the 2018 Notes (as defined below) less unamortized debt issuance costs and plus the net unamortized premium that was recorded upon the issuances of the 2018 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs less the net unamortized premium was $3 and $5, respectively.

(6) Represents the aggregate principal amount outstanding of the 2020 Notes (as defined below) less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of the 2020 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs and the net unaccreted discount was $3 and $4, respectively.

(7) Represents the aggregate principal amount outstanding of the January 2022 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the January 2022 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs and the unaccreted discount was $7 and $8, respectively.

(8) See below for more information on the repayment of the October 2022 Notes (as defined below).

(9) Represents the aggregate principal amount outstanding of the October 2022 Notes (as defined below) less unamortized debt issuance costs. As of December 31, 2016, the total unamortized debt issuance costs was $4.

(10) Represents the aggregate principal amount outstanding of the 2023 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the 2023 Notes. As of September 30, 2017, the total unamortized debt issuance costs and the unaccreted discount was $8.

(11) Represents the aggregate principal amount outstanding of the 2047 Notes (as defined below) less the unaccreted purchased discount recorded as a part of the Allied Acquisition (as defined below). As of September 30, 2017 and December 31, 2016, the total unaccreted purchased discount was $48 and $48, respectively.

The weighted average stated interest rate and weighted average maturity, both on aggregate principal amount outstanding, of all the Company's outstanding debt as of September 30, 2017 were 4.1% and 4.5 years, respectively, and as of December 31, 2016 were 4.2% and 4.8 years, respectively.

Revolving Credit Facility

The Company is party to a senior secured revolving credit facility (as amended and restated, the "Revolving Credit Facility"), which allows the Company to borrow up to $2,108 at any one time outstanding. The Revolving Credit Facility consists of a $395 term loan tranche with a stated maturity date of January 4, 2022 and a $1,713 revolving tranche. For $1,630 of the revolving tranche, the end of the revolving period and the stated maturity date are January 4, 2021 and January 4, 2022, respectively. For $38 of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2020 and May 4, 2021, respectively. For the remaining $45 of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2019 and May 4, 2020, respectively. The

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Revolving Credit Facility also provides for a feature that allows the Company, under certain circumstances, to increase the overall size of the Revolving Credit Facility to a maximum of $3,095. The Revolving Credit Facility generally requires payments of interest at the end of each LIBOR interest period, but no less frequently than quarterly, on LIBOR based loans, and monthly payments of interest on other loans. From the end of the revolving period to the stated maturity date as applicable for each revolving tranche, the Company is required to repay outstanding principal amounts under such revolving tranche on a monthly basis in an amount equal to 1/12th of the outstanding principal amount at the end of the revolving period.

Under the Revolving Credit Facility, the Company is required to comply with various covenants, reporting requirements and other customary requirements for similar revolving credit facilities, including, without limitation, covenants related to: (a) limitations on the incurrence of additional indebtedness and liens, (b) limitations on certain investments, (c) limitations on certain restricted payments, (d) maintaining a certain minimum stockholders' equity, (e) maintaining a ratio of total assets (less total liabilities other than indebtedness) to total indebtedness of the Company and its consolidated subsidiaries (subject to certain exceptions) of not less than 2.0:1.0, (f) limitations on pledging certain unencumbered assets, and (g) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Company and certain of its subsidiaries. These covenants are subject to important limitations and exceptions that are described in the documents governing the Revolving Credit Facility. Amounts available to borrow under the Revolving Credit Facility (and the incurrence of certain other permitted debt) are also subject to compliance with a borrowing base that applies different advance rates to different types of assets in the Company's portfolio that are pledged as collateral. As of September 30, 2017, the Company was in compliance in all material respects with the terms of the Revolving Credit Facility.

As of September 30, 2017 and December 31, 2016, there were $395 and $571 outstanding, respectively, under the Revolving Credit Facility. As of September 30, 2017, the Revolving Credit Facility also provides for a sub-limit for the issuance of letters of credit for up to an aggregate amount of $150. As of September 30, 2017 and December 31, 2016, the Company had $38 and $28, respectively, in letters of credit issued through the Revolving Credit Facility. The amount available for borrowing under the Revolving Credit Facility is reduced by any letters of credit issued. As of September 30, 2017, there was $1,675 available for borrowing (net of letters of credit issued) under the Revolving Credit Facility.

The interest rate charged on the Revolving Credit Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility), in each case, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of September 30, 2017, the interest rate in effect was LIBOR plus 1.75%. As of September 30, 2017, the one, two, three and six month LIBOR was 1.23%, 1.27%, 1.33% and 1.51%, respectively. As of December 31, 2016, the one, two, three and six month LIBOR was 0.77%, 0.82%, 1.00% and 1.32%, respectively. In addition to the stated interest expense on the Revolving Credit Facility, the Company is required to pay a commitment fee of 0.375% per annum on any unused portion of the Revolving Credit Facility. The Company is also required to pay a letter of credit fee of either 2.00% or 2.25% per annum on letters of credit issued, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility.

The Revolving Credit Facility is secured by certain assets in the Company's portfolio and excludes investments held by Ares Capital CP under the Revolving Funding Facility, those held by ACJB under the SMBC Funding Facility (as defined below) and those held by AVF LP under the SBA Debentures, each as described below, and certain other investments.

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For the three and nine months ended September 30, 2017 and 2016, the components of interest and credit facility fees expense, cash paid for interest expense, average stated interest rates (i.e., rate in effect plus the spread) and average outstanding balances for the Revolving Credit Facility were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Stated interest expense	$ 3	$ 5	$ 12	$ 15
Facility fees	2		5	1
Amortization of debt issuance costs	1	1	3	2
Total interest and credit facility fees expense	$ 6	$ 6	$ 20	$ 18
Cash paid for interest expense	$ 4	$ 6	$ 12	$ 15
Average stated interest rate	3.08%	2.27%	2.83%	2.23%
Average outstanding balance	$ 454	$ 877	$ 551	$ 897

Revolving Funding Facility

The Company's consolidated subsidiary, Ares Capital CP Funding LLC ("Ares Capital CP"), is party to a revolving funding facility (as amended, the "Revolving Funding Facility"), which allows Ares Capital CP to borrow up to $1,000 at any one time outstanding. The Revolving Funding Facility is secured by all of the assets held by, and the membership interest in, Ares Capital CP. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are January 3, 2019 and January 3, 2022, respectively.

Amounts available to borrow under the Revolving Funding Facility are subject to a borrowing base that applies different advance rates to different types of assets held by Ares Capital CP. Ares Capital CP is also subject to limitations with respect to the loans securing the Revolving Funding Facility, including restrictions on sector concentrations, loan size, payment frequency and status, collateral interests, loans with fixed rates and loans with certain investment ratings, as well as restrictions on portfolio company leverage, which may also affect the borrowing base and therefore amounts available to borrow. The Company and Ares Capital CP are also required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. These covenants are subject to important limitations and exceptions that are described in the agreements governing the Revolving Funding Facility. As of September 30, 2017, the Company and Ares Capital CP were in compliance in all material respects with the terms of the Revolving Funding Facility.

As of September 30, 2017 and December 31, 2016, there was $450 and $155 outstanding, respectively, under the Revolving Funding Facility. Since January 3, 2017 and as of September 30, 2017, the interest rate charged on the Revolving Funding Facility was based on LIBOR plus 2.30% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.30% per annum. Prior to and including January 3, 2017, the interest rate charged on the Revolving Funding Facility was based on an applicable spread ranging from 2.25% to 2.50% over LIBOR or ranging from 1.25% to 1.50% over a "base rate" (as defined in the agreements governing the Revolving Funding Facility) in each case, determined monthly based on the composition of the borrowing base relative to outstanding borrowings under the Revolving Funding Facility. See Note 16 for a subsequent event related to the Revolving Funding Facility. Ares Capital CP is required to pay a commitment fee between 0.50% and 1.50% per annum depending on the size of the unused portion of the Revolving Funding Facility. Ares Capital CP is also required to pay a commitment termination premium in an amount equal to 1.00% of any commitment reduction prior to January 3, 2018 and 0.50% for any commitment reduction prior to July 3, 2018.

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For the three and nine months ended September 30, 2017 and 2016, the components of interest and credit facility fees expense, cash paid for interest expense, average stated interest rates (i.e., rate in effect plus the spread) and average outstanding balances for the Revolving Funding Facility were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Stated interest expense	$ 4	$ 1	$ 13	$ 3
Facility fees	1	1	2	2
Amortization of debt issuance costs	1	1	3	2
Total interest and credit facility fees expense	$ 6	$ 3	$ 18	$ 7
Cash paid for interest expense	$ 5	$ 1	$ 10	$ 3
Average stated interest rate	3.61%	2.76%	3.36%	2.71%
Average outstanding balance	$ 405	$ 130	$ 514	$ 136

SMBC Funding Facility

The Company's consolidated subsidiary, Ares Capital JB Funding LLC ("ACJB"), is party to a revolving funding facility (as amended, the "SMBC Funding Facility") with ACJB, as the borrower, and Sumitomo Mitsui Banking Corporation ("SMBC"), as the administrative agent, collateral agent, and lender, that allows ACJB to borrow up to $400 at any one time outstanding. The SMBC Funding Facility is secured by all of the assets held by ACJB. The end of the reinvestment period and the stated maturity date for the SMBC Funding Facility are September 14, 2018 and September 14, 2023, respectively. The reinvestment period and the stated maturity date are both subject to two one-year extensions by mutual agreement.

Amounts available to borrow under the SMBC Funding Facility are subject to a borrowing base that applies an advance rate to assets held by ACJB. The Company and ACJB are also required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. These covenants are subject to important limitations and exceptions that are described in the documents governing the SMBC Funding Facility. As of September 30, 2017, the Company and ACJB were in compliance in all material respects with the terms of the SMBC Funding Facility.

As of September 30, 2017, there were no amounts outstanding under the SMBC Funding Facility. As of December 31, 2016, there was $105 outstanding under the SMBC Funding Facility. The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of September 30, 2017, the interest rate in effect was LIBOR plus 1.75%. As of December 31, 2016, the interest rate in effect was based on the one month LIBOR, which was 0.71%. ACJB is required to pay a commitment fee of between 0.35% and 0.875% per annum depending on the size of the unused portion of the SMBC Funding Facility.

For the three and nine months ended September 30, 2017 and 2016, the components of interest and credit facility fees expense, cash paid for interest expense, average stated interest rates

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(i.e., rate in effect plus the spread) and average outstanding balances for the SMBC Funding Facility were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Stated interest expense	$ 1	$ 1	$ 2	$ 2
Facility fees			1	1
Amortization of debt issuance costs			1	1
Total interest and credit facility fees expense	$ 1	$ 1	$ 4	$ 4
Cash paid for interest expense	$ 1	$ 1	$ 2	$ 2
Average stated interest rate	3.25%	2.24%	3.57%	2.20%
Average outstanding balance	$ 44	$ 110	$ 105	$ 116

SBA Debentures

In April 2015, the Company's consolidated subsidiary, AVF LP, received a license from the Small Business Administration ("SBA") to operate as a Small Business Investment Company ("SBIC") under the provisions of Section 301(c) of the Small Business Investment Act of 1958, as amended. The SBA places certain limitations on the financing of investments by SBICs in portfolio companies, including regulating the types of financings, restricting investments to only include small businesses with certain characteristics or in certain industries, and requiring capitalization thresholds that may limit distributions to the Company.

The license from the SBA allows AVF LP to obtain leverage by issuing SBA-guaranteed debentures (the "SBA Debentures"), subject to issuance of a capital commitment by the SBA and other customary procedures. Leverage through the SBA Debentures is subject to required capitalization thresholds. Current SBA regulations limit the amount that any SBIC may borrow to $150 and the original amount committed to AVF LP by the SBA was $75. Any undrawn commitments expire on September 30, 2019. The SBA Debentures are non-recourse to the Company, have interest payable semi-annually, have a 10-year maturity and may be prepaid at any time without penalty. In September 2017, AVF LP fully repaid the $25 of the aggregate principal amount of the SBA Debentures outstanding at the time, and as a result had $50 of remaining commitments to AVF LP by the SBA.

The interest rate for the SBA Debentures was fixed at the time the SBA Debentures and other applicable SBA-guaranteed debentures were pooled and sold to the public and were based on a spread over U.S. treasury notes with 10-year maturities. The pooling of newly issued SBA-guaranteed debentures occurred twice per year. The spread included an annual charge as determined by the SBA (the "Annual Charge") as well as a market-driven component. Prior to the 10-year fixed interest rate being determined, the interim interest rate charged for the SBA-guarantee debentures was based on LIBOR plus an applicable spread of 0.30% and the Annual Charge. As of December 31, 2016, the weighted average fixed interest rate in effect for the SBA Debentures was 3.48%.

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For the three and nine months ended September 30, 2017 and 2016, the components of interest expense, cash paid for interest expense, average stated interest rate and average outstanding balances for the SBA Debentures were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Stated interest expense	$	$	$ 1	$ 1
Amortization of debt issuance costs				
Total interest and credit facility fees expense	$	$	$ 1	$ 1
Cash paid for interest expense	$	$	$ 1	$ 1
Average stated interest rate	3.48%	3.48%	3.48%	3.39%
Average outstanding balance	$ 17	$ 25	$ 22	$ 24

Convertible Unsecured Notes

The Company has issued $270 aggregate principal amount of unsecured convertible notes that mature on January 15, 2018 (the "2018 Convertible Notes"), $300 aggregate principal amount of unsecured convertible notes that mature on January 15, 2019 (the "2019 Convertible Notes") and $388 aggregate principal amount of unsecured convertible notes that mature on February 1, 2022 (the "2022 Convertible Notes" and together with the 2018 Convertible Notes and the 2019 Convertible Notes, the "Convertible Unsecured Notes"). The Convertible Unsecured Notes mature upon their respective maturity dates unless previously converted or repurchased in accordance with their terms. The Company does not have the right to redeem the Convertible Unsecured Notes prior to maturity. The 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes bear interest at a rate of 4.750%, 4.375% and 3.75%, respectively, per year, payable semi-annually.

In certain circumstances, the Convertible Unsecured Notes will be convertible into cash, shares of the Company's common stock or a combination of cash and shares of its common stock, at the Company's election, at their respective conversion rates (listed below as of September 30, 2017) subject to customary anti-dilution adjustments and the requirements of their respective indenture (the "Convertible Unsecured Notes Indentures"). To the extent the 2018 Convertible Notes are converted, the Company has elected to settle with a combination of cash and shares of our common stock. Prior to the close of business on the business day immediately preceding their respective conversion date (listed below), holders may convert their Convertible Unsecured Notes only under certain circumstances set forth in the Convertible Unsecured Notes Indentures. On or after their respective conversion dates until the close of business on the scheduled trading day immediately preceding their respective maturity date, holders may convert their Convertible Unsecured Notes at any time. In addition, if the Company engages in certain corporate events as described in their respective Convertible Unsecured Notes Indenture, holders of the Convertible Unsecured Notes may require the Company to repurchase for cash all or part of the Convertible Unsecured Notes at a repurchase price equal to 100% of the principal amount of the Convertible Unsecured Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the required repurchase date.

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Certain key terms related to the convertible features for each of the Convertible Unsecured Notes as of September 30, 2017 are listed below.

	2018 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Conversion premium	17.5%	15.0%	15.0%
Closing stock price at issuance	$16.91	$17.53	$16.86
Closing stock price date	October 3, 2012	July 15, 2013	January 23, 2017
Conversion price(1)	$19.64	$19.99	$19.39
Conversion rate (shares per one thousand dollar principal amount)(1)	50.9054	50.0292	51.5756
Conversion dates	July 15, 2017	July 15, 2018	August 1, 2021

(1) Represents conversion price and conversion rate, as applicable, as of September 30, 2017, taking into account certain de minimis adjustments that will be made on the conversion date.

As of September 30, 2017, the principal amounts of each series of the Convertible Unsecured Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company's common stock.

The Convertible Unsecured Notes Indentures contain certain covenants, including covenants requiring the Company to comply with Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act and to provide financial information to the holders of the Convertible Unsecured Notes under certain circumstances. These covenants are subject to important limitations and exceptions that are described in the Convertible Unsecured Notes Indentures. As of September 30, 2017, the Company was in compliance in all material respects with the terms of the Convertible Unsecured Notes Indentures.

The Convertible Unsecured Notes are accounted for in accordance with ASC 470-20. Upon conversion of any of the other Convertible Unsecured Notes, the Company intends to pay the outstanding principal amount in cash and to the extent that the conversion value exceeds the principal amount, the Company has the option to pay in cash or shares of the Company's common stock (or a combination of cash and shares) in respect of the excess amount, subject to the requirements of the Convertible Unsecured Notes Indentures. The Company has determined that the embedded conversion options in the Convertible Unsecured Notes are not required to be separately accounted for as a derivative under GAAP. In accounting for the Convertible Unsecured Notes, the Company estimated at the time of issuance separate debt and equity components for each of the Convertible Unsecured Notes. An original issue discount equal to the equity components of the Convertible Unsecured Notes was recorded in "capital in excess of par value" in the accompanying consolidated balance sheet. Additionally, the issuance costs associated with the Convertible Unsecured Notes were allocated to the debt and equity components in proportion to the allocation of the proceeds and accounted for as debt issuance costs and equity issuance costs, respectively.

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The debt and equity component percentages, the issuance costs and the equity component amounts for each of the Convertible Unsecured Notes are listed below.

	2018 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Debt and equity component percentages, respectively(1)	98.0% and 2.0%	99.8% and 0.2%	96.0% and 4.0%
Debt issuance costs(1)	$ 6	$ 4	$ 9
Equity issuance costs(1)	$	$	$
Equity component, net of issuance costs(2)	$ 5	$ 1	$ 15

(1) At time of issuance.

(2) At time of issuance and as of September 30, 2017.

In addition to the original issue discount equal to the equity components of the Convertible Unsecured Notes, the 2018 Convertible Notes and the 2019 Convertible Notes were each issued at a discount. The Company records interest expense comprised of both stated interest expense as well as accretion of any original issue discount.

As of September 30, 2017, the components of the carrying value of the Convertible Unsecured Notes, the stated interest rate and the effective interest rate were as follows:

	2018 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Principal amount of debt	$ 270	$ 300	$ 388
Debt issuance costs, net of amortization		(1)	(7)
Original issue discount, net of accretion	(1)	(1)	(14)
Carrying value of debt	$ 269	$ 298	$ 367
Stated interest rate	4.750%	4.375%	3.750%
Effective interest rate(1)	5.3%	4.7%	4.5%

(1) The effective interest rate of the debt component of the Convertible Unsecured Notes is equal to the stated interest rate plus the accretion of original issue discount.

In February 2016, the Company repaid in full the $575 aggregate principal amount of unsecured convertible notes (the "February 2016 Convertible Notes") upon their maturity. In June 2016, the Company repaid in full the $230 aggregate principal amount of unsecured convertible notes (the "June 2016 Convertible Notes") upon their maturity. In March 2017, the Company repaid in full the $162 aggregate principal amount of unsecured convertible notes (the "2017 Convertible Notes") upon their maturity.

For the three and nine months ended September 30, 2017 and 2016, the components of interest expense and cash paid for interest expense for the Convertible Unsecured Notes are listed below. For the three months ended September 30, 2016, the following also includes components of interest expense and cash paid for interest expense for the June 2016 Convertible Notes. For the nine months ended September 30, 2016, the following also includes components of interest expense and cash

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paid for interest expense for the February 2016 Convertible Notes and the June 2016 Convertible Notes.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Stated interest expense	$ 10	$ 8	$ 30	$ 33
Amortization of debt issuance costs	1	1	3	3
Accretion of original issue discount	2	1	5	5
Total interest expense	$ 13	$ 10	$ 38	$ 41
Cash paid for interest expense	$ 20	$ 17	$ 37	$ 56

Unsecured Notes

2018 Notes

The Company has issued $750 in aggregate principal amount of unsecured notes that mature on November 30, 2018 (the "2018 Notes"). The 2018 Notes bear interest at a rate of 4.875% per year, payable semi-annually and all principal is due upon maturity. The 2018 Notes may be redeemed in whole or in part at any time at the Company's option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2018 Notes, and any accrued and unpaid interest. $600 in aggregate principal amount of the 2018 Notes were issued at a discount to the principal amount and $150 in aggregate principal amount of the 2018 Notes were issued at a premium to the principal amount.

2020 Notes

The Company has issued $600 in aggregate principal amount of unsecured notes that mature on January 15, 2020 (the "2020 Notes"). The 2020 Notes bear interest at a rate of 3.875% per year, payable semi-annually and all principal is due upon maturity. The 2020 Notes may be redeemed in whole or in part at any time at the Company's option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing the 2020 Notes, and any accrued and unpaid interest. $400 in aggregate principal amount of the 2020 Notes were issued at a discount to the principal amount and $200 in aggregate principal amount of the 2020 Notes were issued at a premium to the principal amount.

January 2022 Notes

The Company has issued $600 in aggregate principal amount of unsecured notes that mature on January 19, 2022 (the "January 2022 Notes"). The January 2022 Notes bear interest at a rate of 3.625% per year, payable semi-annually and all principal is due upon maturity. The January 2022 Notes may be redeemed in whole or in part at any time at the Company's option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing the January 2022 Notes, and any accrued and unpaid interest. The January 2022 Notes were issued at a discount to the principal amount.

October 2022 Notes

In June 2017, the Company redeemed the entire $183 in aggregate principal amount outstanding of the unsecured notes that were scheduled to mature on October 1, 2022 (the "October 2022 Notes") in accordance with the terms of the indenture governing the October 2022 Notes. The October 2022 Notes bore interest at a rate of 5.875% per year, payable quarterly. The October 2022

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Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately $185, which resulted in a realized loss on the extinguishment of debt of $4.

2023 Notes

The Company has issued $750 in aggregate principal amount of unsecured notes that mature on February 10, 2023 (the "2023 Notes"). The 2023 Notes bear interest at a rate of 3.500% per year, payable semi-annually and all principal is due upon maturity. The 2023 Notes may be redeemed in whole or in part at any time at the Company's option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing the 2023 Notes, and any accrued and unpaid interest. The 2023 Notes were issued at a discount to the principal amount.

2047 Notes

As part of the acquisition of Allied Capital Corporation ("Allied Capital") in April 2010 (the "Allied Acquisition"), the Company assumed $230 aggregate principal amount of unsecured notes due on April 15, 2047 (the "2047 Notes" and together with the 2018 Notes, the 2020 Notes, the January 2022 Notes, the October 2022 Notes, and the 2023 Notes, the "Unsecured Notes"). The 2047 Notes bear interest at a rate of 6.875%, payable quarterly and all principal is due upon maturity. The 2047 Notes may be redeemed in whole or in part at any time or from time to time at the Company's option, at a par redemption price of $25.00 per security plus accrued and unpaid interest. As of September 30, 2017 and December 31, 2016, the outstanding principal was $230 and $230 respectively, and the carrying value was $182 and $182, respectively. The carrying value represents the outstanding principal amount of the 2047 Notes less the unaccreted purchased discount recorded as a part of the Allied Acquisition.

For the three and nine months ended September 30, 2017 and 2016, the components of interest expense and cash paid for interest expense for the Unsecured Notes are listed below. For the nine months ended September 30, 2017 and for the three and nine months ended September 30, 2016, the following also includes components of interest expense and cash paid for interest expense for the October 2022 Notes.

	For the Three Months Ended September 30,		**For the Nine Months Ended September 30,**	
	2017	**2016**	**2017**	**2016**
Stated interest expense	$ 28	$ 22	$ 81	$ 65
Amortization of debt issuance costs	2	1	4	3
Net accretion of original issue discount				
Accretion of purchase discount				
Total interest expense	$ 30	$ 23	$ 85	$ 68
Cash paid for interest expense	$ 26	$ 19	$ 79	$ 62

The Unsecured Notes contain certain covenants, including covenants requiring the Company to comply with Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act and to provide financial information to the holders of such notes under certain circumstances. These covenants are subject to important limitations and exceptions set forth in the indentures governing such notes. As of September 30, 2017, the Company was in compliance in all material respects with the terms of the respective indentures governing each of the Unsecured Notes.

The Convertible Unsecured Notes and the Unsecured Notes are the Company's unsecured senior obligations and rank senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the Convertible Unsecured Notes and the Unsecured Notes; equal

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in right of payment to the Company's existing and future unsecured indebtedness that is not expressly subordinated; effectively junior in right of payment to any of its secured indebtedness (including existing unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

6. DERIVATIVE INSTRUMENTS

The Company enters into forward currency contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. As of September 30, 2017 and December 31, 2016, the counterparty to these forward currency contracts was Bank of Montreal. Net unrealized gains or losses on foreign currency contracts are included in "net unrealized gains (losses) from foreign currency and other transactions" and net realized gains or losses on forward currency contracts are included in "net realized gains (losses) from foreign currency transactions" in the accompanying consolidated statement of operations.

The Company had an agreement with the SDLP to sell certain of the Company's investments to the SDLP at a mutually agreed upon price on a future date (the "Forward Sale Agreement"). The value of the Forward Sale Agreement with the SDLP changed as the fair value of the identified loans changed and as additional loans were added to such agreement. In July 2016, the Company and Varagon and its clients completed the initial funding of the SDLP. In conjunction with the initial funding, the Company and Varagon and its clients sold investment commitments to the SDLP and the Forward Sale Agreement was terminated. For the three and nine months ended September 30, 2016, the unrealized gain related to this agreement was included in the "net unrealized gains (losses) from foreign currency and other transactions" in the accompanying consolidated statement of operations.

Forward currency contracts are considered undesignated derivative instruments.

Certain information related to the Company's derivative financial instruments is presented below as of September 30, 2017 and December 31, 2016.

			As of September 30, 2017			
Description	**Notional Amount**	**Maturity Date**	**Gross Amount of Recognized Assets**	**Gross Amount of Recognized Liabilities**	**Amount Offset in the Balance Sheet**	**Balance Sheet Location of Net Amounts**
Foreign currency forward contract	€2	10/5/2017	$ 2	$ (2)	$	Accounts payable and other liabilities
Foreign currency forward contract	€15	10/16/2017	17	(18)	(1)	Accounts payable and other liabilities
Foreign currency forward contract	€24	11/15/2017	29	(29)		Other Assets
Foreign currency forward contract	€1	12/15/2017	1	(1)		Other Assets
Foreign currency forward contract	CAD10	10/16/2017	8	(8)		Accounts payable and other liabilities
Foreign currency forward contract	CAD103	11/24/2017	82	(82)		Accounts payable and other liabilities
Foreign currency forward contract	£62	11/15/2017	80	(83)	(3)	Accounts payable and other liabilities
Total			$ 219	$ (223)	$ (4)	

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Description	Notional Amount	Maturity Date	As of December 31, 2016 Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Amount Offset in the Balance Sheet	Balance Sheet Location of Net Amounts
Foreign currency forward contract	€ 2	1/5/2017	$ 3	$ (3)	$	Other Assets
Total			$ 3	$ (3)	$	

7. COMMITMENTS AND CONTINGENCIES

The Company has various commitments to fund investments in its portfolio as described below. As of September 30, 2017 and December 31, 2016, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to fund which are at (or substantially at) the Company's discretion:

	As of September 30, 2017	December 31, 2016
Total revolving and delayed draw loan commitments	$ 801	$ 411
Less: drawn commitments	(176)	(81)
Total undrawn commitments	625	330
Less: commitments substantially at discretion of the Company	(16)	(12)
Less: unavailable commitments due to borrowing base or other covenant restrictions		
Total net adjusted undrawn revolving and delayed draw loan commitments	$ 609	$ 318

Included within the total revolving and delayed draw loan commitments as of September 30, 2017 and December 31, 2016 were delayed draw loan commitments totaling $276 and $92, respectively. The Company's commitment to fund delayed draw loans is triggered upon the satisfaction of certain pre-negotiated terms and conditions. Generally, the most significant and uncertain term requires the borrower to satisfy a specific use of proceeds covenant. The use of proceeds covenant typically requires the borrower to use the additional loans for the specific purpose of a permitted acquisition or permitted investment, for example. In addition to the use of proceeds covenant, the borrower is generally required to satisfy additional negotiated covenants (including specified leverage levels).

Also included within the total revolving and delayed draw loan commitments as of September 30, 2017 were commitments to issue up to $118 in letters of credit through a financial intermediary on behalf of certain portfolio companies. As of September 30, 2017, the Company had $28 in letters of credit issued and outstanding under these commitments on behalf of portfolio companies. For all these letters of credit issued and outstanding, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. Of these letters of credit, $27 expire in 2018 and $1 expire in 2019. As of September 30, 2017, the Company recorded a liability of $7 for certain letters of credit issued and outstanding and none of the other letters of credit issued and outstanding were recorded as a liability on the Company's balance sheet as such other letters of credit are considered in the valuation of the investments in the portfolio company.

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The Company also has commitments to co-invest in the SDLP for the Company's portion of the SDLP's commitments to fund delayed draw loans to certain portfolio companies of the SDLP. The Company previously had commitments to co-invest in the SSLP for the Company's portion of the SSLP's commitments to fund delayed draw loans to certain portfolio companies of the SSLP. See Note 4 for more information.

As of September 30, 2017 and December 31, 2016, the Company was party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

	As of	
	September 30, 2017	**December 31, 2016**
Total private equity commitments	$ 117	$ 57
Less: funded private equity commitments	(67)	(17)
Total unfunded private equity commitments	50	40
Less: private equity commitments substantially at discretion of the Company	(49)	(39)
Total net adjusted unfunded private equity commitments	$ 1	$ 1

In the ordinary course of business, the Company may sell certain of its investments to third party purchasers. In particular, in connection with the sale of certain controlled portfolio company equity investments (as well as certain other sales) the Company has, and may continue to do so in the future, agreed to indemnify such purchasers for future liabilities arising from the investments and the related sale transaction. Such indemnification provisions have given rise to liabilities in the past and may do so in the future.

In addition, in the ordinary course of business, the Company may guarantee certain obligations in connection with its portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company follows ASC 825-10, which provides companies the option to report selected financial assets and liabilities at fair value. ASC 825-10 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect of the company's choice to use fair value on its earnings. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the balance sheet. The Company has not elected the ASC 825-10 option to report selected financial assets and liabilities at fair value. With the exception of the line items entitled "other assets" and "debt," which are reported at amortized cost, all assets and liabilities approximate fair value on the balance sheet. The carrying value of the lines titled "interest receivable," "receivable for open trades," "payable for open trades," "accounts payable and other liabilities," "base management fees payable," "income based fees payable," "capital gains incentive fees payable" and "interest and facility fees payable" approximate fair value due to their short maturity.

The Company also follows ASC 820-10, which expands the application of fair value accounting. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure of fair value measurements. ASC 820-10 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Company to assume that the portfolio investment is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820-10, the Company has considered its principal market as the market in which the Company exits its portfolio investments with the greatest volume and level of activity. ASC 820-10 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. In accordance with ASC 820-10, these inputs are summarized in the three broad levels listed below:

Level 1	Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
Level 2	Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
Level 3	Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In addition to using the above inputs in investment valuations, the Company continues to employ the net asset valuation policy approved by the Company's board of directors that is consistent with ASC 820-10 (see Note 2). Consistent with the Company's valuation policy, it evaluates the source of inputs, including any markets in which the Company's investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. The Company's valuation policy considers the fact that because there is not a readily available market value for most of the investments in the Company's portfolio, the fair value of the investments must typically be determined using unobservable inputs.

The Company's portfolio investments (other than as described below in the following paragraph) are typically valued using two different valuation techniques. The first valuation technique is an analysis of the enterprise value ("EV") of the portfolio company. Enterprise value means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The primary method for determining EV uses a multiple analysis whereby appropriate multiples are applied to the portfolio company's EBITDA (generally defined as net income before net interest expense, income tax expense, depreciation and amortization). EBITDA multiples are typically determined based upon review of market comparable transactions and publicly traded comparable companies, if any. The Company may also employ other valuation multiples to determine EV, such as revenues or, in the case of certain portfolio companies in the power generation industry, kilowatt capacity. The second method for determining EV uses a discounted cash flow analysis whereby future expected cash flows of the portfolio company are discounted to determine a present value using estimated discount rates (typically a weighted average cost of capital based on costs of debt and equity consistent with current market conditions). The EV analysis is performed to determine the value of equity investments, the value of debt investments in portfolio companies where the Company has control or could gain control through an option or warrant security, and to determine if there is credit impairment for debt investments. If debt investments are credit impaired, an EV analysis may be used to value such debt investments; however, in addition to the methods outlined above, other methods such as a liquidation or wind-down analysis may be utilized to estimate enterprise value. The second valuation technique is a yield analysis, which is typically performed for non-credit impaired debt investments in portfolio companies where the Company does not own a controlling equity position. To determine fair value using a yield analysis, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk. In the yield analysis, the Company considers the current contractual interest rate, the maturity and other terms of the investment relative

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to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the enterprise value of the portfolio company. As debt investments held by the Company are substantially illiquid with no active transaction market, the Company depends on primary market data, including newly funded transactions, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

For other portfolio investments such as investments in the SDLP Certificates, discounted cash flow analysis is the primary technique utilized to determine fair value. Expected future cash flows associated with the investment are discounted to determine a present value using a discount rate that reflects estimated market return requirements.

The following tables summarize the significant unobservable inputs the Company used to value the majority of its investments categorized within Level 3 as of September 30, 2017 and December 31, 2016. The tables are not intended to be all-inclusive, but instead capture the significant unobservable inputs relevant to the Company's determination of fair values.

As of September 30, 2017

Asset Category	Fair Value	Primary Valuation Techniques	Unobservable Input: Input	Estimated Range	Weighted Average
First lien senior secured loans	$ 4,657	Yield analysis	Market yield	3.8% - 17.8%	8.4%
Second lien senior secured loans	4,082	Yield analysis	Market yield	8.3% - 20.9%	10.7%
Subordinated certificates of the SDLP	437	Discounted cash flow analysis	Discount rate	11.5% - 12.5%	12.0%
Senior subordinated loans	922	Yield analysis	Market yield	9.5% - 17.5%	12.8%
Collateralized loan obligations	158	Discounted cash flow analysis	Discount rate	6.9% - 18.0%	10.9%
			Constant prepayment rate	18.9% - 22.8%	20.1%
			Constant default rate	1.6% - 2.3%	1.9%
Preferred equity securities	435	EV market multiple analysis	EBITDA multiple	2.8x - 21.8x	11.6x
Other equity securities and other	743	EV market multiple analysis	EBITDA multiple	3.5x - 21.8x	10.6x
Total investments	$ 11,434				

As of December 31, 2016

Asset Category	Fair Value	Primary Valuation Techniques	Unobservable Input: Input	Estimated Range	Weighted Average
First lien senior secured loans	$ 2,036	Yield analysis	Market yield	5.5% - 20.0%	9.3%
Second lien senior secured loans	2,987	Yield analysis	Market yield	8.4% - 20.8%	10.7%
Subordinated certificates of the SDLP	270	Discounted cash flow analysis	Discount rate	11.0% - 12.0%	11.5%
Subordinated certificates of the SSLP	1,914	Discounted cash flow analysis	Discount rate	6.5% - 7.5%	7.0%
Senior subordinated loans	714	Yield analysis	Market yield	9.8% - 17.5%	12.2%
Preferred equity securities	273	EV market multiple analysis	EBITDA multiple	3.5x - 14.8x	8.6x
Other equity securities and other	619	EV market multiple analysis	EBITDA multiple	5.0x - 16.4x	10.7x
Total investments	$ 8,813				

Changes in market yields, discount rates or EBITDA multiples, each in isolation, may change the fair value of certain of the Company's investments. Generally, an increase in market yields or discount rates or decrease in EBITDA multiples may result in a decrease in the fair value of certain of the Company's investments.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period

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to period. Additionally, the fair value of the Company's investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Company may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Company was required to liquidate a portfolio investment in a forced or liquidation sale, it could realize significantly less than the value at which the Company has recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned.

The following table presents fair value measurements of cash and cash equivalents, investments and derivatives as of September 30, 2017:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 341	$ 341	$	$
Investments not measured at net asset value	$ 11,434	$	$	$ 11,434
Investments measured at net asset value(1)	$ 22			
Total investments	$ 11,456			
Derivatives	$ (4)	$	$ (4)	$

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

The following table presents fair value measurements of cash and cash equivalents, investments and derivatives as of December 31, 2016:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 223	$ 223	$	$
Investments not measured at net asset value	$ 8,814	$ 1	$	$ 8,813
Investments measured at net asset value(1)	$ 6			
Total investments	$ 8,820			
Derivatives	$	$	$	$

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur.

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The following table presents changes in investments that use Level 3 inputs as of and for the three and nine months ended September 30, 2017:

	As of and For the Three Months Ended September 30, 2017
Balance as of June 30, 2017	$ 11,476
Net realized gains	48
Net unrealized losses	(47)
Purchases	2,965
Sales	(2,401)
Redemptions	(629)
Payment-in-kind interest and dividends	20
Net accretion of discount on securities	2
Net transfers in and/or out of Level 3	
Balance as of September 30, 2017	$ 11,434

	As of and For the Nine Months Ended September 30, 2017
Balance as of December 31, 2016	$ 8,813
Net realized gains	173
Net unrealized losses	(74)
Investments acquired as part of the American Capital Acquisition	2,527
Purchases	5,758
Sales	(3,390)
Redemptions	(2,437)
Payment-in-kind interest and dividends	57
Net accretion of discount on securities	7
Net transfers in and/or out of Level 3	
Balance as of September 30, 2017	$ 11,434

As of September 30, 2017, the net unrealized depreciation on the investments that use Level 3 inputs was $297. For the nine months ended September 30, 2017, the net transfers out of Level 3 were due to privately held equity investments converting to publicly traded stock.

For the three and nine months ended September 30, 2017, the total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to the Company's Level 3 assets still held as of September 30, 2017, and reported within the net unrealized gains (losses) from investments, foreign currency and other transactions in the Company's consolidated statement of operations was $(11) and $(31), respectively.

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The following table presents changes in investments that use Level 3 inputs as of and for the three and nine months ended September 30, 2016:

	As of and For the Three Months Ended September 30, 2016	
Balance as of June 30, 2016	$	8,893
Net realized gains		21
Net unrealized losses		(43)
Purchases		1,378
Sales		(920)
Redemptions		(545)
Payment-in-kind interest and dividends		12
Net accretion of discount on securities		2
Net transfers in and/or out of Level 3		
Balance as of September 30, 2016	$	8,798

	As of and For the Nine Months Ended September 30, 2016	
Balance as of December 31, 2015	$	9,045
Net realized gains		75
Net unrealized losses		(22)
Purchases		2,388
Sales		(1,208)
Redemptions		(1,510)
Payment-in-kind interest and dividends		32
Net accretion of discount on securities		4
Net transfers in and/or out of Level 3		(6)
Balance as of September 30, 2016	$	8,798

As of September 30, 2016, the net unrealized depreciation on the investments that use Level 3 inputs was $128. For the nine months ended September 30, 2016, the net transfers out of Level 3 were due to privately held equity investments converting to publicly traded stock.

For the three and nine months ended September 30, 2016, the total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to the Company's Level 3 assets still held as of September 30, 2016, and reported within the net unrealized gains (losses) from investments, foreign currency and other transactions in the Company's consolidated statement of operations were $(56) and $(27), respectively.

The following table presents changes in derivatives that use Level 3 inputs as of and for the three and nine months ended September 30, 2016:

	As of and For the Three Months Ended September 30, 2016	
Balance as of June 30, 2016	$	5
Net unrealized appreciation reversed related to termination of the Forward Sale Agreement		(5)
Balance as of September 30, 2016	$	

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		As of and For the Nine Months Ended September 30, 2016
Balance as of December 31, 2015	$	3
Net unrealized appreciation reversed related to termination of the Forward Sale Agreement		(3)
Balance as of September 30, 2016	$	

As of September 30, 2016, the net unrealized appreciation on the derivatives that use Level 3 inputs was $51.

Following are the carrying and fair values of the Company's debt obligations as of September 30, 2017 and December 31, 2016. Fair value is estimated by discounting remaining payments using applicable current market rates, which take into account changes in the Company's marketplace credit ratings, or market quotes, if available.

	As of			
	September 30, 2017		December 31, 2016	
	Carrying value(1)	Fair value	Carrying value(1)	Fair value
Revolving Credit Facility	$ 395	$ 395	$ 571	$ 571
Revolving Funding Facility	450	450	155	155
SMBC Funding Facility			105	105
SBA Debentures			24	25
2017 Convertible Notes (principal amount outstanding of $0 and $162, respectively)			162(2)	163
2018 Convertible Notes (principal amount outstanding of $270)	269(2)	272	267(2)	278
2019 Convertible Notes (principal amount outstanding of $300)	298(2)	309	296(2)	312
2022 Convertible Notes (principal amount outstanding of $388 and $0, respectively)	367(2)	397		
2018 Notes (principal amount outstanding of $750)	747(3)	773	745(3)	776
2020 Notes (principal amount outstanding of $600)	597(4)	616	596(4)	608
January 2022 Notes (principal amount outstanding of $600)	593(5)	607	592(5)	584
October 2022 Notes (principal amount outstanding of $0 and $183, respectively)			179(6)	184
2023 Notes (principal amount outstanding of $750 and $0, respectively)	742(7)	742		
2047 Notes (principal amount outstanding of $230)	182(8)	233	182(8)	228
	$ 4,640(9)	$ 4,794	$ 3,874(9)	$ 3,989

(1) The Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility carrying values are the same as the principal amounts outstanding.

(2) Represents the aggregate principal amount outstanding of the Convertible Unsecured Notes less unamortized debt issuance costs and the unaccreted discount recorded upon the issuances of such notes.

(3) Represents the aggregate principal amount outstanding of the 2018 Notes less unamortized debt issuance costs plus the net unamortized premium recorded upon the issuances of the 2018 Notes.

(4)

Represents the aggregate principal amount outstanding of the 2020 Notes less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of the 2020 Notes.

(5) Represents the aggregate principal amount outstanding of the January 2022 Notes less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the January 2022 Notes.

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(6) Represents the aggregate principal amount outstanding of the October 2022 Notes less unamortized debt issuance costs.

(7) Represents the aggregate principal amount outstanding of the 2023 Notes less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the 2023 Notes.

(8) Represents the aggregate principal amount outstanding of the 2047 Notes less the unaccreted purchased discount.

(9) Total principal amount of debt outstanding totaled $4,733 and $3,951 as of September 30, 2017 and December 31, 2016, respectively.

The following table presents fair value measurements of the Company's debt obligations as of September 30, 2017 and December 31, 2016:

	As of	
Fair Value Measurements Using	**September 30, 2017**	**December 31, 2016**
Level 1	$ 233	$ 412
Level 2	4,561	3,577
Total	$ 4,794	$ 3,989

9. STOCKHOLDERS' EQUITY

There were no sales of the Company's equity securities for the nine months ended September 30, 2017 and 2016. See Note 11 for information regarding shares of common stock issued or purchased in accordance with the Company's dividend reinvestment plan.

In connection with the American Capital Acquisition, the Company issued 112 shares valued at approximately $1,839. See Note 14 for additional information regarding the American Capital Acquisition.

Stock Repurchase Program

In September 2015, the Company's board of directors approved a stock repurchase program authorizing the Company to repurchase up to $100 in the aggregate of its outstanding common stock in the open market at certain thresholds below its net asset value per share, in accordance with the guidelines specified in Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The timing, manner, price and amount of any share repurchases will be determined by the Company, in its discretion, based upon the evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors. In May 2016, the Company suspended its stock repurchase program pending the completion of the American Capital Acquisition. In February 2017, the Company's board of directors authorized an amendment to its stock repurchase program to (a) increase the total authorization under the program from $100 to $300 and (b) extend the expiration date of the program from February 28, 2017 to February 28, 2018. Under the stock repurchase program, the Company may repurchase up to $300 in the aggregate of its outstanding common stock in the open market at a price per share that meets certain thresholds below its net asset value per share, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The program does not require the Company to repurchase any specific number of shares and it cannot assure stockholders that any shares will be repurchased under the program. The program may be suspended, extended, modified or discontinued at any time.

As of September 30, 2017, the Company had repurchased a total of 0.5 shares of its common stock in the open market under the stock repurchase program since the program's inception in September 2015, at an average price of $13.92 per share, including commissions paid, leaving

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approximately $293 available for additional repurchases under the program. During the nine months ended September 30, 2017, the Company did not repurchase any shares of the Company's common stock under the stock repurchase program. During the nine months ended September 30, 2016, the Company repurchased a total of 0.4 shares of the Company's common stock in the open market for $5 under the stock repurchase program. The shares were repurchased at an average price of $13.94 per share, including commissions paid.

10. EARNINGS PER SHARE

The following information sets forth the computations of basic and diluted net increase in stockholders' equity resulting from operations per share for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net increase in stockholders' equity resulting from operations available to common stockholders	$ 139	$ 110	$ 435	$ 399
Weighted average shares of common stock outstanding basic and diluted	426	314	425	314
Basic and diluted net increase in stockholders' equity resulting from operations per share	$ 0.33	$ 0.35	$ 1.02	$ 1.27

For the purpose of calculating diluted net increase in stockholders' equity resulting from operations per share, the average closing price of the Company's common stock for the three and nine months ended September 30, 2017 was less than the conversion price for each of the Convertible Unsecured Notes outstanding as of September 30, 2017 and the 2017 Convertible Notes. For the three and nine months ended September 30, 2016, the average closing price of the Company's common stock was less than the conversion price for each of the Convertible Unsecured Notes outstanding as of September 30, 2016, as well as for the February 2016 Convertible Notes, the June 2016 Convertible Notes and the 2017 Convertible Notes. Therefore, for all periods presented in the financial statements, the underlying shares for the intrinsic value of the embedded options in the Convertible Unsecured Notes, the February 2016 Convertible Notes, the June 2016 Convertible Notes and the 2017 Convertible Notes had no impact on the computation of diluted net increase in stockholders' equity resulting from operations per share.

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11. DIVIDENDS AND DISTRIBUTIONS

The following table summarizes the Company's dividends declared and payable during the nine months ended September 30, 2017 and 2016:

Date declared	Record date	Payment date	Per share amount	Total amount
August 2, 2017	September 15, 2017	September 29, 2017	$ 0.38	$ 162
May 3, 2017	June 15, 2017	June 30, 2017	0.38	162
February 22, 2017	March 15, 2017	March 31, 2017	0.38	162
Total declared and payable for the nine months ended September 30, 2017			$ 1.14	$ 486
August 3, 2016	September 15, 2016	September 30, 2016	$ 0.38	$ 119
May 4, 2016	June 15, 2016	June 30, 2016	0.38	119
February 26, 2016	March 15, 2016	March 31, 2016	0.38	120
Total declared and payable for the nine months ended September 30, 2016			$ 1.14	$ 358

The Company has a dividend reinvestment plan, whereby the Company may buy shares of its common stock in the open market or issue new shares in order to satisfy dividend reinvestment requests. When the Company issues new shares in connection with the dividend reinvestment plan, the issue price is equal to the closing price of its common stock on the dividend payment date. Dividend reinvestment plan activity for the nine months ended September 30, 2017 and 2016, was as follows:

	For the Nine Months Ended September 30, 2017	2016
Shares issued	0.4	
Average issue price per share	$ 17.38	$
Shares purchased by plan agent to satisfy dividends declared and payable during the period for stockholders	1.0	1.1
Average purchase price per share	$ 16.48	$ 14.85

12. RELATED PARTY TRANSACTIONS

In accordance with the investment advisory and management agreement, the Company bears all costs and expenses of the operation of the Company and reimburses its investment adviser or its affiliates for certain of such costs and expenses incurred in the operation of the Company. For the three and nine months ended September 30, 2017, the Company's investment adviser or its affiliates incurred such expenses totaling $1 and $3, respectively. For the three and nine months ended September 30, 2016, the Company's investment adviser or its affiliates incurred such expenses totaling $1 and $4, respectively.

The Company is party to office leases pursuant to which it is leasing office facilities from third parties. For certain of these office leases, the Company has also entered into separate subleases with Ares Management LLC, the sole member of Ares Capital Management, and IHAM, pursuant to which Ares Management LLC and IHAM sublease a portion of these leases. For the three and nine months ended September 30, 2017, amounts payable to the Company under these subleases totaled $2 and $6, respectively. For the three and nine months ended September 30, 2016, amounts payable to the Company under these subleases totaled $2 and $5, respectively.

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Ares Management LLC has also entered into separate subleases with the Company, pursuant to which the Company subleases certain office spaces from Ares Management LLC. For the three and nine months ended September 30, 2017, amounts payable to Ares Management LLC under these subleases totaled $0 and $0, respectively. For the three and nine months ended September 30, 2016, amounts payable to Ares Management LLC under these subleases totaled $0 and $0, respectively.

The Company has also entered into agreements with Ares Management LLC and IHAM, pursuant to which Ares Management LLC and IHAM are entitled to use the Company's proprietary portfolio management software. For the three and nine months ended September 30, 2017, amounts payable to the Company under these agreements totaled $0 and $0, respectively. For the three and nine months ended September 30, 2016, amounts payable to the Company under these agreements totaled $0 and $0, respectively.

As part of the American Capital Acquisition, the Company assumed a long term incentive plan liability related to certain employees of a subsidiary of ACAM, which is now a subsidiary of IHAM. The liability is determined based on the fair value of certain investments acquired in the American Capital Acquisition. As of September 30, 2017, the liability amount was estimated to be $28 and is included within accounts payable and other liabilities in the Company's consolidated balance sheet. This liability will be paid on an annual basis based on exited investments in a given calendar year and the value received upon their exit.

See Notes 3, 4, 6 and 14 for descriptions of other related party transactions.

13. FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights as of and for the nine months ended September 30, 2017 and 2016:

	As of and For the Nine Months Ended September 30,	
Per Share Data:	**2017**	**2016**
Net asset value, beginning of period(1)	$ 16.45	$ 16.46
Issuances of common stock (see Note 14)	(0.01)	
Deemed contribution from Ares Capital Management (See Note 14)	0.13	
Issuances of convertible notes	0.04	
Net investment income for period(2)	0.87	1.13
Net realized and unrealized gains for period(2)	0.15	0.14
Net increase in stockholders' equity	1.18	1.27
Total distributions to stockholders	(1.14)	(1.14)
Net asset value at end of period(1)	$ 16.49	$ 16.59
Per share market value at end of period	$ 16.39	$ 15.50
Total return based on market value(3)	6.31%	16.77%
Total return based on net asset value(4)	7.32%	7.69%
Shares outstanding at end of period	426	314
Ratio/Supplemental Data:		
Net assets at end of period	$ 7,028	$ 5,209
Ratio of operating expenses to average net assets, excluding the Fee Waiver(5)(6)	9.93%	9.83%
Ratio of operating expenses to average net assets, net of the Fee Waiver(5)(6)	9.53%	9.83%
Ratio of net investment income to average net assets(5)(7)	7.53%	9.12%
Portfolio turnover rate(5)	53%	36%

(1) The net assets used equals the total stockholders' equity on the consolidated balance sheet.

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(2) Weighted average basic per share data.

(3) For the nine months ended September 30, 2017, the total return based on market value equaled the decrease of the ending market value at September 30, 2017 of $16.39 per share from the ending market value at December 31, 2016 of $16.49 per share plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2017, divided by the market value at December 31, 2016. For the nine months ended September 30, 2016, the total return based on market value equaled the increase of the ending market value at September 30, 2016 of $15.50 per share from the ending market value at December 31, 2015 of $14.25 per share plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2016, divided by the market value at December 31, 2015. The Company's shares fluctuate in value. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(4) For the nine months ended September 30, 2017, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2017, divided by the beginning net asset value for the period. For the nine months ended September 30, 2016, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.14 per share for the nine months ended September 30, 2016, divided by the beginning net asset value for the period. These calculations are adjusted for shares issued in connection with the dividend reinvestment plan, the issuance of common stock in connection with any equity offerings and the equity components of any convertible notes issued during the period. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(5) The ratios reflect an annualized amount.

(6) For the nine months ended September 30, 2017, the ratio of operating expenses to average net assets consisted of 2.59% of base management fees, 2.03% of income based fees and capital gains incentive fees, net of the Fee Waiver, 2.43% of income based fees and capital gains incentive fees, excluding the Fee Waiver), 3.39% of the cost of borrowing and 1.52% of other operating expenses. For the nine months ended September 30, 2016, the ratio of operating expenses to average net assets consisted of 2.64% of base management fees, 2.56% of income based fees and capital gains incentive fees, 3.56% of the cost of borrowing and 1.07% of other operating expenses. See Note 3 for more information on the Fee Waiver.

(7) The ratio of net investment income to average net assets excludes income taxes related to realized gains and losses.

14. AMERICAN CAPITAL ACQUISITION

On May 23, 2016, the Company entered into a definitive agreement (the "Merger Agreement") to acquire American Capital. On the Acquisition Date, the Company completed the American Capital Acquisition pursuant to the terms and conditions of the Merger Agreement. Pursuant to the Merger Agreement, American Capital shareholders received total consideration of approximately $18.06 per share comprised of: (i) $14.41 per share from the Company consisting of approximately $6.48 per share of cash (including a make-up dividend in the amount of $0.07 per share) and 0.483 shares of the Company's common stock for each American Capital share at a value of $7.93 per American Capital share (based on the closing price per share of the Company's common stock on the Acquisition Date), (ii) $2.45 per share of cash from American Capital's sale of American Capital Mortgage Management, LLC, and (iii) approximately $1.20 per share of cash as transaction support provided by Ares Capital Management acting solely on its own behalf. As of the Acquisition Date, the transaction was valued at approximately $4.2 billion. The total cash and stock consideration paid by the Company was $3.3 billion. In connection with the stock consideration, the Company issued approximately 112 shares of its common stock to American Capital's then-existing stockholders (including holders of outstanding in-the-money American Capital stock options), thereby resulting in the Company's

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then-existing stockholders owning approximately 73.7% of the combined company and then-existing American Capital stockholders owning approximately 26.3% of the combined company. In addition, in connection with the American Capital Acquisition, Ares Capital Management agreed to waive certain income based fees as described in Note 3.

The American Capital Acquisition was accounted for in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations-Related Issues.* The fair value of the merger consideration paid by the Company was allocated to the assets acquired and liabilities assumed based on their relative fair values as of the date of acquisition and did not give rise to goodwill. Since the fair value of the net assets acquired exceeded the fair value of the merger consideration paid by the Company, the Company recognized a deemed contribution from Ares Capital Management.

The following table summarizes the allocation of the purchase price to the assets acquired and liabilities assumed as a result of the American Capital Acquisition:

Common stock issued by the Company	$	1,839
Cash consideration paid by the Company		1,502
Deemed contribution from Ares Capital Management		54
Total purchase price	$	3,395

Assets acquired:		
Investments(1)	$	2,543
Cash and cash equivalents		961
Other assets(2)		117
Total assets acquired	$	3,621
Liabilities assumed(3)		(226)
Net assets acquired	$	3,395

(1) Investments acquired were recorded at fair value, which is also the Company's initial cost basis.

(2) Other assets acquired in the American Capital Acquisition consisted of the following:

Receivable for open trades	$	45
Escrows receivable		41
Interest receivable		9
Other assets		22
Total	$	117

(3) Liabilities assumed in the American Capital Acquisition consisted of the following:

Severance and other payroll related	$	95

Lease abandonments	55
Long term incentive plan (see Note 12)	31
Escrows payable	25
Other liabilities	20
Total	$ 226

During the three and nine months ended September 30, 2017, the Company incurred $4 and $42, respectively, in professional fees and other costs related to the American Capital Acquisition. For the three and nine months ended September 30, 2017, these costs included $4 of expenses related to a long term incentive plan liability assumed in the American Capital Acquisition (see Note 12). For the nine months ended September 30, 2017, these costs also included $18 in one-time investment banking fees incurred in January 2017 upon the closing of the American Capital Acquisition.

15. LITIGATION

The Company is party to certain lawsuits in the normal course of business. In addition, American Capital and Allied Capital were involved in various legal proceedings that the Company assumed in connection with the American Capital Acquisition and the Allied Acquisition, respectively. Furthermore, third parties may try to seek to impose liability on the Company in connection with the Company's activities or the activities of its portfolio companies. While the outcome of any such legal proceedings cannot at this time be predicted with certainty, the Company does not expect that these legal proceedings will materially affect its business, financial condition or results of operations.

On May 20, 2013, the Company was named as one of several defendants in an action filed in the United States District Court for the Eastern District of Pennsylvania by the bankruptcy trustee of DSI Renal Holdings LLC ("DSI Renal") and two affiliate companies. On March 17, 2014, the motion by the Company and the other defendants to transfer the case to the United States District Court for the District of Delaware (the "Delaware Court") was granted. On May 6, 2014, the Delaware Court referred the matter to the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The complaint alleges, among other things, that each of the named defendants participated in a purported fraudulent transfer involving the restructuring of a subsidiary of DSI Renal. Among other things, the complaint seeks, jointly and severally from all defendants, (1) damages of approximately $425 million, of which the complaint states the Company's individual share is approximately $117 million, and (2) punitive damages. The defendants filed a motion to dismiss all claims on August 5, 2013. On July 20, 2017, the Bankruptcy Court issued an order granting the motion to dismiss certain claims and denying the motion to dismiss certain other claims, including the purported fraudulent transfer claims. The defendants answered the complaint on August 31, 2017. No discovery has been taken in this action. The Company is currently unable to assess with any certainty whether it may have any exposure in this matter. However, the Company believes the plaintiff's claims are without merit and intends to vigorously defend itself in this matter.

On or about February 10, 2017, shareholders of American Capital filed a second consolidated amended putative shareholder class action complaint allegedly on behalf of holders of the common stock of American Capital against the former members of American Capital's board of directors and certain former American Capital officers (collectively, the "American Capital defendants"), as well as Elliott Management Corporation, Elliott Associates, L.P., Elliott International, L.P. and Elliott International Capital Advisors Inc. (collectively "Elliott") in the Circuit Court for Montgomery County, Maryland challenging the American Capital Acquisition. This action is a consolidation of putative shareholder complaints filed against the directors of American Capital on June 24, 2016, July 12, 2016, July 21, 2016 and July 27, 2016, which were consolidated and in which an amended consolidated putative shareholder class action complaint was filed on August 18, 2016. The action alleges that the directors, officers and Elliott failed to adequately discharge their fiduciary duties to the public shareholders of American Capital by hastily commencing a sales process due to the board's manipulation by Elliott. In the alternative, the complaint alleges Elliott aided and abetted breaches of fiduciary duty by the American Capital directors and officers. The complaint also alleges that the directors and officers failed to obtain for the shareholders the highest value available in the marketplace for their shares in the American Capital Acquisition. The complaint further alleges that the merger was the product of a flawed process due to Elliott's continued manipulation, the use of deal protection devices in the American Capital Acquisition that precluded other bidders from making a higher offer to American Capital and the directors' conflicts of interest due to special benefits,

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including the full vesting of American Capital stock options and incentive awards or golden parachutes the directors received upon consummation of the proposed merger. Additionally, the complaint alleges that the registration statement, which was filed with the SEC on July 20, 2016 and included a joint proxy statement to American Capital's shareholders, is materially false and misleading because it omits material information concerning the financial and procedural fairness of the American Capital Acquisition. The complaint seeks to recover compensatory damages for all losses resulting from the alleged breaches of fiduciary duty and waste. The American Capital defendants filed their motion to dismiss the second consolidated amended complaint on March 3, 2017. Elliott filed its motion to dismiss the second consolidated amended complaint on April 14, 2017. Briefing on defendants' motions was completed on May 26, 2017. A hearing on the motions to dismiss was scheduled for June 9, 2017 before Judge Ronald Rubin of the Circuit Court for Montgomery County, Maryland (the "Court"); however, that hearing was stayed as to the American Capital defendants in light of the settlement described below.

On June 9, 2017, the American Capital defendants reached an agreement in principle with plaintiffs regarding the proposed settlement of claims asserted against them in this action, and the American Capital defendants and plaintiffs subsequently executed a settlement term sheet (the "Term Sheet") on June 19, 2017. As set forth in the Term Sheet, the American Capital defendants have agreed to the proposed settlement solely to eliminate the burden, expense, distraction and uncertainties inherent in further litigation, and without admitting any liability or wrongdoing. The plaintiffs and American Capital defendants filed a stipulation of settlement and motion for preliminary approval of the settlement with the Court on August 3, 2017. On August 23, 2017, the Court entered an order preliminarily approving the settlement and scheduling a hearing for final approval of the settlement for December 15, 2017. On August 28, 2017, Elliott filed a cross claim against the American Capital defendants asserting claims for contribution, although the cross-claim is not be expected to result in any additional monetary liability for the American Capital defendants or ACAS. There can be no assurance that the Court will approve the proposed settlement. The proposed settlement is not, and should not be construed as an admission of wrongdoing or liability by any American Capital defendant.

On October 11, 2017, the plaintiffs and Elliott advised the Court that they reached an agreement in principle to settle the remaining claims in the case, which would also resolve the cross claims against the American Capital defendants. The settlement between the plaintiffs and Elliott will be subject to confirmatory discovery and Court approval following notice to stockholders. In light of the agreement in principle, the Court is being asked to postpone the December 15, 2017 hearing on the American Capital settlement and to schedule a hearing on both settlements to take place at a later date. If both settlements are approved, then the case will be dismissed in its entirety.

There can be no assurance that the Court will approve the proposed settlement. The proposed settlement by the American Capital defendants is not, and should not be construed as an admission of wrongdoing or liability by any American Capital defendant.

On August 3, 2017, American Capital and one of its former portfolio companies were awarded a judgment plus prejudgment interest by the United States District Court for the District of Maryland (the "District Court") following a bench trial in a case first filed by one of American Capital's insurance companies concerning coverage for bodily injury claims against American Capital and/or its former portfolio company. The District Court found that the carrier breached its duty to defend American Capital and its former portfolio company against more than 1,000 bodily injury claims and awarded damages plus prejudgment interest. American Capital's carrier filed a notice of appeal to the United States Court of Appeals for the Fourth Circuit. It is currently expected the appeal will be adjudicated in late 2018 at the earliest. American Capital's recovery will not be known until such time as the appeal is resolved.

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16. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events through the date of issuance of the consolidated financial statements included herein. There have been no subsequent events that occurred during such period that would require disclosure in this Form 10-Q or would be required to be recognized in the consolidated financial statements as of and for the nine months ended September 30, 2017, except as discussed below.

On October 2, 2017, Ares Capital CP entered into an agreement to amend the Revolving Funding Facility that, among other things, (a) modified the interest rate charged on the Revolving Funding Facility from a rate based on LIBOR plus 2.30% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.30% per annum, to a rate based on LIBOR plus 2.15% per annum or a "base rate" plus 1.15% per annum and (b) modified certain loan portfolio concentration limits.

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PROSPECTUS

$3,000,000,000

Common Stock
Preferred Stock
Debt Securities
Subscription Rights
Warrants
Units

Ares Capital Corporation is a specialty finance company that is a closed- end, non-diversified management investment company incorporated in Maryland. We have elected to be regulated as a business development company under the Investment Company Act of 1940. Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first lien senior secured loans (including "unitranche" loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component. To a lesser extent, we also make preferred and/or common equity investments.

We are externally managed by our investment adviser, Ares Capital Management LLC, a subsidiary of Ares Management, L.P., a publicly traded, leading global asset manager. Ares Operations LLC, a subsidiary of Ares Management, L.P., provides certain administrative and other services necessary for us to operate.

Our common stock is traded on The NASDAQ Global Select Market under the symbol "ARCC." On August 1, 2017 the last reported sales price of our common stock on The NASDAQ Global Select Market was $16.41 per share. The net asset value per share of our common stock at June 30, 2017 (the last date prior to the date of this prospectus on which we determined net asset value) was $16.54.

Investing in our securities involves risks that are described in the "Risk Factors" section beginning on page 25 of this prospectus, including the risk of leverage.

We may offer, from time to time, in one or more offerings or series, up to $3,000,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units comprised of any combination of the foregoing, which we refer to, collectively, as the "securities." The preferred stock, debt securities, subscription rights and warrants (including as part of a unit) offered hereby may be convertible or exchangeable into shares of our common stock. The securities may be offered at prices and on terms to be described in one or more supplements to this prospectus. In the event we offer common stock, the offering price per share of our common stock less any underwriting commissions or discounts will generally not be less than the net asset value per share of our common stock at the time we make the offering. However, we may issue shares of our common stock pursuant to this prospectus at a price per share that is less than our net asset value per share (a) in connection with a rights offering to our existing stockholders, (b) with the prior approval of the majority of our common stockholders or (c) under such circumstances as the SEC may permit. This prospectus and the accompanying prospectus supplement concisely provide important information about us that you should know before investing in our securities. Please read this prospectus and the accompanying prospectus supplement before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information with the SEC. This information is available free of charge by calling us collect at (310) 201-4200 or on our website at *www.arescapitalcorp.com*. The SEC also maintains a website at *www.sec.gov* that contains such information.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

The date of this prospectus is August 4, 2017.

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You should rely only on the information contained in this prospectus and the accompanying prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the accompanying prospectus supplement is accurate only as of the date on the front cover of this prospectus and the accompanying prospectus supplement, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the U.S. Securities and Exchange Commission (the "SEC"), using the "shelf" registration process. Under the shelf registration process, we may offer, from time to time, in one or more offerings or series, up to $3,000,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units comprised of any combination of the foregoing, on terms to be determined at the time of the offering. The securities may be offered at prices and on terms described in one or more supplements to this prospectus. This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. Please carefully read this prospectus and the prospectus supplement together with any exhibits and the additional information described under the headings "Available Information" and "Risk Factors" before you make an investment decision.

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PROSPECTUS SUMMARY

This summary highlights some of the information contained elsewhere in this prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information set forth under "Risk Factors" and the other information included in this prospectus and the accompanying prospectus supplement. Except where the context suggests otherwise, the terms "we," "us," "our," "the Company" and "Ares Capital" refer to Ares Capital Corporation and its consolidated subsidiaries; "Ares Capital Management" and "our investment adviser" refer to Ares Capital Management LLC; "Ares Operations" and "our administrator" refer to Ares Operations LLC; and "Ares" and "Ares Management" refer to Ares Management, L.P. (NYSE: ARES) and its affiliated companies (other than portfolio companies of its affiliated funds).

THE COMPANY

Overview

Ares Capital, a Maryland corporation, is a specialty finance company that is a closed-end, non-diversified management investment company. We have elected to be regulated as a business development company, or a "BDC," under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder or the "Investment Company Act." We were founded on April 16, 2004, were initially funded on June 23, 2004 and completed our initial public offering on October 8, 2004. As of June 30, 2017, we were the largest BDC with approximately $12.3 billion of total assets.

We are externally managed by our investment adviser, Ares Capital Management, a subsidiary of Ares Management, a publicly traded, leading global alternative asset manager. Our administrator, Ares Operations, a subsidiary of Ares Management, provides certain administrative and other services necessary for us to operate.

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in U.S. middle-market companies, where we believe the supply of primary capital is limited and the investment opportunities are most attractive. However, we may from time to time invest in larger or smaller (in particular, for investments in early stage and/or venture capital-backed) companies. We generally use the term "middle-market" to refer to companies with annual EBITDA between $10 million and $250 million. As used herein, EBITDA represents net income before net interest expense, income tax expense, depreciation and amortization.

We invest primarily in first lien senior secured loans (including "unitranche" loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component. First and second lien senior secured loans generally are senior debt instruments that rank ahead of subordinated debt of a given portfolio company. Mezzanine debt is subordinated to senior loans and is generally unsecured. Our investments in corporate borrowers generally range between $30 million and $500 million each, investments in project finance/power generation projects generally range between $10 million and $200 million each and investments in early-stage and/or venture capital-backed companies generally range between $1 million and $25 million each. However, the investment sizes may be more or less than these ranges and may vary based on, among other things, our capital availability, the composition of our portfolio and general micro- and macro-economic factors.

To a lesser extent, we also make preferred and/or common equity investments, which have generally been non-control equity investments of less than $20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments. Also, as a result of the American Capital Acquisition (as defined below), American

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Capital's (as defined below) equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio.

The proportion of these types of investments will change over time given our views on, among other things, the economic and credit environment in which we are operating. In connection with our investing activities, we may make commitments with respect to indebtedness or securities of a potential portfolio company substantially in excess of our final investment. In such situations, while we may initially agree to fund up to a certain dollar amount of an investment, we may subsequently syndicate or sell a portion of such amount (including, without limitation, to vehicles managed by our portfolio company, Ivy Hill Asset Management, L.P. ("IHAM")), such that we are left with a smaller investment than what was reflected in our original commitment. In addition to originating investments, we may also acquire investments in the secondary market (including purchases of a portfolio of investments).

The first and second lien senior secured loans in which we invest generally have stated terms of three to 10 years and the mezzanine debt investments in which we invest generally have stated terms of up to 10 years, but the expected average life of such first and second lien loans and mezzanine debt is generally between three and seven years. However, we may invest in loans and securities with any maturity or duration. The instruments in which we invest typically are not rated by any rating agency, but we believe that if such instruments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service, lower than "BBB " by Fitch Ratings or lower than "BBB " by Standard & Poor's Ratings Services), which, under the guidelines established by these entities, is an indication of having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as "high yield bonds" or "junk bonds." We may invest without limit in debt or other securities of any rating, as well as debt or other securities that have not been rated by any nationally recognized statistical rating organization.

We believe that our investment adviser, Ares Capital Management, is able to leverage the current investment platform, resources and existing relationships of Ares Management with financial sponsors, financial institutions, hedge funds and other investment firms to provide us with attractive investment opportunities. In addition to deal flow, the Ares investment platform assists our investment adviser in analyzing, structuring and monitoring investments. Ares has been in existence for over 15 years and its partners have an average of over 24 years of experience in leveraged finance, private equity, distressed debt, commercial real estate finance, investment banking and capital markets. We have access to Ares' investment professionals and administrative professionals, who provide assistance in accounting, finance, legal, compliance, operations, information technology and investor relations. As of March 31, 2017, Ares had approximately 370 investment professionals and approximately 585 administrative professionals.

While our primary focus is to generate current income and capital appreciation through investments in first and second lien senior secured loans and mezzanine debt and, to a lesser extent, equity securities of eligible portfolio companies, we also may invest up to 30% of our portfolio in non-qualifying assets, as permitted by the Investment Company Act. See "Regulation." Specifically, as part of this 30% basket, we may invest in entities that are not considered "eligible portfolio companies" (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act.

In the first quarter of 2011, the staff of the SEC (the "Staff") informally communicated to certain BDCs the Staff's belief that certain entities, which would be classified as an "investment company" under the Investment Company Act but for the exception from the definition of "investment company" set forth in Rule 3a-7 promulgated under the Investment Company Act, could not be treated

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as "eligible portfolio companies" (as defined in Section 2(a)(46) under the Investment Company Act) (i.e., not eligible to be included in a BDC's 70% "qualifying assets" basket). Subsequently, in August 2011 the SEC issued a concept release (the "Concept Release") which stated that "[a]s a general matter, the Commission presently does not believe that Rule 3a-7 issuers are the type of small, developing and financially troubled businesses in which the U.S. Congress intended BDCs primarily to invest" and requested comment on whether or not a 3a-7 issuer should be considered an "eligible portfolio company." We provided a comment letter in respect of the Concept Release and continue to believe that the language of Section 2(a)(46) of the Investment Company Act permits a BDC to treat as "eligible portfolio companies" entities that rely on the 3a-7 exception. However, given the current uncertainty in this area (including the language in the Concept Release) and subsequent discussions with the Staff, we have, solely for purposes of calculating the composition of our portfolio pursuant to Section 55(a) of the Investment Company Act, identified such entities, which include the SSLP (as defined below), as "non-qualifying assets" should the Staff ultimately disagree with our position.

The American Capital Acquisition

On January 3, 2017 (the Acquisition Date), we completed our acquisition (the "American Capital Acquisition") of American Capital, Ltd. ("American Capital") in a cash and stock transaction valued at approximately $4.2 billion. In connection with the stock consideration, we issued approximately 112 million shares of our common stock to American Capital's then-existing stockholders (including holders of outstanding in-the-money American Capital stock options), thereby resulting in our then-existing stockholders owning approximately 73.7% of the combined company and then-existing American Capital stockholders owning approximately 26.3% of the combined company. See Note 14 to our consolidated financial statements for the three and six months ended June 30, 2017 and Note 16 to our consolidated financial statements for the year ended December 31, 2016 for additional information regarding the American Capital Acquisition.

In connection with the American Capital Acquisition, Ares Capital Management has agreed to waive up to $100 million in income based fees from us for the first ten calendar quarters beginning with the second quarter of 2017, in an amount equal to the lesser of (1) $10 million of the income based fees and (2) the amount of income based fees for each such quarter, in each case, to the extent earned and payable by us in such quarter pursuant to and as calculated under our investment advisory and management agreement (the "Fee Waiver").

Co-Investment Programs

Senior Direct Lending Program

We established a joint venture with Varagon Capital Partners ("Varagon") to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle-market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. (NYSE:AIG) and other partners. The joint venture is called the Senior Direct Lending Program (the "SDLP"). The SDLP may generally commit and hold individual loans of up to $300 million. We may directly co-invest with the SDLP to accommodate larger transactions. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of the Company and Varagon (with approval from a representative of each required).

We provide capital to the SDLP in the form of subordinated certificates (the "SDLP Certificates"), and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of June 30, 2017, we and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates.

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As of June 30, 2017, we and Varagon and its clients have agreed to make capital available to the SDLP of $2.9 billion in the aggregate, of which approximately $1.9 billion has been funded. As of June 30, 2017, we agreed to make available to the SDLP (subject to the approval of the investment committee of the SDLP as described above) $591 million, of which $394 million was funded. As of June 30, 2017, the SDLP had commitments to fund delayed draw loans to certain of its portfolio companies of $173 million, which had been approved by the investment committee of the SDLP as described above, of which $36 million was committed by us. As of June 30, 2017, the amortized cost and fair value of the SDLP Certificates held by us were $394 million and $394 million, respectively, which represented approximately 3.4% of our total portfolio at fair value. As of June 30, 2017, the SDLP had 17 different underlying borrowers. For more information on the SDLP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity Senior Direct Lending Program."

Senior Secured Loan Program

We and General Electric Capital Corporation ("GECC") and GE Global Sponsor Finance LLC (collectively, "GE") have co-invested in first lien senior secured loans of middle market companies through an unconsolidated Delaware limited liability company, the Senior Secured Loan Fund LLC (d/b/a "the Senior Secured Loan Program") or the SSLP (the "SSLP"). The SSLP has been capitalized as transactions are completed. All portfolio decisions and generally all other decisions in respect of the SSLP must be approved by an investment committee of the SSLP consisting of our representatives and the representatives of GE (with approval from a representative of each required). We have provided capital to the SSLP in the form of subordinated certificates (the "SSLP Certificates").

In August 2015, GE completed the sale of its U.S. Sponsor Finance business, through which GE had participated with us in the SSLP, to Canada Pension Plan Investment Board ("CPPIB"). This sale excluded GE's interest in the SSLP, and we and GE continue to operate the SSLP. We and GE no longer have an obligation to present senior secured lending investment opportunities to the SSLP and since June 30, 2015, the SSLP has not made any investments related to new portfolio companies. On August 24, 2015, we were advised that GECC, as the holder of the senior notes of the SSLP (the "Senior Notes"), directed State Street Bank and Trust Company, as trustee of the Senior Notes and the SSLP Certificates, pursuant to the terms of the indenture governing the Senior Notes and the SSLP Certificates, to apply all principal proceeds received by the SSLP from its investments to the repayment of the outstanding principal amount of the Senior Notes until paid in full (prior to the distribution of any such principal proceeds to the holders of the SSLP Certificates, which includes us). GECC had previously elected to waive its right to receive priority repayments on the Senior Notes from principal proceeds in most circumstances.

As of June 30, 2017, we and GE had outstanding amounts funded of approximately $2.9 billion in aggregate principal amount to the SSLP. As of June 30, 2017, the SSLP had commitments to fund delayed draw loans to certain of its portfolio companies of $50 million, which had been approved by the investment committee of the SSLP as described above. As of June 30, 2017, we had funded approximately $2.0 billion in aggregate principal amount to the SSLP. Additionally, as of June 30, 2017, we had commitments to co-invest in the SSLP for our portion of the SSLP's commitments to fund delayed draw loans to portfolio companies of up to $7 million. As of June 30, 2017, the amortized cost and fair value of the SSLP Certificates held by us were $1.9 billion and $1.9 billion (including unrealized depreciation of $18 million), respectively, which represented approximately 16.7% of our total portfolio at fair value. As of June 30, 2017, the SSLP had 11 different underlying borrowers. For more information on the SSLP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity Senior Secured Loan Program" and "Recent Developments."

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Ivy Hill Asset Management, L.P.

As of June 30, 2017, our portfolio company, IHAM, an SEC-registered investment adviser, managed 23 vehicles and served as the sub-manager/sub-servicer for two other vehicles (such vehicles, the "IHAM Vehicles"). As of June 30, 2017, IHAM had assets under management of approximately $4.3 billion. As of June 30, 2017 Ares Capital had invested approximately $244 million (at amortized cost) in IHAM. In connection with IHAM's registration as a registered investment adviser, on March 30, 2012, we received exemptive relief from the SEC allowing us to, subject to certain conditions, own directly or indirectly up to 100% of IHAM's outstanding equity interests and make additional investments in IHAM. From time to time, IHAM or certain IHAM Vehicles may purchase investments from us or sell investments to us, in each case for a price equal to the fair market value of such investments determined at the time of such transactions.

On May 19, 2017, pursuant to approval granted at a special meeting of stockholders of American Capital Senior Floating, Ltd. ("ACSF"), IHAM entered into a new management agreement with ACSF, a Maryland corporation that has elected to be regulated as a BDC under the Investment Company Act, pursuant to which IHAM serves as ACSF's investment adviser.

See Note 4 to our consolidated financial statements for the year ended December 31, 2016 and the three and six months ended June 30, 2017 for more information about IHAM and Note 16 to our consolidated financial statements for the year ended December 31, 2016 and Note 14 to our consolidated financial statements for the six months ended June 30, 2017 for information related to IHAM's role in the American Capital Acquisition.

Ares Capital Management LLC

Ares Capital Management, our investment adviser, is served by an origination, investment and portfolio management team of approximately 100 U.S.-based investment professionals as of March 31, 2017 and led by certain partners of the Ares Credit Group: Michael Arougheti, Kipp deVeer, Mitchell Goldstein and Michael Smith. Ares Capital Management leverages off of Ares' investment platform and benefits from the significant capital markets, trading and research expertise of Ares' investment professionals. Ares Capital Management's investment committee has eight members comprised of certain of the U.S.-based partners of the Ares Credit Group.

MARKET OPPORTUNITY

We believe that current market conditions present attractive opportunities for us to invest in middle-market companies, specifically:

- We believe that many commercial and investment banks have, in recent years, de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital markets transactions. In addition, these lenders may be constrained in their ability to underwrite and hold bank loans and high yield securities for middle-market issuers as they seek to meet existing and future regulatory capital requirements. These factors may result in opportunities for alternative funding sources to middle-market companies and therefore more new-issue market opportunities for us.

- We believe disruption and volatility that occurs periodically in the credit markets, reduces capital available to certain capital providers, causing a reduction in competition. When these volatile market conditions occur, they often create opportunities to achieve attractive risk-adjusted returns.

- We believe that there is a lack of market participants that are willing to hold meaningful amounts of certain middle-market loans. As a result, we believe our ability to minimize syndication risk for a company seeking financing by being able to hold our loans without having to syndicate them is a competitive advantage.

We believe that middle-market companies have faced difficulty in raising debt through the capital markets. This approach to financing may become more difficult to the extent institutional investors seek to invest in larger, more liquid offerings, leaving less competition and fewer financing alternatives for middle-market companies.

We believe there is a large pool of un-invested private equity capital for middle-market businesses. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and mezzanine debt from other sources such as us.

COMPETITIVE ADVANTAGES

We believe that we have the following competitive advantages over other capital providers to middle-market companies:

The Ares Platform

Ares operates three distinct but complementary investment groups, including the Ares Credit Group, the Ares Private Equity Group and the Ares Real Estate Group. We believe Ares' current investment platform provides a competitive advantage in terms of access to origination and marketing activities and diligence for us. In particular, we believe that the Ares platform provides us with an advantage through its deal flow generation and investment evaluation process. Ares' asset management platform also provides additional market information, company knowledge and industry insight that benefit our investment and due diligence process. Ares' professionals maintain extensive financial sponsor and intermediary relationships, which provide valuable insight and access to transactions and information.

Seasoned Management Team

The investment professionals in the Ares Credit Group and members of our investment adviser's investment committee also have significant experience investing across market cycles. This experience also provides us with a competitive advantage in identifying, originating, investing in and managing a portfolio of investments in middle-market companies.

Broad Origination Strategy

We focus on self-originating most of our investments by pursuing a broad array of investment opportunities in middle-market companies, venture capital backed businesses and power generation projects across multiple channels. We also leverage off of the extensive relationships of the broader Ares platform, including relationships with the portfolio companies in the IHAM Vehicles, to identify investment opportunities. We believe that this allows for asset selectivity and that there is a significant relationship between proprietary deal origination and credit performance. We believe that our focus on generating proprietary deal flow and lead investing also gives us greater control over capital structure, deal terms, pricing and documentation and enables us to actively manage our portfolio investments. Moreover, by leading the investment process, we are often able to secure controlling positions in credit tranches, thereby providing additional control in investment outcomes. We also have originated substantial proprietary deal flow from middle-market intermediaries, which often allows us to act as the sole or principal source of institutional capital to the borrower.

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Scale and Flexible Transaction Structuring

We believe that being the largest BDC makes us a more desirable and flexible capital provider, especially in competitive markets. We are flexible with the types of investments we make and the terms associated with those investments. We believe this approach and experience enables our investment adviser to identify attractive investment opportunities throughout economic cycles and across a company's capital structure so we can make investments consistent with our stated investment objective and preserve principal while seeking appropriate risk adjusted returns. In addition, we have the flexibility to provide "one stop" financing with the ability to invest capital across the balance sheet and syndicate and hold larger investments than many of our competitors. We believe that the ability to underwrite, syndicate and hold larger investments benefits our stockholders by (a) potentially increasing net income and earnings through syndication, (b) increasing originated deal flow flexibility, (c) broadening market relationships and deal flow, (d) allowing us to optimize our portfolio composition and (e) allowing us to provide capital to a broader spectrum of middle-market companies, which we believe currently have limited access to capital from traditional lending sources. In addition, we believe that the ability to provide capital at every level of the balance sheet provides a strong value proposition to middle-market borrowers and our senior debt capabilities provide superior deal origination and relative value analysis capabilities compared to traditional "mezzanine only" lenders.

Experience with and Focus on Middle-Market Companies

Ares has historically focused on investments in middle-market companies and we benefit from this experience. In sourcing and analyzing deals, our investment adviser benefits from Ares' extensive network of relationships focused on middle-market companies, including management teams, members of the investment banking community, private equity groups and other investment firms with whom Ares has had long-term relationships. We believe this network enables us to identify well-positioned prospective portfolio company investments. The Ares Credit Group works closely with Ares' other investment professionals. As of March 31, 2017, Ares oversaw a portfolio of investments in over 1,300 companies, approximately 565 structured assets and over 160 properties across over 60 industries, which provides access to an extensive network of relationships and insights into industry trends and the state of the capital markets.

Disciplined Investment Philosophy

In making its investment decisions, our investment adviser has adopted Ares' long-standing, consistent, credit-based investment approach that was developed over 20 years ago by its founders. Specifically, our investment adviser's investment philosophy, portfolio construction and portfolio management involve an assessment of the overall macroeconomic environment and financial markets and company-specific research and analysis. Its investment approach emphasizes capital preservation, low volatility and minimization of downside risk. In addition to engaging in extensive due diligence from the perspective of a long-term investor, our investment adviser's approach seeks to reduce risk in investments by focusing on:

- businesses with strong franchises and sustainable competitive advantages;
- industries with positive long-term dynamics;
- businesses and industries with cash flows that are dependable and predictable;
- management teams with demonstrated track records and appropriate economic incentives;
- rates of return commensurate with the perceived risks;

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securities or investments that are structured with appropriate terms and covenants; and

businesses backed by experienced private equity sponsors.

Extensive Industry Focus

We seek to concentrate our investing activities in industries with a history of predictable and dependable cash flows and in which the Ares investment professionals have had extensive investment experience. Ares investment professionals have developed long-term relationships with management teams and management consultants in over 50 industries, and have accumulated substantial information and identified potential trends within these industries. In turn, we benefit from these relationships, information and identification of potential trends in making investments.

OPERATING AND REGULATORY STRUCTURE

Our investment activities are managed by our investment adviser, Ares Capital Management, which is a subsidiary of Ares, and supervised by our board of directors, a majority of whom are independent of Ares and its affiliates. Ares Capital Management is registered under the Investment Advisers Act of 1940, or the "Advisers Act." Under our Amended and Restated Investment Advisory and Management Agreement with Ares Capital Management, referred to herein as our "investment advisory and management agreement," we have agreed to pay Ares Capital Management base management fees based on our total assets, as defined under the Investment Company Act (other than cash and cash equivalents, but including assets purchased with borrowed funds) ("base management fees"), fees based on our net investment income ("income based fees") and fees based on our net capital gains ("capital gains incentive fees"). See "Management Investment Advisory and Management Agreement." Ares Operations provides us with certain administrative and other services necessary for us to operate pursuant to an Amended and Restated Administration Agreement, referred to herein as our "administration agreement." See "Management Administration Agreement."

As a BDC, we are required to comply with certain regulatory requirements. For example, we are not generally permitted to co-invest in any portfolio company in which a fund managed by Ares or any of its downstream affiliates (other than us and our downstream affiliates) currently has an investment. However, we may co-invest with funds managed by Ares or any of its downstream affiliates, subject to compliance with existing regulatory guidance, applicable regulations and our allocation procedures. On January 18, 2017, we received an order from the SEC that permits us and other business development companies and registered closed-end management investment companies managed by Ares to co-invest in portfolio companies with each other and with affiliated investment funds (the "Order"). Co-investments made under the Order are subject to compliance with the conditions and other requirements contained in the Order, which could limit our ability to participate in a co-investment transaction.

Also, while we may borrow funds to make investments, our ability to use debt is limited in certain significant aspects. See "Business Operating and Regulatory Structure" and "Regulation." In particular, BDCs must have at least 200% asset coverage calculated pursuant to the Investment Company Act (i.e., we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us) in order to incur debt or issue preferred stock (which we refer to collectively as "senior securities"), which requires us to finance our investments with at least as much equity as senior securities in the aggregate. Certain of our credit facilities also require that we maintain asset coverage of at least 200%. As of June 30, 2017, our asset coverage was 242% (excluding the SBA Debentures (as defined below)).

In addition, as a consequence of us being a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code") for U.S. federal income tax purposes, our asset growth is dependent on our ability to raise equity capital through the issuance of common stock.

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RICs generally must distribute substantially all of their investment company taxable income (as defined under the Code) to stockholders as dividends in order to preserve their status as a RIC and not be subject to additional U.S. federal corporate-level taxes. This requirement, in turn, generally prevents us from using our earnings to support our operations, including making new investments. See "Certain Material U.S. Federal Income Tax Considerations."

ACQUISITION OPPORTUNITIES

We believe the recent volatility in the credit markets has increased the likelihood of further consolidation in our industry. From time to time, we evaluate potential strategic opportunities, including acquisitions of:

- asset portfolios;
- other private and public finance companies, business development companies and asset managers; and
- selected secondary market assets.

In this regard, on January 3, 2017, we completed the American Capital Acquisition. See " The American Capital Acquisition" below for more information.

We have been in, and from time to time may engage in, discussions with counterparties in respect of various potential strategic acquisition and investment transactions, including potential acquisitions of other finance companies, business development companies and asset managers. Some of these transactions could be material to our business and, if completed, could be difficult to integrate, result in increased leverage or dilution and/or subject us to unexpected liabilities. However, none of these discussions has progressed to the point at which the completion of any such transaction could be deemed to be probable or reasonably certain as of the date of this prospectus. Completion of any such transaction would be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our board of directors, any required third party consents and, in certain cases, the approval of our stockholders. We cannot predict how quickly the terms of any such transaction could be finalized, if at all. Accordingly, there can be no assurance that such transaction would be completed. We have incurred, and may in the future incur, significant expenses in connection with evaluating potential strategic acquisition and investment transactions.

INDEBTEDNESS

As of June 30, 2017, we had approximately $4.9 billion in aggregate principal amount of total outstanding indebtedness, approximately $3.1 billion aggregate principal amount of which was unsecured indebtedness of Ares Capital, approximately $920 million aggregate principal amount of which was secured indebtedness at the Ares Capital level and approximately $870 million aggregate principal amount of which was secured indebtedness of our consolidated subsidiaries.

For more information on our debt, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Financial Condition, Liquidity and Capital Resources."

RECENT DEVELOPMENTS

As of June 30, 2017, our investment in the SSLP Certificates at amortized cost and fair value was $1.9 billion and $1.9 billion, respectively. As of June 30, 2017, the SSLP had $1.2 billion in cash and GE's Senior Notes outstanding totaled $601 million. In early July 2017, the SSLP made its monthly waterfall distribution from this cash, which fully repaid GE's Senior Notes and included distributions to

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the SSLP Certificates. From this distribution, our SSLP Certificates received $474 million. After this distribution, our amortized cost in our SSLP Certificates was $1.5 billion.

In addition, in July 2017, we and GE agreed to an early termination of the SSLP whereby on July 26, 2017, we purchased the remaining $1.6 billion in aggregate principal amount of first lien senior secured loans outstanding at par plus accrued and unpaid interest and fees from the SSLP (the "SSLP Loan Sale") and assumed the SSLP's remaining unfunded loan commitments totaling $50 million. Upon completion of the SSLP Loan Sale, the SSLP made a liquidation distribution to the SSLP Certificates (the "Liquidation Distribution"), of which we received $1.5 billion. In connection with the Liquidation Distribution, we recognized an $18 million net realized loss as a result of the early termination. After completion of the transactions above, the operations of the SSLP were effectively terminated pursuant to the terms of the documents governing the SSLP and the SSLP will no longer have an obligation to fund existing commitments and other amounts to its former portfolio companies.

Excluding the loans acquired from the SSLP described above, from July 1, 2017 through July 26, 2017, we made new investment commitments of approximately $128 million, of which $101 million were funded. Of these new commitments, 99% were in first lien senior secured loans and 1% were in investments in the SDLP Certificates to make co-investments with Varagon and its clients in floating rate first lien senior secured loans through the SDLP. Of the approximately $128 million of new investment commitments, 100% were floating rate. The weighted average yield of debt and other income producing securities funded during the period at amortized cost was 7.6%. We may seek to sell all or a portion of these new investment commitments, although there can be no assurance that we will be able to do so.

Excluding the repayments of the SSLP Certificates described above, from July 1, 2017 through July 26, 2017, we exited approximately $327 million of investment commitments, including $276 million of investment commitments acquired in the American Capital Acquisition. Of the total investment commitments, 46% were other equity securities, 25% were second lien senior secured loans, 13% were preferred equity securities, 13% were first lien senior secured loans, 1% were senior subordinated loans, 1% were collateralized loan obligations and 1% were investments in the SDLP Certificates. Of the approximately $327 million of exited investment commitments, 59% were non-interest bearing, 40% were floating rate and 1% were fixed rate. The weighted average yield of debt and other income producing securities exited or repaid during the period at amortized cost was 9.6% and the weighted average yield on total investments exited or repaid during the period at amortized cost was 4.1%. On the approximately $327 million of investment commitments exited from July 1, 2017 through July 26, 2017, we recognized total net realized gains of approximately $61 million, including net realized gains of approximately $60 million on investment commitments exited that were acquired in the American Capital Acquisition.

In addition, as of July 26, 2017, we had an investment backlog and pipeline of approximately $530 million and $325 million, respectively. Investment backlog includes transactions approved by our investment adviser's investment committee and/or for which a formal mandate, letter of intent or a signed commitment have been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment have been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, we may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. We cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.

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RISK FACTORS

Investing in Ares Capital involves risks. The following is a summary of the principal risks that you should carefully consider before investing in our securities. In addition, see "Risk Factors" beginning on page 25 for a more detailed discussion of the principal risks as well as certain other risks you should carefully consider before deciding to invest in our securities.

- The capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations.

- Uncertainty about the financial stability of the United States, China and several countries in Europe could have a significant adverse effect on our business, financial condition and results of operations.

- Our shares of common stock have traded at a discount from net asset value and may do so again, which could limit our ability to raise additional equity capital.

- A failure on our part to maintain our status as a BDC would significantly reduce our operating flexibility and a failure to maintain our status as a RIC may subject us to additional corporate-level income taxes.

- We are dependent upon certain key personnel of Ares for our future success and upon their access to other Ares investment professionals.

- We may be unable to realize the benefits anticipated by the American Capital Acquisition, including estimated cost savings and synergies, or it may take longer than anticipated to achieve such benefits.

- Our ability to grow depends on our ability to raise capital.

- We borrow money, which magnifies the potential for gain or loss on amounts invested, subjects us to certain covenants with which we must comply and may increase the risk of investing with us.

- We operate in a highly competitive market for investment opportunities.

- We are exposed to risks associated with changes in interest rates.

- Most of our portfolio investments are not publicly traded and, as a result, the fair value of these investments may not be readily determinable. Additionally, to the extent that we need liquidity and need to sell assets, the lack of liquidity in our investments may adversely affect our business.

- Our financial condition and results of operations could be negatively affected if a significant investment fails to perform as expected.

- There are significant potential conflicts of interest that could impact our investment returns.

Declines in market prices and liquidity in the corporate debt markets can result in significant net unrealized depreciation of our portfolio, which in turn would reduce our net asset value.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Our investments, which are primarily in middle-market companies, may be risky and we could lose all or part of our investment.

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Our portfolio companies may be highly leveraged.

Our credit ratings may not reflect all risks of an investment in our debt securities.

OUR CORPORATE INFORMATION

Our administrative offices are located at 2000 Avenue of the Stars, 12th Floor, Los Angeles, California 90067, telephone number (310) 201-4200, and our executive offices are located at 245 Park Avenue, 44th Floor, New York, New York 10167, telephone number (212) 750-7300.

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OFFERINGS

We may offer, from time to time, in one or more offerings or series, up to $3,000,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units comprised of any combination of the foregoing, on terms to be determined at the time of the offering. We will offer our securities at prices and on terms to be set forth in one or more supplements to this prospectus. The offering price per share of our common stock, less any underwriting commissions or discounts, generally will not be less than the net asset value per share of our common stock at the time of an offering. However, we may issue shares of our common stock pursuant to this prospectus at a price per share that is less than our net asset value per share (a) in connection with a rights offering to our existing stockholders, (b) with the prior approval of the majority of our common stockholders or (c) under such other circumstances as the SEC may permit. Any such issuance of shares of our common stock below net asset value may be dilutive to the net asset value of our common stock. See "Risk Factors Risks Relating to Offerings Pursuant to this Prospectus."

Pursuant to approval granted at a special meeting of stockholders held on May 22, 2017, we currently are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on May 22, 2018.

We may offer our securities directly to one or more purchasers, including existing stockholders in a rights offering, through agents that we designate from time to time or to or through underwriters or dealers. The prospectus supplement relating to each offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters or among our underwriters or the basis upon which such amount may be calculated. See "Plan of Distribution." We may not sell any of our securities through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our securities.

Set forth below is additional information regarding offerings of our securities:

Use of proceeds	Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds from the sale of our securities for general corporate purposes, which include, among other things, (a) investing in portfolio companies in accordance with our investment objective and (b) repaying indebtedness. Each supplement to this prospectus relating to an offering will more fully identify the use of the proceeds from such offering. See "Use of Proceeds."
Distributions	We currently intend to pay dividends or make other distributions to our stockholders on a quarterly basis out of assets legally available for distribution. We may also pay additional dividends or make additional distributions to our stockholders from time to time. Our quarterly and additional dividends or distributions, if any, will be determined by our board of directors. For more information, see "Price Range of Common Stock and Distributions."

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Taxation	We have elected to be treated as a RIC for U.S. federal income tax purposes. As a RIC, we generally will not pay U.S. federal corporate-level income taxes on any income and gain that we distribute to our stockholders as dividends on a timely basis. Among other things, in order to maintain our RIC status, we must meet specified source of income and asset diversification requirements and distribute annually generally an amount equal to at least 90% of our investment company taxable income, out of assets legally available for distribution. See "Risk Factors Risks Relating to Our Business We may be subject to additional corporate-level income taxes if we fail to maintain our status as a RIC" and "Price Range of Common Stock and Distributions."
Dividend reinvestment plan	We have a dividend reinvestment plan for our stockholders. This is an "opt out" dividend reinvestment plan. As a result, if we declare a cash dividend, then stockholders' dividends will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash. Stockholders whose cash dividends are reinvested in additional shares of our common stock will be subject to the same U.S. federal, state and local tax consequences as stockholders who elect to receive their dividends in cash. See "Dividend Reinvestment Plan."
The NASDAQ Global Select Market symbol	"ARCC"
Anti-takeover provisions	Our board of directors is divided into three classes of directors serving staggered three-year terms. This structure is intended to provide us with a greater likelihood of continuity of management, which may be necessary for us to realize the full value of our investments. A staggered board of directors also may serve to deter hostile takeovers or proxy contests, as may certain other measures adopted by us. See "Description of Our Capital Stock."
Leverage	We borrow funds to make additional investments. We use this practice, which is known as "leverage," to attempt to increase returns to our stockholders, but it involves significant risks. See "Risk Factors," "Senior Securities" and "Regulation Indebtedness and Senior Securities." With certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 200% after such borrowing. The amount of leverage that we employ at any particular time will depend on our investment adviser's and our board of directors' assessments of market and other factors at the time of any proposed borrowing.

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Management arrangements	Ares Capital Management serves as our investment adviser. Ares Operations serves as our administrator. For a description of Ares Capital Management, Ares Operations, Ares and our contractual arrangements with these companies, see "Management Investment Advisory and Management Agreement," and " Administration Agreement."
Available information	We are required to file periodic reports, proxy statements and other information with the SEC. This information is available free of charge by calling us collect at (310) 201-4200 or on our website at *www.arescapitalcorp.com.* Information contained on our website is not incorporated into this prospectus and you should not consider such information to be part of this prospectus. Such information is also available from the EDGAR database on the SEC's website at *www.sec.gov*.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear, directly or indirectly, based on the assumptions set forth below. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this table contains a reference to our fees or expenses, we will pay such fees and expenses out of our net assets and, consequently, stockholders will indirectly bear such fees or expenses as investors in Ares Capital.

Stockholder transaction expenses (as a percentage of offering price):		
Sales load		(1)
Offering expenses		(2)
Dividend reinvestment plan expenses	Up to $15 Transaction Fee	(3)
Total stockholder transaction expenses paid		(4)

Annual expenses (as a percentage of consolidated net assets attributable to common stock)(5):	
Base management fees	2.64%(6)
Income based fees and capital gains incentive fees	1.71%(7)
Interest payments on borrowed funds	3.19%(8)
Other expenses	1.49%(9)
Acquired fund fees and expenses	0.61%(10)
Total annual expenses	9.64%(11)

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(1) In the event that the securities to which this prospectus relates are sold to or through underwriters, a corresponding prospectus supplement will disclose the applicable sales load (underwriting discount or commission). Purchases of shares of our common stock on the secondary market are not subject to sales charges but may be subject to brokerage commissions or other charges. The table does not include any sales load that stockholders may have paid in connection with their purchase of shares of our common stock.

(2) The related prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the offering expenses borne by us as a percentage of the offering price.

(3) The expenses of the dividend reinvestment plan are included in "Other expenses." The plan administrator's fees under the plan are paid by us. If a participant elects by notice to the plan administrator in advance of termination to have the plan administrator sell part or all of the shares held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a transaction fee of up to $15 plus a $0.12 per share fee from the proceeds. See "Dividend Reinvestment Plan" for more information.

(4) The related prospectus supplement will disclose the offering price and the total stockholder transaction expenses as a percentage of the offering price.

(5)

The "consolidated net assets attributable to common stock" used to calculate the percentages in this table is our average net assets of $7.0 billion for the six months ended June 30, 2017.

(6) Our base management fee is currently 1.5% of our total assets (other than cash and cash equivalents) (which includes assets purchased with borrowed amounts). Our base management fee has been estimated by multiplying our average total assets (assuming we maintain no cash or cash equivalents) for the six months ended June 30, 2017 by 1.5%. The 2.64% reflected on the table is higher than 1.5% because it is calculated on our average net assets (rather than our average total

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assets) for the same period. See "Management Investment Advisory and Management Agreement."

(7)

This item represents our investment adviser's income based fees and capital gains incentive fees estimated by annualizing income based fees for the six months ended June 30, 2017, as adjusted to take into account the Fee Waiver described below, and the capital gains incentive fee expense accrued in accordance with U.S. generally accepted accounting principles ("GAAP") for the six months ended June 30, 2017, even though no capital gains incentive fee was actually payable under the investment advisory and management agreement as of June 30, 2017.

GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Company Act or the investment advisory and management agreement. This GAAP accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital depreciation included in the calculation of the capital gains incentive fee actually payable under the investment advisory and management agreement plus the aggregate cumulative unrealized capital appreciation. If such amount is positive at the end of a period, then GAAP requires us to record a capital gains incentive fee equal to 20% of such cumulative amount, less the aggregate amount of actual capital gains incentive fees paid or capital gains incentive fees accrued under GAAP in all prior periods. The resulting accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. There can be no assurance that such unrealized capital appreciation will be realized in the future or that the amount accrued for will ultimately be paid.

For purposes of this table, we have assumed that these fees will be payable (in the case of the capital gains incentive fee) and that they will remain constant, although they are based on our performance and will not be paid unless we achieve certain goals. We expect to invest or otherwise utilize all of the net proceeds from securities registered under the registration statement of which this prospectus is a part pursuant to a particular prospectus supplement within three months of the date of the offering pursuant to such prospectus supplement and may have capital gains and interest income that could result in the payment of these fees to our investment adviser in the first year after completion of offerings pursuant to this prospectus. Since our initial public offering through June 30, 2017, the average quarterly fees accrued related to income based fees and capital gains incentive fees (including capital gains incentive fees accrued under GAAP even though they may not be payable) has been approximately 0.67% of our weighted average net assets (2.70% on an annualized basis). For more detailed information on the calculation of our income based fees and capital gains incentive fees, please see below. For more detailed information about income based fees and capital gains incentive fees previously incurred by us, please see Note 3 to our consolidated financial statements for the year ended December 31, 2016 and the six months ended June 30, 2017.

Income based fees are payable quarterly in arrears in an amount equal to 20% of our pre-incentive fee net investment income (including interest that is accrued but not yet received in cash), subject to a 1.75% quarterly (7.0% annualized) hurdle rate and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, our investment adviser receives no income based fees until our net investment income equals the hurdle rate of 1.75% but then receives, as a "catch-up," 100% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875%. The effect of this provision is that, if pre-incentive fee net

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investment income exceeds 2.1875% in any calendar quarter, our investment adviser will receive 20% of our pre-incentive fee net investment income as if a hurdle rate did not apply.

In connection with the American Capital Acquisition, our investment adviser has agreed to the Fee Waiver, and as a result will waive, for each of the first ten calendar quarters beginning in the second quarter of 2017, the lesser of (a) $10 million of the income based fees and (b) the amount of income based fees for such quarter, in each case, to the extent earned and payable by us in such quarter pursuant to and as calculated under our investment advisory and management agreement.

Capital gains incentive fees are payable annually in arrears in an amount equal to 20% of our realized capital gains on a cumulative basis from inception through the end of the year, if any, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of capital gains incentive fees paid in all prior years.

We will defer cash payment of any income based fees and capital gains incentive fees otherwise earned by our investment adviser if, during the most recent four full calendar quarter period ending on or prior to the date such payment is to be made, the sum of (a) our aggregate distributions to our stockholders and (b) our change in net assets (defined as total assets less indebtedness and before taking into account any income based fees or capital gains incentive fees accrued during the period) is less than 7.0% of our net assets (defined as total assets less indebtedness) at the beginning of such period. Any deferred income based fees and capital gains incentive fees are carried over for payment in subsequent calculation periods to the extent such payment is payable under the investment advisory and management agreement.

These calculations will be adjusted for any share issuances or repurchases.

See "Management Investment Advisory and Management Agreement."

(8)

"Interest payments on borrowed funds" represents our interest expenses estimated by annualizing our actual interest and credit facility expenses incurred for the six months ended June 30, 2017. During the six months ended June 30, 2017, our average outstanding borrowings were approximately $4.6 billion and cash paid for interest expense was $85 million. We had outstanding borrowings of approximately $4.9 billion (with a carrying value of approximately $4.8 billion) as of June 30, 2017. This item is based on the assumption that our borrowings and interest costs after an offering will remain similar to those prior to such offering. The amount of leverage that we may employ at any particular time will depend on, among other things, our investment adviser's and our board of directors' assessment of market and other factors at the time of any proposed borrowing. See "Risk Factors Risks Relating to Our Business We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us."

(9)

Includes our overhead expenses, including payments under our administration agreement based on our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement, and income taxes. Such expenses are estimated by annualizing "Other expenses" for the six months ended June 30, 2017 (other than $38 million of professional and other costs related to the American Capital Acquisition, which are included in "Other Expenses" but not annualized). The holders of shares of our common stock (and not the holders of our debt securities or preferred stock, if any) indirectly bear the cost associated with our annual expenses. See "Management Administration Agreement."

(10)

Our stockholders indirectly bear the expenses of underlying funds or other investment vehicles that would be investment companies under section 3(a) of the Investment Company Act but for the exceptions to that definition provided for in sections 3(c)(1) and 3(c)(7) of the Investment Company Act ("Acquired Funds") in which we invest. Such underlying funds or other investment vehicles are referred to in this prospectus as "Acquired Funds." This amount includes the

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estimated annual fees and operating expenses of Acquired Funds as of June 30, 2017. Certain of these Acquired Funds are subject to management fees, which generally range from 1% to 2.5% of total net assets, or incentive fees, which generally range between 15% and 25% of net profits. When applicable, fees and operating expenses estimates are based on historic fees and operating expenses for the Acquired Funds. For those Acquired Funds with little or no operating history, fees and operating expenses are estimates based on expected fees and operating expenses stated in the Acquired Funds' offering memorandum, private placement memorandum or other similar communication without giving effect to any performance. Future fees and operating expenses for these Acquired Funds may be substantially higher or lower because certain fees and operating expenses are based on the performance of the Acquired Funds, which may fluctuate over time. Also included with the amount is an estimate of the annual fees and operating expenses of the SDLP. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity Senior Direct Lending Program" and Note 4 to our consolidated financial statements for the year ended December 31, 2016 and the three and six months ended June 30, 2017 for more information on the SDLP. The annual fees and operating expenses of the SDLP were estimated based on the funded portfolio of the SDLP as of June 30, 2017 and include interest payments on the senior notes and intermediate funding notes provided by Varagon and its clients, which represent 87% of such expenses.

(11) "Total annual expenses" as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage and increase our total assets. The SEC requires that the "Total annual expenses" percentage be calculated as a percentage of net assets (defined as total assets less indebtedness and before taking into account any income based fees or capital gains incentive fees accrued during the period), rather than the total assets, including assets that have been funded with borrowed monies.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that we would have no additional leverage, that none of our assets are cash or cash equivalents and that our annual operating expenses would remain at the levels set forth in the table above. Income based fees and the capital gains incentive fees under the investment advisory and management agreement, which, assuming a 5% annual return, would either not be payable or have an insignificant impact on the expense amounts shown below, are not included in the example, except as specifically set forth below. Transaction expenses are not included in the following example. In the event that shares to which this prospectus relates are sold to or through underwriters, a corresponding prospectus supplement will restate this example to reflect the applicable sales load.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 common stock investment, assuming a 5% annual return (none of which is subject to the capital gains incentive fee)(1)	$ 81	$ 236	$ 382	$ 707
You would pay the following expenses on a $1,000 common stock investment, assuming a 5% annual return resulting entirely from net realized capital gains (all of which is subject to the capital gains incentive fee)(2)	$ 91	$ 264	$ 425	$ 778

(1) Assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation.

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(2) Assumes no unrealized capital depreciation and a 5% annual return resulting entirely from net realized capital gains and not otherwise deferrable under the terms of the investment advisory and management agreement and therefore subject to the capital gains incentive fee.

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. If we were to achieve sufficient returns on our investments, including through the realization of capital gains, to trigger income based fees or capital gains incentive fees of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our board of directors authorizes and we declare a cash dividend, participants in our dividend reinvestment plan who have not otherwise elected to receive cash will receive a number of shares of our common stock determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See "Dividend Reinvestment Plan" for additional information regarding our dividend reinvestment plan.

This example and the expenses in the table above should not be considered a representation of our future expenses as actual expenses (including the cost of debt, if any, and other expenses) that we may incur in the future and such actual expenses may be greater or less than those shown.

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SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA OF ARES CAPITAL

The following selected financial and other data as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 are derived from our consolidated financial statements, which have been audited by KPMG LLP, an independent registered public accounting firm whose report thereon is included elsewhere in this prospectus. The selected financial and other data as of and for the six months ended June 30, 2017 and June 30, 2016 and other quarterly financial information is derived from our unaudited financial statements, but in the opinion of management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results of such interim periods. Interim results as of and for the six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. The data should be read in conjunction with our consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities," which are included elsewhere in this prospectus or the accompanying prospectus supplement.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
SELECTED FINANCIAL DATA
As of and For the Six Months Ended June 30, 2017 and June 30, 2016 and
As of and For the Years Ended December 31, 2016, 2015, 2014, 2013 and 2012
(dollar amounts in millions, except per share data and as otherwise indicated)

	As of and For the Six Months Ended June 30,		As of and For the Year Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)	(unaudited)					
Total Investment Income	$ 559	$ 493	$ 1,012	$ 1,025	$ 989	$ 882	$ 748
Total Expenses	332	266	497	499	533	437	388
Net Investment Income Before Income Taxes	227	227	515	526	456	445	360
Income Tax Expense, Including Excise Tax	9	9	21	18	18	14	11
Net Investment Income	218	218	494	508	438	431	349
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies, Extinguishment of Debt and Other Assets	78	71	(20)	(129)	153	58	159
Net Increase in Stockholders' Equity Resulting from Operations	$ 296	$ 289	$ 474	$ 379	$ 591	$ 489	$ 508
Per Share Data:							
Net Increase in Stockholder's Equity Resulting from Operations:							
Basic	$ 0.70	$ 0.92	$ 1.51	$ 1.20	$ 1.94	$ 1.83	$ 2.21
Diluted	$ 0.70	$ 0.92	$ 1.51	$ 1.20	$ 1.94	$ 1.83	$ 2.21
Cash Dividends Declared and Payable(1)	$ 0.76	$ 0.76	$ 1.52	$ 1.57	$ 1.57	$ 1.57	$ 1.60
Net Asset Value	$ 16.54	$ 16.62	$ 16.45	$ 16.46	$ 16.82	$ 16.46	$ 16.04
Total Assets(2)	$ 12,328	$ 9,208	$ 9,245	$ 9,507	$ 9,454	$ 8,094	$ 6,361
Total Debt (Carrying Value)(2)	$ 4,838	$ 3,785	$ 3,874	$ 4,114	$ 3,881	$ 2,939	$ 2,155
Total Debt (Principal Amount)	$ 4,938	$ 3,860	$ 3,951	$ 4,197	$ 3,999	$ 3,079	$ 2,294
Total Stockholders' Equity	$ 7,051	$ 5,218	$ 5,165	$ 5,173	$ 5,284	$ 4,904	$ 3,988
Other Data:							
Number of Portfolio Companies at Period End(3)	319	214	218	218	205	193	152
Principal Amount of Investments Purchased(4)	$ 2,811	$ 1,017	$ 3,490	$ 3,905	$ 4,534	$ 3,493	$ 3,162
Principal Amount of Investments Acquired as part of the American Capital Acquisition on the Acquisition Date	$ 2,543						
Principal Amount of Investments Sold and Repayments	$ 2,709	$ 1,203	$ 3,655	$ 3,651	$ 3,213	$ 1,801	$ 2,483
Total Return Based on Market Value(5)	3.9%	5.0%	26.4%	1.3%	(3.3)%	10.5%	23.6%
Total Return Based on Net Asset Value(6)	5.5%	5.5%	9.2%	7.2%	11.8%	11.4%	14.3%
Weighted Average Yield of Debt and Other Income Producing Securities at Fair Value(7):	9.5%	9.9%	9.4%	10.3%	10.1%	10.4%	11.3%
Weighted Average Yield of Debt and Other Income Producing Securities at Amortized Cost(7) :	9.4%	9.8%	9.3%	10.1%	10.1%	10.4%	11.4%
Weighted Average Yield of Total Investments at Fair Value(8):	8.3%	9.0%	8.5%	9.2%	9.1%	9.3%	10.0%
Weighted Average Yield of Total Investments at Amortized Cost(8):	8.2%	8.9%	8.3%	9.1%	9.3%	9.4%	10.1%

(1) Includes an additional dividend of $0.05 per share paid in the year ended December 31, 2015, an additional dividend of $0.05 per share paid in the year ended December 31, 2014, an additional dividend of $0.05 per share paid in the year ended December 31, 2013 and additional dividends of $0.10 per share in the aggregate paid in the year ended December 31, 2012.

(2) Certain prior year amounts have been reclassified to conform to the 2016 presentation. In particular, unamortized debt issuance costs were previously included in other assets and were reclassified to long-term debt as a result of the adoption of Accounting Standards Update ("ASU") 2015-03, Interest Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs during the first quarter of 2016.

(3) Includes commitments to portfolio companies for which funding had yet to occur.

(4) Excludes investments acquired as part of the American Capital Acquisition on the Acquisition Date.

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(5) For the six months ended June 30, 2017, the total return based on market value equaled the decrease of the ending market value at June 30, 2017 of $16.38 per share from the ending market value at December 31, 2016 of $16.49 per share plus the declared and payable dividends of $0.76 per share for the six months ended June 30, 2017, divided by the market value at December 31, 2016. For the six months ended June 30, 2016, the total return based on market value equaled the decrease of the ending market value at June 30, 2016 of $14.20 per share from the ending market value at December 31, 2015 of $14.25 per share plus the declared and payable dividends of $0.76 per share for the six months ended June 30, 2016, divided by the market value at December 31, 2015. For the year ended December 31, 2016, the total return based on market value equaled the increase of the ending market value at December 31, 2016 of $16.49 per share from the ending market value at December 31, 2015 of $14.25 per share plus the declared and payable dividends of $1.52 per share for the year ended December 31, 2016, divided by the market value at December 31, 2015. For the year ended December 31, 2015, the total return based on market value equaled the decrease of the ending market value at December 31, 2015 of $14.25 per share from the ending market value at December 31, 2014 of $15.61 per share plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2015, divided by the market value at December 31, 2014. For the year ended December 31, 2014, the total return based on market value equaled the decrease of the ending market value at December 31, 2014 of $15.61 per share from the ending market value at December 31, 2013 of $17.77 per share plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2014, divided by the market value at December 31, 2013. For the year ended December 31, 2013, the total return based on market value equaled the increase of the ending market value at December 31, 2013 of $17.77 per share from the ending market value at December 31, 2012 of $17.50 per share plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2013, divided by the market value at December 31, 2012. For the year ended December 31, 2012, the total return based on market value equaled the increase of the ending market value at December 31, 2012 of $17.50 per share from the ending market value at December 31, 2011 of $15.45 per share plus the declared and payable dividends of $1.60 per share for the year ended December 31, 2012, divided by the market value at December 31, 2011. Our shares fluctuate in value. Our performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(6) For the six months ended June 30, 2017, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $0.76 per share for the six months ended June 30, 2017, divided by the beginning net asset value for the period. For the six months ended June 30, 2016, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $0.76 per share for the six months ended June 30, 2016, divided by the beginning net asset value for the period. For the year ended December 31, 2016, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.52 per share for the year ended December 31, 2016, divided by the beginning net asset value for the period. For the year ended December 31, 2015, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2015, divided by the beginning net asset value for the period. For the year ended December 31, 2014, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2014, divided by the beginning net asset value for the period. For the year ended December 31, 2013, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.57 per share for the year ended December 31, 2013, divided by the beginning net asset value for the period. For the year ended December 31, 2012, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of $1.60 per share for the year ended December 31, 2012 divided by the beginning net asset value for the period. These calculations are adjusted for shares issued in connection with the dividend reinvestment plan and the issuance of common stock in connection with any equity offerings and the equity components of any convertible notes issued during the period. Our performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(7) "Weighted average yield of debt and other income producing securities" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value, as applicable. The weighted average yield of debt and other income producing securities that were acquired as part of the American Capital Acquisition and held as of June 30, 2017 was 10.3% and 10.1% at amortized cost and fair value, respectively.

(8) "Weighted average yield on total investments" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total investments at amortized cost or at fair value, as applicable. The weighted average yield on total investments that were acquired as part of the American Capital Acquisition and held as of June 30, 2017 was 8.2% and 7.8% at amortized cost and fair value, respectively.

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SELECTED QUARTERLY DATA (Unaudited)
(dollar amounts in millions, except per share data)

	2017	
	Q2	Q1
Total investment income	$ 284	$ 275
Net investment income before net realized and unrealized gains and income based fees and capital gains incentive fees	$ 154	$ 142
Income based fees, net of the Fee Waiver, and capital gains incentive fees	$ 30	$ 48
Net investment income before net realized and unrealized gains	$ 124	$ 94
Net realized and unrealized gains	$ 54	$ 24
Net increase in stockholders' equity resulting from operations	$ 178	118
Basic and diluted earnings per common share	$ 0.42	0.28
Net asset value per share as of the end of the quarter	$ 16.54	$ 16.50

	2016			
	Q4	Q3	Q2	Q1
Total investment income	$ 261	$ 258	$ 245	$ 248
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees	$ 158	$ 164	$ 144	$ 146
Income based fees and capital gains incentive fees	$ 19	$ 27	$ 39	$ 33
Net investment income before net realized and unrealized gains (losses)	$ 139	$ 137	$ 105	$ 113
Net realized and unrealized gains (losses)	$ (64)	$ (27)	$ 52	$ 19
Net increase in stockholders' equity resulting from operations	$ 75	$ 110	$ 157	$ 132
Basic and diluted earnings per common share	$ 0.24	$ 0.35	$ 0.50	$ 0.42
Net asset value per share as of the end of the quarter	$ 16.45	$ 16.59	$ 16.62	$ 16.50

	2015			
	Q4	Q3	Q2	Q1
Total investment income	$ 262	$ 261	$ 249	$ 253
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees	$ 151	$ 159	$ 146	$ 147
Income based fees and capital gains incentive fees	$ 4	$ 29	$ 37	$ 25
Net investment income before net realized and unrealized gains (losses)	$ 147	$ 130	$ 109	$ 122
Net realized and unrealized gains (losses)	$ (132)	$ (14)	$ 38	$ (21)
Net increase in stockholders' equity resulting from operations	$ 15	$ 116	$ 147	$ 101
Basic and diluted earnings per common share	$ 0.05	$ 0.37	$ 0.47	$ 0.32
Net asset value per share as of the end of the quarter	$ 16.46	$ 16.79	$ 16.80	$ 16.71

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RISK FACTORS

You should carefully consider the risk factors described below, together with all of the other information included in this prospectus and the accompanying prospectus supplement, including our consolidated financial statements and the related notes thereto, before you decide whether to make an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. If any of the following events occur, our business, financial condition and results of operations could be materially adversely affected. In such case, the net asset value of our common stock and the trading price of our securities could decline, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

The capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations.

From time to time, capital markets may experience periods of disruption and instability. For example, between 2008 and 2009, the global capital markets were unstable as evidenced by periodic disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. Despite actions of the U.S. federal government and foreign governments, these events contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. While market conditions have largely recovered from the events of 2008 and 2009, there have been continuing periods of volatility, some lasting longer than others. For example, the referendum by British voters to exit the European Union ("E.U.") ("Brexit") in June 2016 has led to further disruption and instability in the global markets. There can be no assurance these market conditions will not repeat themselves or worsen in the future.

Equity capital may be difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. We generally seek approval from our stockholders so that we have the flexibility to issue up to 25% of our then outstanding shares of our common stock at a price below net asset value. Pursuant to approval granted at a special meeting of stockholders held on May 22, 2017, we currently are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on May 22, 2018.

Volatility and dislocation in the capital markets can also create a challenging environment in which to raise or access debt capital. The reappearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time could make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

Significant changes or volatility in the capital markets may also have a negative effect on the valuations of our investments. While most of our investments are not publicly traded, applicable

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accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity). Significant changes in the capital markets may also affect the pace of our investment activity and the potential for liquidity events involving our investments. Thus, the illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. An inability to raise or access capital could have a material adverse effect on our business, financial condition or results of operations.

Uncertainty about the financial stability of the United States, China and several countries in Europe could have a significant adverse effect on our business, financial condition and results of operations.

Due to federal budget deficit concerns, Standard & Poor's Financial Services LLC ("S&P") downgraded the federal government's credit rating from AAA to AA+ for the first time in history on August 5, 2011. Further, Moody's Investor Services, Inc. ("Moody's") and Fitch Ratings, Inc. ("Fitch") had warned that they may downgrade the federal government's credit rating. Further downgrades or warnings by S&P or other rating agencies, and the United States government's credit and deficit concerns in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock.

Deterioration in the economic conditions in the Eurozone and globally, including instability in financial markets, may pose a risk to our business. In recent years, financial markets have been affected at times by a number of global macroeconomic and political events, including the following: large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non-performing loans on the balance sheets of European banks, the potential effect of any European country leaving the Eurozone, the potential effect of the United Kingdom leaving the European Union, the potential effect of Scotland leaving the United Kingdom, and market volatility and loss of investor confidence driven by political events, including the general elections in the United Kingdom in June 2017 and in Germany in September 2017 and referenda in the United Kingdom in June 2016 and Italy in December 2016. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. We cannot assure you that market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected.

In the second quarter of 2015, stock prices in China experienced a significant drop, resulting primarily from continued sell-off of shares trading in Chinese markets. In addition, in August 2015, Chinese authorities sharply devalued China's currency. Since then, the Chinese capital markets have continued to experience periods of instability. These market and economic disruptions have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations.

The Federal Reserve raised the Federal Funds Rate in December 2015, in December 2016 and again in March 2017, and has announced its intention to continue to raise the federal funds rate over time. These developments, along with the United States government's credit and deficit concerns, the

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European sovereign debt crisis and the economic slowdown in China, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets on favorable terms.

A failure on our part to maintain our status as a BDC would significantly reduce our operating flexibility.

If we fail to maintain our status as a BDC, we might be regulated as a closed-end investment company that is required to register under the Investment Company Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under our outstanding indebtedness, which could have a material adverse effect on our business, financial condition or results of operations.

We are dependent upon certain key personnel of Ares for our future success and upon their access to other Ares investment professionals.

We depend on the diligence, skill and network of business contacts of certain key personnel of the Ares Credit Group. We also depend, to a significant extent, on access to the investment professionals of other groups within Ares and the information and deal flow generated by Ares' investment professionals in the course of their investment and portfolio management activities. Our future success depends on the continued service of certain key personnel of the Ares Credit Group. The departure of any of these individuals, or of a significant number of the investment professionals or partners of Ares, could have a material adverse effect on our business, financial condition or results of operations. In addition, we cannot assure you that Ares Capital Management will remain our investment adviser or that we will continue to have access to Ares' investment professionals or its information and deal flow. Further, there can be no assurance that Ares Capital will replicate its own or Ares' historical success, and we caution you that our investment returns could be substantially lower than the returns achieved by other Ares-managed funds.

Our financial condition and results of operations depend on our ability to manage future growth effectively.

Our ability to achieve our investment objective depends on our ability to acquire suitable investments and monitor and administer those investments, which depends, in turn, on our investment adviser's ability to identify, invest in and monitor companies that meet our investment criteria.

Accomplishing this result on a cost-effective basis is largely a function of the structuring of our investment process and the ability of our investment adviser to provide competent, attentive and efficient services to us. Our executive officers and the members of our investment adviser's investment committee have substantial responsibilities in connection with their roles at Ares and with the other Ares funds, as well as responsibilities under the investment advisory and management agreement. They may also be called upon to provide significant managerial assistance to certain of our portfolio companies. These demands on their time, which will increase as the number of investments grow, may distract them or slow the rate of investment. In order to grow, Ares will need to hire, train, supervise, manage and retain new employees. However, we cannot assure you that Ares will be able to do so effectively. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition and results of operations.

In addition, as we grow, we may open up new offices in new geographic regions that may increase our direct operating expenses without corresponding revenue growth.

We may be unable to realize the benefits anticipated by the American Capital Acquisition, including estimated cost savings and synergies, or it may take longer than anticipated to achieve such benefits.

On January 3, 2017, we completed the American Capital Acquisition. The realization of certain benefits anticipated as a result of the American Capital Acquisition will depend in part on the integration of American Capital's investment portfolio with our investment portfolio and the integration of American Capital's business with our business. There can be no assurance that American Capital's investment portfolio or business can be operated profitably or integrated successfully into our business in a timely fashion or at all. The dedication of management resources to such integration may detract attention from our day-to-day business and there can be no assurance that there will not be substantial costs associated with the transition process or that there will not be other material adverse effects as a result of these integration efforts. Such effects, including but not limited to, incurring unexpected costs or delays in connection with such integration and failure of American Capital's investment portfolio to perform as expected, could have a material adverse effect on our financial results.

We also expect to achieve certain cost savings and synergies from the American Capital Acquisition when the two companies have fully integrated their portfolios. It is possible that our estimates of the potential cost savings and synergies could turn out to be incorrect. If the estimates turn out to be incorrect or we are not able to successfully combine the investment portfolios and businesses of the two companies, the anticipated cost savings and synergies may not be fully realized or realized at all or may take longer to realize than expected.

Our ability to grow depends on our ability to raise capital.

We will need to periodically access the capital markets to raise cash to fund new investments in excess of our repayments, and we may also need to access the capital markets to refinance existing debt obligations to the extent such maturing obligations are not repaid with availability under our revolving credit facilities or cash flows from operations. We have elected to be treated as a RIC and operate in a manner so as to qualify for the U.S. federal income tax treatment applicable to RICs. Among other things, in order to maintain our RIC status, we must distribute to our stockholders on a timely basis generally an amount equal to at least 90% of our investment company taxable income, and, as a result, such distributions will not be available to fund investment originations or repay maturing debt. We must continue to borrow from financial institutions and issue additional securities to fund our growth. Unfavorable economic or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by lenders not to extend credit to us. An inability to successfully access the capital markets may limit our ability to refinance our existing debt obligations as they come due and/or to fully execute our business strategy and could limit our ability to grow or cause us to have to shrink the size of our business, which could decrease our earnings, if any.

In addition, with certain limited exceptions, we are only allowed to borrow amounts or issue debt securities or preferred stock, which we refer to collectively as "senior securities," such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 200% immediately after such borrowing, which, in certain circumstances, may restrict our ability to borrow or issue debt securities or preferred stock. The amount of leverage that we employ will depend on our investment adviser's and our board of directors' assessments of market and other factors at the time of any proposed borrowing or issuance of senior securities. We cannot assure you that we will be able to maintain our current Facilities (as defined below), obtain other lines of credit or issue senior securities at all or on terms acceptable to us.

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Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital.

We may issue senior securities or borrow money from banks or other financial institutions, up to the maximum amount permitted by the Investment Company Act. Under the provisions of the Investment Company Act, we are permitted, as a BDC, to incur indebtedness or issue senior securities only in amounts such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 200% after each such incurrence or issuance. If the value of our assets declines, we may be unable to satisfy this test, which may prohibit us from paying dividends and could prevent us from maintaining our status as a RIC or may prohibit us from repurchasing shares of our common stock. In addition, our inability to satisfy this test could cause an event of default under our existing indebtedness. If we cannot satisfy this test, we may be required to sell a portion of our investments at a time when such sales may be disadvantageous and, depending on the nature of our leverage, repay a portion of our indebtedness. Accordingly, any failure to satisfy this test could have a material adverse effect on our business, financial condition or results of operations. As of June 30, 2017, our asset coverage calculated in accordance with the Investment Company Act was 242%. Also, to generate cash for funding new investments, we may in the future seek to issue additional debt or to securitize certain of our loans. The Investment Company Act may impose restrictions on the structure of any such securitization.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current net asset value per share of our common stock if our board of directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. Any such sale would be dilutive to the net asset value per share of our common stock. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any commission or discount). If our common stock trades at a discount to net asset value, this restriction could adversely affect our ability to raise capital.

Pursuant to approval granted at a special meeting of stockholders held on May 22, 2017, we currently are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on May 22, 2018.

We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us.

Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. We currently borrow under the Facilities and have issued or assumed other senior securities, and in the future may borrow from, or issue additional senior securities to, banks, insurance companies, funds, institutional investors and other lenders and investors. Lenders and holders of such senior securities have fixed dollar claims on our consolidated assets that are superior to the claims of our common stockholders or any preferred stockholders. If the value of our consolidated assets increases, then leveraging would cause the net asset value per share of our common stock to increase more sharply than it would have had we not incurred leverage.

Conversely, if the value of our consolidated assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not incurred leverage. Similarly, any increase in our consolidated income in excess of consolidated interest payable on the borrowed funds would cause our net income to increase more than it would had we not incurred leverage, while any decrease in our consolidated income would cause net income to decline more sharply than it would have had we not incurred leverage. Such a decline could negatively affect our ability to make common stock dividend payments. There can be no assurance that a leveraging strategy will be successful.

As of June 30, 2017, we had approximately $1.8 billion of outstanding borrowings under the Facilities, approximately $25 million in aggregate principal amount outstanding of the SBA Debentures, approximately $958 million in aggregate principal amount outstanding of the Convertible Unsecured Notes (as defined below) and approximately $2.2 billion in aggregate principal amount outstanding of the Unsecured Notes. In order for us to cover our annual interest payments on our outstanding indebtedness at June 30, 2017, we must achieve annual returns on our June 30, 2017 total assets of at least 1.6%. The weighted average stated interest rate charged on our principal amount of outstanding indebtedness as of June 30, 2017 was 3.9%. We intend to continue borrowing under the Facilities in the future and we may increase the size of the Facilities or issue additional debt securities or other evidences of indebtedness (although there can be no assurance that we will be successful in doing so). For more information on our indebtedness, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Financial Condition, Liquidity and Capital Resources" and "Recent Developments." Our ability to service our debt depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. The amount of leverage that we employ at any particular time will depend on our investment adviser's and our board of directors' assessments of market and other factors at the time of any proposed borrowing.

The Facilities, the SBA Debentures, the Convertible Unsecured Notes and the Unsecured Notes impose financial and operating covenants that restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our status as a RIC. A failure to renew the Facilities or to add new or replacement debt facilities or to issue additional debt securities or other evidences of indebtedness could have a material adverse effect on our business, financial condition and results of operations.

The following table illustrates the effect on return to a holder of our common stock of the leverage created by our use of borrowing at the weighted average stated interest rate of 3.9% as of June 30, 2017, together with (a) our total value of net assets as of June 30, 2017; (b) approximately $4.9 billion in aggregate principal amount of indebtedness outstanding as of June 30, 2017 and (c) hypothetical annual returns on our portfolio of minus 15% to plus 15%.

Assumed Return on Portfolio (Net of Expenses)(1)	15%	10%	5%	%	5%	10%	15%
Corresponding Return to Common Stockholders(2)	28.93%	20.20%	11.48%	2.75%	5.97%	14.69%	23.42%

(1) The assumed portfolio return is required by SEC regulations and is not a prediction of, and does not represent, our projected or actual performance. Actual returns may be greater or less than those appearing in the table. Pursuant to SEC regulations, this table is calculated as of June 30, 2017. As a result, it has not been updated to take into account any changes in assets or leverage since June 30, 2017.

(2) In order to compute the "Corresponding Return to Common Stockholders," the "Assumed Return on Portfolio" is multiplied by the total value of our assets at June 30, 2017 to obtain an assumed return to us. From this amount, the interest expense (calculated by multiplying the weighted average stated interest rate of 3.9% by the approximately $4.9 billion of principal debt outstanding) is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets as of June 30, 2017 to determine the "Corresponding Return to Common Stockholders."

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In addition to regulatory requirements that restrict our ability to raise capital, the Facilities, the Convertible Unsecured Notes, the Unsecured Notes and the SBA Debentures contain various covenants that, if not complied with, could accelerate repayment under the Facilities, the Convertible Unsecured Notes, the Unsecured Notes and SBA Debentures, thereby materially and adversely affecting our liquidity, financial condition and results of operations.

The agreements governing the Facilities, the Convertible Unsecured Notes, the Unsecured Notes and the SBA Debentures require us to comply with certain financial and operational covenants. These covenants may include, among other things:

- restrictions on the level of indebtedness that we are permitted to incur in relation to the value of our assets;
- restrictions on our ability to incur liens; and
- maintenance of a minimum level of stockholders' equity.

As of the date of this prospectus, we are in compliance in all material respects with the covenants of the Facilities, the Convertible Unsecured Notes, the Unsecured Notes and the SBA Debentures. However, our continued compliance with these covenants depends on many factors, some of which are beyond our control. For example, depending on the condition of the public debt and equity markets and pricing levels, unrealized depreciation in our portfolio may increase in the future. Any such increase could result in our inability to comply with our obligation to restrict the level of indebtedness that we are able to incur in relation to the value of our assets or to maintain a minimum level of stockholders' equity.

Accordingly, although we believe we will continue to be in compliance, there are no assurances that we will continue to comply with the covenants in the Facilities, the Convertible Unsecured Notes, the Unsecured Notes and the SBA Debentures. Failure to comply with these covenants could result in a default under the Facilities, the Convertible Unsecured Notes, the Unsecured Notes or the SBA Debentures that, if we were unable to obtain a waiver from the lenders or holders of such indebtedness, as applicable, such lenders or holders could accelerate repayment under such indebtedness and thereby have a material adverse impact on our business, financial condition and results of operations.

We operate in a highly competitive market for investment opportunities.

A number of entities compete with us to make the types of investments that we make in middle-market companies. We compete with other BDCs, public and private funds, commercial and investment banks, commercial financing companies, insurance companies, hedge funds, and, to the extent they provide an alternative form of financing, private equity funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the Investment Company Act imposes on us as a BDC and that the Code imposes on us as a RIC. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to pursue attractive investment opportunities from time to time.

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We do not seek to compete primarily based on the interest rates we offer and we believe that some of our competitors may make loans with interest rates that are comparable to or lower than the rates we offer. Rather, we compete with our competitors based on our existing investment platform, seasoned investment professionals, experience and focus on middle-market companies, disciplined investment philosophy, extensive industry focus and flexible transaction structuring. For a more detailed discussion of these competitive advantages, see "Business Competitive Advantages."

We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we match our competitors' pricing, terms and structure, we may experience decreased net interest income and increased risk of credit loss. As a result of operating in such a competitive environment, we may make investments that are on less favorable terms than what we may have originally anticipated, which may impact our return on these investments.

We may be subject to additional corporate-level income taxes if we fail to maintain our status as a RIC.

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the U.S. federal income tax treatment applicable to RICs. As a RIC, we generally will not pay U.S. federal corporate-level income taxes on our income and net capital gains that we distribute to our stockholders as dividends on a timely basis. We will be subject to U.S. federal corporate-level income tax on any undistributed income and/or gains. To maintain our status as a RIC, we must meet certain source of income, asset diversification and annual distribution requirements. We may also be subject to certain U.S. federal excise taxes, as well as state, local and foreign taxes.

To maintain our RIC status, we must timely distribute an amount equal to at least 90% of our investment company taxable income (as defined by the Code, which generally includes net ordinary income and net short term capital gains) to our stockholders (the "Annual Distribution Requirement"). We have the ability to pay a large portion of our dividends in shares of our stock, and as long as a portion of such dividend is paid in cash and other requirements are met, such stock dividends will be taxable as a dividend for U.S. federal income tax purposes. This may result in our U.S. stockholders having to pay tax on such dividends, even if no cash is received, and may result in our non-U.S. stockholders being subject to withholding tax in respect of amounts distributed in our stock. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the Investment Company Act and financial covenants under our indebtedness that could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to maintain our status as a RIC and, thus, may be subject to corporate-level income tax on all of our income and/or gains.

To maintain our status as a RIC, in addition to the Annual Distribution Requirement, we must also meet certain annual source of income requirements at the end of each taxable year and asset diversification requirements at the end of each calendar quarter. Failure to meet these requirements may result in our having to (a) dispose of certain investments quickly or (b) raise additional capital to prevent the loss of RIC status. Because most of our investments are in private companies and are generally illiquid, any such dispositions may be at disadvantageous prices and may result in losses. Also, the rules applicable to our qualification as a RIC are complex with many areas of uncertainty. Accordingly, no assurance can be given that we have qualified or will continue to qualify as a RIC. If we fail to maintain our status as a RIC for any reason and become subject to regular "C" corporation income tax, the resulting corporate-level income taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. Such a failure would have a material adverse effect on us and on any investment in us. Certain provisions of the Code provide some relief from RIC disqualification due to failures of the source of income and asset diversification requirements, although there may be additional taxes due in such cases. We cannot assure you that we would qualify for any such relief should we fail the source of income or asset diversification requirements.

We may have difficulty paying our required distributions under applicable tax rules if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we generally are required to include in income certain amounts that we have not yet received in cash, such as original issue discount, which may arise, for example, if we receive warrants in connection with the making of a loan or payment in kind ("PIK") interest representing contractual interest added to the loan principal balance and due at the end of the loan term. Such original issue discount or PIK interest is included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash, including, for example, amounts attributable to hedging and foreign currency transactions.

Since, in certain cases, we may recognize income before or without receiving cash in respect of such income, we may have difficulty meeting the U.S. federal income tax requirement to distribute generally an amount equal to at least 90% of our investment company taxable income to maintain our status as a RIC. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify as a RIC and thus be subject to additional corporate-level income taxes. Such a failure would have a material adverse effect on us and on any investment in us. See "Certain Material U.S. Federal Income Tax Considerations Taxation as a RIC."

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 rate of return on invested capital. 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. As a result, 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 for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed-rate securities that have longer maturities. 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 investments to position the portfolio for rate increases. However, we cannot assure you that such transactions will be successful in mitigating our exposure to interest rate risk. Hedging transactions may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio investments.

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. 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.

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Most of our portfolio investments are not publicly traded and, as a result, the fair value of these investments may not be readily determinable.

A large percentage of our portfolio investments are not publicly traded. The fair value of investments that are not publicly traded may not be readily determinable. We value these investments quarterly at fair value as determined in good faith by our board of directors based on, among other things, the input of our management and audit committee and independent valuation firms that have been engaged at the direction of our board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12-month period (with certain de minimis exceptions). The valuation process is conducted at the end of each fiscal quarter, with a portion (based on value) of our valuations of portfolio companies without readily available market quotations subject to review by an independent valuation firm each quarter. However, we may use these independent valuation firms to review the value of our investments more frequently, including in connection with the occurrence of significant events or changes in value affecting a particular investment. In addition, our independent registered public accounting firm obtains an understanding of, and performs select procedures relating to, our investment valuation process within the context of performing the integrated audit.

The types of factors that may be considered in valuing our investments include the enterprise value of the portfolio company (the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flows, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to similar publicly traded securities, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments would trade in their principal markets and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate our valuation. Because such valuations, and particularly valuations of private investments and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these investments existed and may differ materially from the values that we may ultimately realize. Our net asset value per share could be adversely affected if our determinations regarding the fair value of these investments are higher than the values that we realize upon disposition of such investments.

The lack of liquidity in our investments may adversely affect our business.

As we generally make investments in private companies, substantially all of these investments are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of our investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we could realize significantly less than the value at which we have recorded our investments or could be unable to dispose of our investments in a timely manner. In addition, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we or an affiliated manager of Ares has material non-public information regarding such portfolio company.

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the interest rates payable on the debt investments we make, the default rates on such investments, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Our financial condition and results of operations could be negatively affected if a significant investment fails to perform as expected.

Our investment portfolio includes investments that may be significant individually or in the aggregate. If a significant investment in one or more companies fails to perform as expected, such a failure could have a material adverse effect on our financial condition and results of operations, and the magnitude of such effect could be more significant than if we had further diversified our portfolio.

There are significant potential conflicts of interest that could impact our investment returns.

Certain of our executive officers and directors, and members of the investment committee of our investment adviser, serve or may serve as officers, directors or principals of other entities and affiliates of our investment adviser and investment funds managed by our affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in our or our stockholders' best interests or may require them to devote time to services for other entities, which could interfere with the time available to provide services to us. Certain members of our investment adviser's investment committee may have significant responsibilities for other Ares funds. Similarly, although the professional staff of our investment adviser will devote as much time to the management of us as appropriate to enable our investment adviser to perform its duties in accordance with the investment advisory and management agreement, the investment professionals of our investment adviser may have conflicts in allocating their time and services among us, on the one hand, and investment vehicles managed by Ares or one or more of its affiliates, on the other hand. These activities could be viewed as creating a conflict of interest insofar as the time and effort of the professional staff of our investment adviser and its officers and employees will not be devoted exclusively to our business but will instead be allocated between our business and the management of these other investment vehicles. However, Ares believes that the efforts of such individuals are synergistic with and beneficial to the affairs of Ares Capital and these other investment vehicles managed by Ares or its affiliates.

In addition, certain Ares funds may have investment objectives that compete or overlap with, and may from time to time invest in asset classes similar to those targeted by, Ares Capital. Consequently, we, on the one hand, and these other entities, on the other hand, may from time to time pursue the same or similar capital and investment opportunities. Ares and our investment adviser endeavor to allocate investment opportunities in a fair and equitable manner, and in any event consistent with any fiduciary duties owed to Ares Capital. Nevertheless, it is possible that we may not be given the opportunity to participate in certain investments made by investment funds managed by investment managers affiliated with Ares. In addition, there may be conflicts in the allocation of investments among us and the funds managed by investment managers affiliated with Ares or one or more of our controlled affiliates or among the funds they manage, including investments made pursuant to the Order. Further, such other Ares-managed funds may hold positions in portfolio companies in which Ares Capital has also invested. Such investments may raise potential conflicts of interest between Ares Capital and such other Ares-managed funds, particularly if Ares Capital and such other Ares-managed funds invest in different classes or types of securities or investments of the same underlying portfolio company. In that regard, actions may be taken by such other Ares-managed funds that are adverse to Ares Capital's interests, including, but not limited to, during a restructuring, bankruptcy or other insolvency proceeding or similar matter occurring at the underlying portfolio company.

We have from time to time sold assets to IHAM and certain of the vehicles managed by IHAM and, as part of our investment strategy, we may offer to sell additional assets to vehicles managed by one or more of our controlled affiliates (including IHAM) or we may purchase assets from

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vehicles managed by one or more of our controlled affiliates (including IHAM). In addition, vehicles managed by one or more of our controlled affiliates (including IHAM) may offer assets to or may purchase assets from one another. While assets may be sold or purchased at prices that are consistent with those that could be obtained from third parties in the marketplace, and although these types of transactions generally require approval of one or more independent parties, there may be an inherent conflict of interest in such transactions between us and funds managed by one of our controlled affiliates.

We pay a base management fee, an income based fee and a capital gains incentive fee to our investment adviser, and reimburse our investment adviser for certain expenses it incurs. In addition, investors in our common stock will invest on a gross basis and receive distributions on a net basis after expenses, resulting in, among other things, a lower rate of return than one might achieve if distributions were made on a gross basis.

Our investment adviser's base management fee is based on a percentage of our total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) and, consequently, our investment adviser may have conflicts of interest in connection with decisions that could affect our total assets, such as decisions as to whether to incur indebtedness or to make future investments.

The income based fees payable by us to our investment adviser that relate to our pre-incentive fee net investment income is computed and paid on income that may include interest that is accrued but not yet received in cash. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of such fee will become uncollectible. Our investment adviser is not under any obligation to reimburse us for any part of the income based fees it received that were based on accrued interest that we never actually receive.

Our investment advisory and management agreement renews for successive annual periods if approved by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not "interested persons" of us as defined in Section 2(a)(19) of the Investment Company Act. However, both we and our investment adviser have the right to terminate the agreement without penalty upon 60 days' written notice to the other party. Moreover, conflicts of interest may arise if our investment adviser seeks to change the terms of our investment advisory and management agreement, including, for example, the terms for compensation. While any material change to the investment advisory and management agreement must be submitted to stockholders for approval under the Investment Company Act, we may from time to time decide it is appropriate to seek stockholder approval to change the terms of the agreement.

We are party to an administration agreement with our administrator, Ares Operations, a subsidiary of Ares Management, pursuant to which our administrator furnishes us with administrative services and we pay our administrator at cost our allocable portion of overhead and other expenses (including travel expenses) incurred by our administrator in performing its obligations under our administration agreement, including our allocable portion of the cost of certain of our officers (including our chief compliance officer, chief financial officer, chief accounting officer, general counsel, treasurer and assistant treasurer) and their respective staffs, but not investment professionals.

Our portfolio company, IHAM, is party to an administration agreement, referred to herein as the "IHAM administration agreement," with Ares Operations. Pursuant to the IHAM administration agreement, our administrator provides IHAM with administrative services and IHAM reimburses our administrator for all of the actual costs associated with such services, including its allocable portion of our administrator's overhead and the cost of our administrator's officers and respective staff in performing its obligations under the IHAM administration agreement. Prior to entering into the IHAM

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administration agreement, IHAM was party to a services agreement with our investment adviser, pursuant to which our investment adviser provided similar services.

As a result of the arrangements described above, there may be times when the management team of Ares (including those members of management focused primarily on managing Ares Capital) has interests that differ from those of yours, giving rise to a conflict.

Our stockholders may have conflicting investment, tax and other objectives with respect to their investments in us. The conflicting interests of individual stockholders may relate to or arise from, among other things, the nature of our investments, the structure or the acquisition of our investments, and the timing of dispositions of our investments. As a consequence, conflicts of interest may arise in connection with decisions made by our investment adviser, including with respect to the nature or structuring of our investments, that may be more beneficial for one stockholder than for another stockholder, especially with respect to stockholders' individual tax situations. In selecting and structuring investments appropriate for us, our investment adviser will consider our investment and tax objectives and the investment and tax objectives of our stockholders, as a whole, not the investment, tax or other objectives of any stockholder individually.

We are dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition or results of operations.

Our business is dependent on our and third parties' communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our business, financial condition and operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential information and/or damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. As our reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided by

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Ares Management and third-party service providers. Ares Management has implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber-incident, do not guarantee that a cyber-incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident.

Ineffective internal controls could impact our business and operating results.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and we could fail to meet our financial reporting obligations.

Changes in laws or regulations governing our operations or the operations of our portfolio companies or our SBIC subsidiary, changes in the interpretation thereof or newly enacted laws or regulations, such as the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), and any failure by us or our portfolio companies to comply with these laws or regulations, could require changes to certain business practices of us or our portfolio companies, negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies.

We and our portfolio companies are subject to regulation by laws and regulations at the local, state, federal and, in some cases, foreign levels. These laws and regulations, as well as their interpretation, may be changed from time to time, and new laws and regulations may be enacted. Accordingly, any change in these laws or regulations, changes in their interpretation, or newly enacted laws or regulations and any failure by us or our portfolio companies to comply with these laws or regulations, could require changes to certain business practices of us or our portfolio companies, negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies.

On July 21, 2010, President Obama signed into law the Dodd-Frank Act. Many of the provisions of the Dodd-Frank Act have had extended implementation periods and delayed effective dates and have required extensive rulemaking by regulatory authorities. While many of the rules required to be written have been promulgated, some have not yet been implemented. Although the full impact of the Dodd-Frank Act on us and our portfolio companies may not be known for an extended period of time, the Dodd-Frank Act, including the rules implementing its provisions and the interpretation of those rules, along with other legislative and regulatory proposals directed at the financial services industry or affecting taxation that are proposed or pending in the U.S. Congress, may negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies, intensify the regulatory supervision of us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operating results or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business.

Reform proposals have been recently put forth by members of Congress and President Trump which, if ultimately proposed as legislation and enacted as law, would substantially change the U.S. federal taxation of (among other things) individuals and businesses. In 2016, the Speaker of the House of Representatives and the Chairman of the House Ways and Means Committee published "A Better Way." Separately, on April 26, 2017, the President released a one-page document on tax reform. Each of these proposals set forth a variety of principles to guide potential tax reform legislation. As of the date of this prospectus, no legislation in respect of either of these proposals has been introduced in the Congress. However, the principles set forth in both "A Better Way" and the President's one-page proposal, if ultimately reduced to legislation enacted by the Congress and signed into law by the President in a form that is consistent with those principles, could dramatically change the U.S. federal taxation of us, our portfolio companies, and a holder of our securities. Under both "A Better Way" and President Trump's proposal, individual and corporate tax rates may be meaningfully reduced. Under "A Better Way," the U.S. federal tax system would be converted into a "destination-based cash-flow" tax system under which net interest expense would not be deductible, investment in tangible property (other than land) and intangible assets would be immediately deductible, export revenue would not be taxable, and the cost of imports would not be deductible. While it is impossible to predict whether and to what extent any tax reform legislation (or other legislative, regulatory or administrative change to the U.S. federal tax laws) will be proposed or enacted, any such change in the U.S. federal tax laws could materially impact us, our portfolio companies and the value of any investment in our securities. Prospective investors should consult their tax advisors regarding possible legislative and regulatory changes and the potential effect of such changes on an investment in us or our securities.

On February 3, 2017, President Trump signed Executive Order 13772 announcing the new Administration's policy to regulate the U.S. financial system in a manner consistent with certain "Core Principles," including regulation that is efficient, effective and appropriately tailored. The Executive Order directed the Secretary of the Treasury, in consultation with the heads of the member agencies of the Financial Stability Oversight Council, to report to the President on the extent to which existing laws, regulations and other government policies promote the Core Principles and to identify government policies that inhibit financial regulation consistent with them. On June 12, 2017, the U.S. Department of the Treasury published the first of four reports in response to the Executive Order on the depository system covering banks and other savings institutions. Subsequent reports are expected to address: capital markets; the asset management and insurance industries, and retail and institutional investment products and vehicles; and non-bank financial institutions, financial technology, and financial innovation. The report included recommendations to reduce fragmentation, overlap, and duplication in the U.S. regulatory structure; to decrease the burden of statutory stress testing and ease liquidity and leverage standards for domestic banks; to restructure the Consumer Financial Protection Bureau; to reduce compliance burdens under the Volcker Rule; to reconsider the implications of implementing the revised standards for credit risk under Basel III; and to require uniform, consistent and rigorous methods to analyze costs and benefits, increase transparency and make available for public comment cost-benefit analyses for all "economically significant" proposed regulations.

On June 8, 2017, the U.S. House of Representatives passed the Financial Choice Act, which includes legislation intended to repeal or replace substantial portions of the Dodd-Frank Act. Among other things, the proposed law would repeal the Volcker Rule limiting certain proprietary investment and trading activities by banks, eliminate the authority of regulators to designate asset managers and other large non-bank institutions as "systemically important financial institutions," and repeal the Department of Labor (DOL) "fiduciary rule" governing standards for dealing with retirement plans until the SEC issues standards for similar dealings by broker-dealers and limiting the substance of any subsequent DOL rule to the SEC standards. The bill must be approved by the Senate, where we believe it is unlikely to pass in its current form. At this time it is unclear what impact the Administration's policies in response to the Executive Order, the Financial Choice Act or other pending legislation and developments will have on regulations that affect our and our competitors' and our portfolio companies' businesses.

Our investment adviser's liability is limited under the investment advisory and management agreement, and we are required to indemnify our investment adviser against certain liabilities, which may lead our investment adviser to act in a riskier manner on our behalf than it would when acting for its own account.

Our investment adviser has not assumed any responsibility to us other than to render the services described in the investment advisory and management agreement, and it will not be responsible for any action of our board of directors in declining to follow our investment adviser's advice or recommendations. Pursuant to the investment advisory and management agreement, our investment adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other persons or entities affiliated with it will not be liable to us for their acts under the investment advisory and management agreement, absent willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. We have agreed to indemnify, defend and protect our investment adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other persons or entities affiliated with it with respect to all damages, liabilities, costs and expenses arising out of or otherwise based upon the performance of any of our investment adviser's duties or obligations under the investment advisory and management agreement or otherwise as an investment adviser for us, and not arising out of willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties under the investment advisory and management agreement. These protections may lead our investment adviser to act in a riskier manner when acting on our behalf than it would when acting for its own account. See "Risk Factors Risks Relating to Our Investments Our investment adviser's fee structure may induce it to make certain investments on our behalf, including speculative investments."

We may be obligated to pay our investment adviser certain fees even if we incur a loss.

Our investment adviser is entitled to income based fees for each fiscal quarter in an amount equal to a percentage of the excess of our pre-incentive fee net investment income for that quarter (before deducting any income based fee and capital gains incentive fees and certain other items) above a threshold return for that quarter. Our pre-incentive fee net investment income for income based fee purposes excludes realized and unrealized capital losses or depreciation and income taxes related to realized gains that we may incur in the fiscal quarter, even if such capital losses or depreciation and income taxes related to realized gains result in a net loss on our statement of operations for that quarter. Thus, we may be required to pay our investment adviser income based fees for a fiscal quarter even if there is a decline in the value of our portfolio or the net asset value of our common stock or we incur a net loss for that quarter.

Under the investment advisory and management agreement, we will defer cash payment of any income based fee and the capital gains incentive fee otherwise earned by our investment adviser if, during the most recent four full calendar quarter periods ending on or prior to the date such payment is to be made, the sum of (a) our aggregate distributions to our stockholders and (b) our change in net assets (defined as total assets less indebtedness and before taking into account any income based fees or capital gains incentive fees accrued during the period) is less than 7.0% of our net assets (defined as total assets less indebtedness) at the beginning of such period. These calculations will be adjusted for any share issuances or repurchases. Any such deferred fees will be carried over for payment in subsequent calculation periods to the extent such payment can then be made under the investment advisory and management agreement.

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If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of income based fees will become uncollectible. Our investment adviser is not under any obligation to reimburse us for any part of income based fees it received that was based on accrued income that we never receive as a result of a default on the obligation that resulted in the accrual of such income.

Our SBIC subsidiary is subject to SBA regulations.

Our wholly owned subsidiary, Ares Venture Finance, L.P. ("AVF LP"), is a licensed Small Business Investment Company ("SBIC") and is regulated by the Small Business Administration ("SBA"). As of June 30, 2017, AVF LP held approximately $79 million in assets and accounted for approximately 0.6% of our total assets. AVF LP obtains leverage by issuing the SBA Debentures. As of June 30, 2017, AVF LP had approximately $25 million in aggregate principal amount of the SBA Debentures outstanding.

If AVF LP fails to comply with applicable regulations, the SBA could, depending on the severity of the violation, limit or prohibit AVF LP's use of SBA Debentures, declare outstanding SBA Debentures immediately due and payable, and/or limit AVF LP from making new investments. In addition, the SBA could revoke or suspend AVF LP's license for willful or repeated violation of, or willful or repeated failure to observe, any provision of the Small Business Investment Act of 1958, as amended (the "Small Business Investment Act") or any rule or regulation promulgated thereunder. AVF LP's status as an SBIC does not automatically assure that it will receive SBA Debenture funding. Receipt of SBA leverage funding is dependent upon whether AVF LP is and continues to be in compliance with SBA regulations and policies and whether funding is available. The amount of SBA leverage funding available to SBICs is dependent upon annual Congressional authorizations and in the future may be subject to annual Congressional appropriations. There can be no assurance that there will be sufficient debenture funding available at the times desired by AVF LP. For more information on SBA Debentures or the SBA regulations to which AVF LP is subject, see "Regulation SBA Regulation."

We have elected to be treated as a RIC and operate in a manner so as to qualify for the U.S. federal income tax treatment applicable to RICs. Among other things, in order to maintain our RIC status, we must distribute to our stockholders on a timely basis generally an amount equal to at least 90% of our investment company taxable income, which includes taxable income from AVF LP. AVF LP may be limited by SBA regulations from making certain distributions to us that may be necessary to timely make distributions to stockholders and to maintain our status as a RIC. Compliance with the SBA regulations may cause us to fail to qualify as a RIC and consequently result in the imposition of additional corporate-level income taxes on us. Noncompliance with the SBA regulations may result in adverse consequences for AVF LP as described above.

RISKS RELATING TO OUR INVESTMENTS

Declines in market prices and liquidity in the corporate debt markets can result in significant net unrealized depreciation of our portfolio, which in turn would reduce our net asset value.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by or under the direction of our board of directors. We may take into account the following types of factors, if relevant, in determining the fair value of our investments: the enterprise value of a portfolio company (the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to

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similar publicly traded securities, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments would trade in their principal markets and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate our valuation. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity). As a result, volatility in the capital markets can also adversely affect our investment valuations. Decreases in the market values or fair values of our investments are recorded as unrealized depreciation. The effect of all of these factors on our portfolio can reduce our net asset value (and, as a result our asset coverage calculation) by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer unrealized losses, which could have a material adverse effect on our business, financial condition or results of operations.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic downturns or recessions and may be unable to repay our loans during these periods. Therefore, during these periods our non-performing assets may increase and the value of our portfolio may decrease if we are required to write down the values of our investments. Adverse economic conditions may also decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results. We experienced to some extent such effects as a result of the economic downturn that occurred from 2008 through 2009 and may experience such effects again in any future downturn or recession.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its assets representing collateral for its obligations, which could trigger cross defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt that we hold and the value of any equity securities we own. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company.

Investments in privately held middle-market companies involve significant risks.

We primarily invest in privately held U.S. middle-market companies. Investments in privately held middle-market companies involve a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees we may have obtained in connection with our investment;

- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;

- they typically depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse effect on our portfolio company and, in turn, on us;

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there is generally little public information about these companies. These companies and their financial information are not subject to the Exchange Act (as defined below) and other regulations that govern public companies, and we may be unable to uncover all material information about these companies, which may prevent us from making a fully informed investment decision and cause us to lose money on our investments;

they generally have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;

our executive officers, directors and our investment adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in our portfolio companies;

changes in laws and regulations, as well as their interpretations, may adversely affect their business, financial structure or prospects; and

they may have difficulty accessing the capital markets to meet future capital needs.

Our debt investments may be risky and we could lose all or part of our investment.

The debt that we invest in is typically not initially rated by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service, lower than "BBB " by Fitch Ratings or lower than "BBB " by Standard & Poor's Ratings Services), which under the guidelines established by these entities is an indication of having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as "high yield bonds" or "junk bonds." Therefore, our investments may result in an above average amount of risk and volatility or loss of principal. While the debt we invest in is often secured, such security does not guarantee that we will receive principal and interest payments according to the terms of the loan, or that the value of any collateral will be sufficient to allow us to recover all or a portion of the outstanding amount of the loan should we be forced to enforce our remedies.

We also may invest in assets other than first and second lien and mezzanine debt investments, including high-yield securities, U.S. government securities, credit derivatives and other structured securities and certain direct equity investments. These investments entail additional risks that could adversely affect our investment returns.

Investments in equity securities, many of which are illiquid with no readily available market, involve a substantial degree of risk.

We may purchase common and other equity securities. Although common stock has historically generated higher average total returns than fixed income securities over the long-term, common stock also has experienced significantly more volatility in those returns. The equity securities we acquire may fail to appreciate and may decline in value or become worthless and our ability to recover our investment will depend on the underlying portfolio company's success. Investments in equity securities involve a number of significant risks, including:

any equity investment we make in a portfolio company could be subject to further dilution as a result of the issuance of additional equity interests and to serious risks as a junior security that will be subordinate to all indebtedness (including trade creditors) or senior securities in the event that the issuer is unable to meet its obligations or becomes subject to a bankruptcy process;

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- to the extent that the portfolio company requires additional capital and is unable to obtain it, we may not recover our investment; and

- in some cases, equity securities in which we invest will not pay current dividends, and our ability to realize a return on our investment, as well as to recover our investment, will be dependent on the success of the portfolio company. Even if the portfolio company is successful, our ability to realize the value of our investment may be dependent on the occurrence of a liquidity event, such as a public offering or the sale of the portfolio company. It is likely to take a significant amount of time before a liquidity event occurs or we can otherwise sell our investment. In addition, the equity securities we receive or invest in may be subject to restrictions on resale during periods in which it could be advantageous to sell them.

There are special risks associated with investing in preferred securities, including:

- preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If we own a preferred security that is deferring its distributions, we may be required to report income for tax purposes before we receive such distributions;

- preferred securities are subordinated to debt in terms of priority to income and liquidation payments, and therefore will be subject to greater credit risk than debt;

- preferred securities may be substantially less liquid than many other securities, such as common stock or U.S. government securities; and

- generally, preferred security holders have no voting rights with respect to the issuing company, subject to limited exceptions.

Additionally, when we invest in first lien senior secured loans (including unitranche loans), second lien senior secured loans or mezzanine debt, we may acquire warrants or other equity securities as well. Our goal is ultimately to dispose of such equity interests and realize gains upon our disposition of such interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

We may invest, to the extent permitted by law, in the equity securities of investment funds that are operating pursuant to certain exceptions to the Investment Company Act and in advisers to similar investment funds and, to the extent we so invest, will bear our ratable share of any such company's expenses, including management and performance fees. We will also remain obligated to pay the base management fee, income based fee and capital gains incentive fee to our investment adviser with respect to the assets invested in the securities and instruments of such companies. With respect to each of these investments, each of our common stockholders will bear his or her share of the base management fee, income based fee and capital gains incentive fee due to our investment adviser as well as indirectly bearing the management and performance fees and other expenses of any such investment funds or advisers.

Also, as a result of the American Capital Acquisition, American Capital's equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio. We intend to actively seek opportunities over time to dispose of certain of these investments and rotate them into yielding assets consistent with our investment policy. However, there can be no assurance that this strategy will be successful.

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There may be circumstances in which our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, a bankruptcy court might recharacterize our debt holding as an equity investment and subordinate all or a portion of our claim to that of other creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower's business or exercise control over the borrower. For example, we could become subject to a lender's liability claim, if, among other things, we actually render significant managerial assistance.

Our portfolio companies may incur debt or issue equity securities that rank equally with, or senior to, our investments in such companies.

Our portfolio companies may have, or may be permitted to incur, other debt, or issue other equity securities, that rank equally with, or senior to, our investments. By their terms, such instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which we are entitled to receive payments in respect of our investments. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company typically are entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such holders, the portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of securities ranking equally with our investments, we would have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

The rights we may have with respect to the collateral securing any junior priority loans we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements (including agreements governing "first out" and "last out" structures) that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that senior obligations are outstanding, we may forfeit certain rights with respect to the collateral to the holders of the senior obligations. These rights may include the right to commence enforcement proceedings against the collateral, the right to control the conduct of such enforcement proceedings, the right to approve amendments to collateral documents, the right to release liens on the collateral and the right to waive past defaults under collateral documents. We may not have the ability to control or direct such actions, even if as a result our rights as junior lenders are adversely affected.

When we are a debt or minority equity investor in a portfolio company, we are often not in a position to exert influence on the entity, and other equity holders and management of the company may make decisions that could decrease the value of our portfolio holdings.

When we make debt or minority equity investments, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the other equity holders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of our investment.

Our portfolio companies may be highly leveraged.

Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to

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finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

Our investment adviser's fee structure may induce it to make certain investments on our behalf, including speculative investments.

The fees payable by us to our investment adviser may create an incentive for our investment adviser to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which income based fees payable to our investment adviser are determined, which are calculated as a percentage of the return on invested capital, may encourage our investment adviser to use leverage to increase the return on our investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor the holders of our common stock and the holders of securities convertible into our common stock. In addition, our investment adviser will receive the capital gains incentive fee based, in part, upon net capital gains realized on our investments. Unlike income based fees, there is no hurdle rate applicable to the capital gains incentive fee. As a result, our investment adviser may have a tendency to invest more in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

The income based fees will be computed and paid on income that has been accrued but not yet received in cash, including as a result of investments with a deferred interest feature such as debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the income based fee will become uncollectible. Our investment adviser is not under any obligation to reimburse us for any part of the fees it received that were based on such accrued interest that we never actually received.

Because of the structure of the income based fees, it is possible that we may have to pay income based fees in a quarter during which we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate for a quarter, we will pay the applicable income based fees even if we have incurred a loss in that quarter due to realized and/or unrealized capital losses. In addition, if market interest rates rise, our investment adviser may be able to invest our funds in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for our investment adviser to surpass the fixed hurdle rate and receive income based fees.

Our investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy contemplates potential investments in foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes (potentially at confiscatory levels), less liquid markets, less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

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Although most of our investments will be U.S. dollar denominated, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us.

We may expose ourselves to risks if we engage in hedging transactions.

We have and may in the future enter into hedging transactions, which may expose us to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Use of these hedging instruments may include counter-party credit risk.

Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price.

The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to (or be able to) establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations. See also "Risk Factors Risks Relating to Our Business We are exposed to risks associated with changes in interest rates."

We may initially invest a portion of the net proceeds of offerings pursuant to this prospectus primarily in high-quality short-term investments, which will generate lower rates of return than those expected from the interest generated on first and second lien senior secured loans and mezzanine debt.

We may initially invest a portion of the net proceeds of offerings pursuant to this prospectus primarily in cash, cash equivalents, U.S. government securities and other high-quality short-term investments. These securities generally earn yields substantially lower than the income that we anticipate receiving once we are fully invested in accordance with our investment objective. As a result, we may not, for a time, be able to achieve our investment objective and/or we may need to, for a time, decrease the amount of any dividend that we may pay to our stockholders to a level that is substantially lower than the level that we expect to pay when the net proceeds of offerings are fully invested in accordance with our investment objective. If we do not realize yields in excess of our expenses, we may incur operating losses and the market price of our shares may decline.

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The American Capital Acquisition may have triggered certain anti-assignment, "change of control" or similar provisions and other restrictions in contracts of American Capital or its affiliates and the failure to obtain any required consents or waivers could adversely impact us.

Certain agreements of American Capital or its affiliates, including with respect to certain managed funds of American Capital Asset Management, LLC ("ACAM") and its affiliates, may have required the consent or waiver of one or more counterparties in connection with the American Capital Acquisition. The failure to obtain any such consent may permit such counterparties to terminate, or otherwise increase their rights or our or American Capital's obligations under, any such agreement because the American Capital Acquisition may have violated an anti-assignment, change of control or similar provision. If this happens, we may have to seek to replace that agreement with a new agreement or seek a waiver or amendment to such agreement. We cannot assure you that we will be able to replace, amend or obtain a waiver under any such agreement on comparable terms or at all and the failure to do so could adversely affect our financial condition, results of operations, assets or business.

RISKS RELATING TO OFFERINGS PURSUANT TO THIS PROSPECTUS

Our shares of common stock have traded at a discount from net asset value and may do so again, which could limit our ability to raise additional equity capital.

Shares of closed-end investment companies frequently trade at a market price that is less than the net asset value that is attributable to those shares. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share may decline. It is not possible to accurately predict whether any shares of our common stock will trade at, above, or below net asset value. In the recent past, the stocks of BDCs as an industry, including from time to time shares of our common stock, have traded below net asset value and during much of 2009 traded at near historic lows as a result of concerns over liquidity, leverage restrictions and distribution requirements. See "Risk Factors Risks Relating to Our Business The capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations." When our common stock is trading below its net asset value per share, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining approval for such issuance from our stockholders and our independent directors. Pursuant to approval granted at a special meeting of stockholders held on May 22, 2017, we currently are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on May 22, 2018.

There is a risk that investors in our common stock may not receive dividends or that our dividends may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments.

In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. Certain of the Facilities may also limit our ability to declare dividends if we default under certain provisions. Further, if we invest a greater amount of assets in equity securities

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that do not pay current dividends, it could reduce the amount available for distribution. See "Price Range of Common Stock and Distributions."

The above-referenced restrictions on distributions may also inhibit our ability to make required interest payments to holders of our debt, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of our debt agreements.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse effect on the price of our common stock.

The Maryland General Corporation Law, our charter and our bylaws contain provisions that may discourage, delay or make more difficult a change in control of Ares Capital or the removal of our directors. We are subject to the Maryland Business Combination Act (the "Business Combination Act"), subject to any applicable requirements of the Investment Company Act. Our board of directors has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our board, including approval by a majority of our disinterested directors. If the resolution exempting business combinations is repealed or our board or disinterested directors do not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and may increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act (the "Control Share Acquisition Act") acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Acquisition Act, subject to any applicable requirements of the Investment Company Act, the Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such an offer.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our board of directors into three classes serving staggered three-year terms, and provisions of our charter authorizing our board of directors to classify or reclassify shares of our stock into one or more classes or series, to cause the issuance of additional shares of our stock, and to amend our charter from time to time, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may discourage, delay, defer, make more difficult or prevent a transaction or a change in control that might otherwise be in your best interest.

Investing in our common stock may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive and, therefore, an investment in our securities may not be suitable for someone with lower risk tolerance.

The market price of our common stock may fluctuate significantly.

The capital and credit markets have experienced periods of extreme volatility and disruption over the past several years. The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of publicly traded RICs, BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies;

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- price and volume fluctuations in the overall stock market from time to time;
- the inclusion or exclusion of our common stock from certain indices;
- changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to RICs or BDCs;
- loss of our RIC status;
- changes in our earnings or variations in our operating results;
- changes in the value of our portfolio of investments;
- our ability to manage our capital resources effectively, including rotating out of certain investments acquired in connection with the American Capital Acquisition and re-deploying such capital effectively and on favorable terms;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of Ares Capital Management's key personnel;
- operating performance of companies comparable to us;
- short-selling pressure with respect to shares of our common stock or BDCs generally;
- future sales of our securities convertible into or exchangeable or exercisable for our common stock or the conversion of such securities, including the Convertible Unsecured Notes;
- uncertainty surrounding the strength of the U.S. economic recovery;
- concerns regarding European sovereign debt;
- concerns regarding volatility in the Chinese stock market and Chinese currency;
- general economic trends and other external factors; and
- loss of a major funding source.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If our stock price fluctuates significantly, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

We may in the future determine to issue preferred stock, which could adversely affect the market value of our common stock.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any dividends or other payments to our common stockholders, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). In addition, under the Investment Company Act, preferred stock constitutes a "senior security" for purposes of the 200% asset coverage test.

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The net asset value per share of our common stock may be diluted if we sell shares of our common stock in one or more offerings at prices below the then current net asset value per share of our common stock or securities to subscribe for or convertible into shares of our common stock.

At a special meeting of stockholders held on May 22, 2017, subject to certain determinations required to be made by our board of directors, our stockholders approved our ability to sell or otherwise issue shares of our common stock, in an amount not exceeding 25% of our then outstanding common stock, at a price below the then current net asset value per share during a period that began on May 22, 2017 and expires on May 22, 2018.

In addition, at our 2009 annual stockholders meeting, our stockholders approved a proposal authorizing us to sell or otherwise issue warrants or securities to subscribe for or convertible into shares of our common stock subject to certain limitations (including, without limitation, that the number of shares issuable does not exceed 25% of our then outstanding common stock and that the exercise or conversion price thereof is not, at the date of issuance, less than the greater of the market value per share and the net asset value per share of our common stock). The authorization granted to sell or issue warrants or securities to subscribe for or convertible into shares of our common stock has no expiration.

Any decision to sell shares of our common stock below its then current net asset value per share or securities to subscribe for or convertible into shares of our common stock would be subject to the determination by our board of directors that such issuance is in our and our stockholders' best interests.

If we were to sell shares of our common stock below its then current net asset value per share, such sales would result in an immediate dilution to the net asset value per share of our common stock. This dilution would occur as a result of the sale of shares at a price below the then current net asset value per share of our common stock and a proportionately greater decrease in the stockholders' interest in our earnings and assets and their voting interest in us than the increase in our assets resulting from such issuance. Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted.

In addition, if we issue warrants or securities to subscribe for or convertible into shares of our common stock, subject to certain limitations, the exercise or conversion price per share could be less than net asset value per share at the time of exercise or conversion (including through the operation of anti-dilution protections). Because we would incur expenses in connection with any issuance of such securities, such issuance could result in a dilution of the net asset value per share at the time of exercise or conversion. This dilution would include reduction in net asset value per share as a result of the proportionately greater decrease in the stockholders' interest in our earnings and assets and their voting interest than the increase in our assets resulting from such issuance.

Further, if our current stockholders do not purchase any shares to maintain their percentage interest, regardless of whether such offering is above or below the then current net asset value per share, their voting power will be diluted. For additional information and hypothetical examples of these risks, see "Sales of Common Stock Below Net Asset Value" and the prospectus supplement pursuant to which such sale is made.

Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering. In addition, if the subscription price is less than our net asset value per share, then you will experience an immediate dilution of the aggregate net asset value of your shares.

In the event we issue subscription rights, stockholders who do not fully exercise their subscription rights should expect that they will, at the completion of a rights offering pursuant to this prospectus, own a smaller proportional interest in us than would otherwise be the case if they fully exercised their rights. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares will be purchased as a result of such rights offering.

In addition, if the subscription price is less than the net asset value per share of our common stock, then our stockholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the offering. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price and net asset value per share will be on the expiration date of a rights offering or what proportion of the shares will be purchased as a result of such rights offering. Such dilution could be substantial. See "Risk Factors Risks Relating to Offerings Pursuant to this Prospectus The net asset value per share of our common stock may be diluted if we sell shares of our common stock in one or more offerings at prices below the then current net asset value per share of our common stock or securities to subscribe for or convertible into shares of our common stock" and "Sales of Common Stock Below Net Asset Value."

Investors in offerings of our common stock will likely incur immediate dilution upon the closing of such offering.

We generally expect the public offering price of any offering of shares of our common stock to be higher than the book value per share of our outstanding common stock (unless we offer shares pursuant to a rights offering or after obtaining prior approval for such issuance from our stockholders and our independent directors). Accordingly, investors purchasing shares of our common stock in offerings pursuant to this prospectus may pay a price per share that exceeds the tangible book value per share after such offering.

Our stockholders will experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan.

All dividends declared in cash payable to stockholders that are participants in our dividend reinvestment plan are automatically reinvested in shares of our common stock. As a result, our stockholders that opt out of our dividend reinvestment plan will experience dilution in their ownership percentage of our common stock over time.

Our stockholders may experience dilution upon the conversion of the Convertible Unsecured Notes.

The 2018 Convertible Notes (as defined below) are convertible into shares of our common stock. The 2019 Convertible Notes (as defined below) are convertible into shares of our common stock beginning on July 15, 2018 or, under certain circumstances, earlier. The 2022 Convertible Notes (as defined below) are convertible into shares of our common stock beginning on August 1, 2021 or, under certain circumstances, earlier. Upon conversion of the Convertible Unsecured Notes, we have the choice to pay or deliver, as the case may be, at our election, cash, shares of our common stock or a combination of cash and shares of our common stock. As of June 30, 2017, the conversion price of the 2018 Convertible Notes was effectively $19.64 per share, the conversion price of the 2019 Convertible Notes was effectively $19.99 per share and the conversion price of the 2022 Convertible Notes was effectively $19.39 per share; in each case taking into account certain de minimis adjustments that will be made on the conversion date and subject to further adjustment in certain circumstances. If we elect to deliver shares of common stock upon a conversion at the time our tangible book value per share exceeds the conversion price in effect at such time, our stockholders may incur dilution. In addition, our stockholders will experience dilution in their ownership percentage of common stock upon our issuance of common stock in connection with the conversion of the Convertible Unsecured Notes and any dividends paid on our common stock will also be paid on shares issued in connection with such conversion after such issuance.

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Our stockholders may receive shares of our common stock as dividends, which could result in adverse tax consequences to them.

In order to satisfy the Annual Distribution Requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion could be as low as 20%) and certain requirements are met, the entire distribution would be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder would be taxed on 100% of the fair market value of the shares received as part of the dividend on the date a stockholder received it in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, or the availability of such common stock for sale (including as a result of the conversion of our Convertible Unsecured Notes into common stock), could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

The trading market or market value of our publicly issued debt securities may fluctuate.

Our publicly issued debt securities may or may not have an established trading market. We cannot assure you that a trading market for our publicly issued debt securities will ever develop or be maintained if developed. In addition to our creditworthiness, many factors may materially adversely affect the trading market for, and market value of, our publicly issued debt securities. These factors include, but are not limited to, the following:

- the time remaining to the maturity of these debt securities;
- the outstanding principal amount of debt securities with terms identical to these debt securities;
- the ratings assigned by national statistical ratings agencies;
- the general economic environment;
- the supply of such debt securities trading in the secondary market, if any;
- the redemption or repayment features, if any, of these debt securities;
- the level, direction and volatility of market interest rates generally; and
- market rates of interest higher or lower than rates borne by the debt securities.

You should also be aware that there may be a limited number of buyers if and when you decide to sell your debt securities. This too may materially adversely affect the market value of the debt securities or the trading market for the debt securities.

Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

If your debt securities are redeemable at our option, we may choose to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In addition, if your debt securities are subject to mandatory redemption, we may be required to redeem your debt securities also at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In this circumstance, you may not be able to reinvest the redemption

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proceeds in a comparable security at an effective interest rate as high as your debt securities being redeemed.

Our credit ratings may not reflect all risks of an investment in our debt securities.

Our credit ratings are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities. Our credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities.

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FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this prospectus involve a number of risks and uncertainties, including statements concerning:

our, or our portfolio companies', future business, operations, operating results or prospects;

the return or impact of current and future investments;

the impact of a protracted decline in the liquidity of credit markets on our business;

the impact of fluctuations in interest rates on our business;

the impact of changes in laws or regulations (including the interpretation thereof) governing our operations or the operations of our portfolio companies or the operations of our competitors;

the valuation of our investments in portfolio companies, particularly those having no liquid trading market;

our ability to successfully integrate our business with the business of American Capital, including rotating out of certain investments acquired in connection therewith and re-deploying such capital effectively and on favorable terms;

our ability to recover unrealized losses;

our ability to successfully invest any capital raised in an offering;

market conditions and our ability to access alternative debt markets and additional debt and equity capital and our ability to manage our capital resources effectively;

our contractual arrangements and relationships with third parties, including parties to our co-investment programs;

the general economy and its impact on the industries in which we invest;

uncertainty surrounding the financial stability of the United States, Europe and China;

the social, geopolitical, financial, trade and legal implications of Brexit;

Middle East turmoil and the potential for volatility in energy prices and its impact on the industries in which we invest;

the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;

our expected financings and investments;

our ability to successfully complete and integrate any other acquisitions;

the outcome and impact of any litigation or other regulatory matters acquired in connection with the American Capital Acquisition;

the impact to the periods following the completion of the American Capital Acquisition;

the adequacy of our cash resources and working capital;

the timing, form and amount of any dividend distributions;

the timing of cash flows, if any, from the operations of our portfolio companies; and

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the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments.

We use words such as "anticipates," "believes," "expects," "intends," "will," "should," "may" and similar expressions to identify forward- looking statements, although not all forward-looking statements include these words. Our actual results and condition could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" and the other information included in this prospectus.

We have based the forward-looking statements included in this prospectus on information available to us on the date of this prospectus, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

The forward-looking statements in this prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds from the sale of our securities for general corporate purposes, which include investing in portfolio companies in accordance with our investment objective. We also expect to use the net proceeds of an offering to repay or repurchase outstanding indebtedness, which may include indebtedness (approximately $4.3 billion aggregate principal amount outstanding as of July 26, 2017) under (a) the Revolving Credit Facility (as defined below) ($395 million outstanding as of July 26, 2017), (b) the Revolving Funding Facility (as defined below) (approximately $640 million outstanding as of July 26, 2017), (c) the SMBC Funding Facility (as defined below) (approximately $90 million outstanding as of July 26, 2017), (d) the 2018 Convertible Notes (approximately $270 million aggregate principal amount outstanding as of July 26, 2017), (e) the 2019 Convertible Notes (approximately $300 million aggregate principal amount outstanding as of July 26, 2017), (f) the 2022 Convertible Notes (approximately $388 million aggregate principal amount outstanding as of July 26, 2017), (g) the 2018 Notes (as defined below) (approximately $750 million aggregate principal amount outstanding as of July 26, 2017), (h) the 2020 Notes (as defined below) (approximately $600 million aggregate principal amount outstanding as of July 26, 2017), (i) the January 2022 Notes (as defined below) (approximately $600 million aggregate principal amount outstanding as of July 26, 2017) and (j) the 2047 Notes (as defined below) (approximately $230 million aggregate principal amount outstanding as of July 26, 2017).

The interest charged on the indebtedness incurred under the Revolving Credit Facility is based on LIBOR (one-, two-, three- or six-month) plus an applicable spread of either 1.75% or 2.00% or an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility) plus an applicable spread of either 0.75% or 1.00%, in each case, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of July 26, 2017, the one, two, three and six month LIBOR was 1.23%, 1.26%, 1.31% and 1.46%, respectively. As of July 26, 2017, for $2.0 billion of the total Revolving Credit Facility capacity, the expiration date is January 4, 2022, for $37.5 million of the Revolving Credit Facility capacity, the expiration date is May 4, 2021 and for the remaining $45 million, the expiration date is May 4, 2020. The interest charged on the indebtedness incurred under the Revolving Funding Facility is based on LIBOR plus 2.30% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) of 1.30% per annum. The Revolving Funding Facility is scheduled to expire on January 3, 2022 (subject to extension exercisable upon mutual consent). The interest rate charged on the indebtedness incurred under the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. The SMBC Funding Facility is scheduled to expire on September 14, 2022 (subject to two one-year extension options exercisable upon mutual consent).

The interest charged on the Convertible Unsecured Notes and the Unsecured Notes is as follows: (a) 4.75% in the case of the 2018 Convertible Notes, (b) 4.375% in the case of the 2019 Convertible Notes, (c) 3.75% in the case of the 2022 Convertible Notes, (d) 4.875% in the case of the 2018 Notes, (e) 3.875% in the case of the 2020 Notes, (f) 3.625% in the case of the January 2022 Notes and (g) 6.875% in the case of the 2047 Notes. The 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes mature on January 15, 2018, January 15, 2019 and February 1, 2022, respectively. The 2018 Notes, the 2020 Notes, the January 2022 Notes and the 2047 Notes mature on November 30, 2018, January 15, 2020, January 19, 2022 and April 15, 2047, respectively. The supplement to this prospectus relating to an offering may more fully identify the use of the proceeds from such offering.

We anticipate that substantially all of the net proceeds of an offering of securities pursuant to this prospectus and its related prospectus supplement will be used for the above purposes within three

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months of any such offering, depending on the availability of appropriate investment opportunities consistent with our investment objective, but no longer than within six months of any such offerings.

While our primary focus is to generate current income and capital appreciation through investments in first and second lien senior secured loans and mezzanine debt and, to a lesser extent, equity securities of eligible portfolio companies, we also may invest up to 30% of our portfolio in non-qualifying assets, as permitted by the Investment Company Act. See "Regulation." Specifically, as part of this 30% basket, we may invest in entities that are not considered "eligible portfolio companies" (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act. Pending such investments, we will invest a portion of the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality short-term investments. These securities generally earn yields substantially lower than the income that we anticipate receiving once we are fully invested in accordance with our investment objective. As a result, we may not, for a time, be able to achieve our investment objective and/or we may need to, for a time, decrease the amount of any dividend that we may pay to our stockholders to a level that is substantially lower than the level that we expect to pay when the net proceeds of offerings are fully invested in accordance with our investment objective. If we do not realize yields in excess of our expenses, we may incur operating losses and the market price of our common stock and debt securities may decline. See "Regulation Temporary Investments" for additional information about temporary investments we may make while waiting to make longer-term investments in pursuit of our investment objective.

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PRICE RANGE OF COMMON STOCK AND DISTRIBUTIONS

Our common stock is traded on The NASDAQ Global Select Market under the symbol "ARCC." Our common stock has historically traded at prices both above and below our net asset value per share. It is not possible to predict whether our common stock will trade at, above or below net asset value. See "Risk Factors Risks Relating to Offerings Pursuant to this Prospectus Our shares of common stock have traded at a discount from net asset value and may do so again in the future, which could limit our ability to raise additional equity capital."

The following table sets forth, for the first three quarters of the year ended December 31, 2017 and each fiscal quarter for the fiscal years ended December 31, 2015 and 2016, the net asset value per share of our common stock, the range of high and low closing sales prices of our common stock, the closing sales price as a premium (discount) to net asset value and the dividends or distributions declared by us. On August 1, 2017, the last reported closing sales price of our common stock on The NASDAQ Global Select Market was $16.41 per share, which represented a discount of approximately 0.8% to the net asset value per share reported by us as of June 30, 2017.

	Net Asset Value(1)	Price Range High	Price Range Low	High Sales Price Premium (Discount) to Net Asset Value(2)	Low Sales Price Premium (Discount) to Net Asset Value(2)	Cash Dividend Per Share(3)
Year ended December 31, 2015						
First Quarter	$ 16.71	$ 17.60	$ 15.55	5.33%	(6.94)%	$ 0.43(4)
Second Quarter	$ 16.80	$ 17.30	$ 16.01	2.98%	(4.70)%	$ 0.38
Third Quarter	$ 16.79	$ 16.58	$ 14.06	(1.25)%	(16.26)%	$ 0.38
Fourth Quarter	$ 16.46	$ 15.87	$ 13.97	(3.58)%	(15.13)%	$ 0.38
Year ended December 31, 2016						
First Quarter	$ 16.50	$ 14.84	$ 12.54	(10.06)%	(24.00)%	$ 0.38
Second Quarter	$ 16.62	$ 15.38	$ 13.87	(7.46)%	(16.55)%	$ 0.38
Third Quarter	$ 16.59	$ 16.40	$ 13.96	(1.15)%	(15.85)%	$ 0.38
Fourth Quarter	$ 16.45	$ 16.86	$ 15.16	2.49%	(7.84)%	$ 0.38
Year ending December 31, 2017						
First Quarter	$ 16.50	$ 17.81	$ 16.42	7.94%	(0.48)%	$ 0.38
Second Quarter	$ 16.54	$ 17.64	$ 16.18	6.65%	(2.18)%	$ 0.38
Third Quarter (through August 1, 2017)	*	$ 16.52	$ 16.33	*	*	$ 0.38

(1) Net asset value per share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per share on the date of the high and low closing sales prices. The net asset values shown are based on outstanding shares at the end of the relevant quarter.

(2) Calculated as the respective high or low closing sales price less net asset value, divided by net asset value (in each case, as of the applicable quarter).

(3) Represents the dividend or distribution declared in the relevant quarter.

(4) Consists of a quarterly dividend of $0.38 per share and an additional dividend of $0.05 per share.

* Net asset value has not yet been calculated for this period.

We currently intend to distribute dividends or make distributions to our stockholders on a quarterly basis out of assets legally available for distribution. We may also distribute additional dividends or make additional distributions to our stockholders from time to time. Our quarterly and additional dividends or distributions, if any, will be determined by our board of directors.

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The following table summarizes our dividends or distributions declared and payable for the fiscal years ended December 31, 2015, 2016 and 2017:

Date Declared	Record Date	Payment Date	Amount	
February 26, 2015	March 13, 2015	March 31, 2015	$	0.38
February 26, 2015	March 13, 2015	March 31, 2015	$	0.05(1)
May 4, 2015	June 15, 2015	June 30, 2015	$	0.38
August 4, 2015	September 15, 2015	September 30, 2015	$	0.38
November 4, 2015	December 15, 2015	December 31, 2015	$	0.38
Total declared and payable for 2015			$	1.57
February 24, 2016	March 15, 2016	March 31, 2016	$	0.38
May 4, 2016	June 15, 2016	June 30, 2016	$	0.38
August 3, 2016	September 15, 2016	September 30, 2016	$	0.38
November 2, 2016	December 15, 2016	December 30, 2016	$	0.38
Total declared and payable for 2016			$	1.52
February 22, 2017	March 15, 2017	March 31, 2017	$	0.38
May 3, 2017	June 15, 2017	June 30, 2017	$	0.38
August 2, 2017	September 15, 2017	September 29, 2017	$	0.38
Total declared and payable for 2017			$	1.14

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(1) Represents an additional dividend.

Of the $1.52 per share in dividends declared and payable for the year ended December 31, 2016, $1.26 per share was comprised of ordinary income and $0.26 was comprised of long-term capital gains. Of the $1.57 per share in dividends declared and payable for the year ended December 31, 2015, $1.56 per share was comprised of ordinary income and $0.01 was comprised of long-term capital gains.

To maintain our RIC status under the Code, we must timely distribute an amount equal to at least 90% of our investment company taxable income (as defined by the Code, which generally includes net ordinary income and net short term capital gains) to our stockholders. In addition, we generally will be required to pay an excise tax equal to 4% on certain undistributed taxable income unless we distribute in a timely manner an amount at least equal to the sum of (i) 98% of our ordinary income recognized during a calendar year, (ii) 98.2% of our capital gain net income, as defined by the Code, recognized for the one year period ending October 31st in that calendar year, and (iii) any income recognized, but not distributed, in preceding years. The taxable income on which we pay excise tax is generally distributed to our stockholders in the next tax year. Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income for distribution in the following year, and pay any applicable excise tax. For the six months ended June 30, 2017, we recorded a net excise tax expense of $7 million. For the year ended December 31, 2016, we recorded a net excise tax expense of $12 million, which includes a reduction in expense related to the recording of a requested refund resulting from the overpayment of 2015 excise tax of $1.3 million. For the year ended December 31, 2015, we recorded a net excise tax expense of $9 million. We cannot assure you that we will achieve results that will permit the payment of any cash distributions. We maintain an "opt out" dividend reinvestment plan for our common stockholders. As a result, if we declare a cash dividend, stockholders' cash dividends will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash dividends. See "Dividend Reinvestment Plan."

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RATIOS OF EARNINGS TO FIXED CHARGES

For the six months ended June 30, 2017 and years ended December 31, 2016, 2015, 2014 2013 and 2012, the ratios of earnings to fixed charges of the Company, computed as set forth below, were as follows:

	For the Six Months Ended June 30, 2017	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012
Earnings to Fixed Charges(1)	3.7(2)	3.7	2.7(3)	3.8(4)	3.9	4.6(5)

For purposes of computing the ratios of earnings to fixed charges, earnings represent net increase in stockholders' equity resulting from operations plus (or minus) income tax expense (benefit) including excise tax expense plus fixed charges. Fixed charges include interest and credit facility fees expense and amortization of debt issuance costs.

(1) Earnings include net realized and unrealized gains or losses and the capital gains incentive fee expense accrued in accordance with GAAP. Net realized and unrealized gains or losses and the capital gains incentive fee expense accrued in accordance with GAAP can vary substantially from period to period.

Excluding the net realized and unrealized gains or losses and the capital gains incentive fee expense accrued in accordance with GAAP, the earnings to fixed charges ratio would be 3.3 for the six months ended June 30, 2017, 3.7 for the year ended December 31, 2016, 3.2 for the year ended December 31, 2015, 3.2 for the year ended December 31, 2014, 3.7 for the year ended December 31, 2013 and 3.7 for the year ended December 31, 2012.

(2) Earnings for the six months ended June 30, 2017 included a net realized loss on the extinguishment of debt of $3.7 million.

(3) Earnings for the year ended December 31, 2015 included a net realized loss on the extinguishment of debt of $10.4 million.

(4) Earnings for the year ended December 31, 2014 included a net realized loss on the extinguishment of debt of $0.1 million.

(5) Earnings for the year ended December 31, 2012 included a net realized loss on the extinguishment of debt of $2.7 million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this section should be read in conjunction with the "Selected Condensed Consolidated Financial Data of Ares Capital" and our financial statements and notes thereto appearing elsewhere in this prospectus or the accompanying prospectus supplement.

OVERVIEW

We are a specialty finance company that is a closed-end, non-diversified management investment company incorporated in Maryland. We have elected to be regulated as BDC under the Investment Company Act of 1940, as amended.

We are externally managed by Ares Capital Management, a subsidiary of Ares Management, a publicly traded, leading global alternative asset manager, pursuant to our investment advisory and management agreement. Our administrator provides certain administrative and other services necessary for us to operate.

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first lien senior secured loans (including unitranche loans), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component like warrants.

To a lesser extent, we also make preferred and/or common equity investments, which have generally been non-control equity investments, of less than $20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments. Also, as a result of the American Capital Acquisition, American Capital's equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio.

Since our initial public offering ("IPO") on October 8, 2004 through June 30, 2017, our exited investments resulted in an aggregate cash flow realized internal rate of return to us of approximately 14% (based on original cash invested, net of syndications, of approximately $15.7 billion and total proceeds from such exited investments of approximately $19.3 billion). Internal rate of return is the discount rate that makes the net present value of all cash flows related to a particular investment equal to zero. Internal rate of return is gross of expenses related to investments as these expenses are not allocable to specific investments. Investments are considered to be exited when the original investment objective has been achieved through the receipt of cash and/or non-cash consideration upon the repayment of a debt investment or sale of an investment or through the determination that no further consideration was collectible and, thus, a loss may have been realized. Approximately 66% of these exited investments resulted in an aggregate cash flow realized internal rate of return to us of 10% or greater.

Additionally, since our IPO on October 8, 2004 through June 30, 2017, our realized gains have exceeded our realized losses by approximately $702 million (excluding a one-time gain on the acquisition of Allied Capital Corporation ("Allied Capital") and realized gains/losses from the extinguishment of debt and other assets). For this same time period, our average annualized net realized gain rate was approximately 1.2% (excluding a one-time gain on the acquisition of Allied Capital and realized gains/losses from the extinguishment of debt and other assets). Net realized gain/loss rates for a particular period are the amount of net realized gains/losses during such period divided by the average quarterly investments at amortized cost in such period.

Information included herein regarding internal rates of return, realized gains and losses and annualized net realized gain rates are historical results relating to our past performance and are not necessarily indicative of future results, the achievement of which cannot be assured.

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As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities and indebtedness of private U.S. companies and certain public U.S. companies, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. We also may invest up to 30% of our portfolio in non-qualifying assets, as permitted by the Investment Company Act. See "Regulation." Specifically, as part of this 30% basket, we may invest in entities that are not considered "eligible portfolio companies" (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act.

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our stockholders generally at least 90% of our investment company taxable income, as defined by the Code, for each year. Pursuant to this election, we generally will not have to pay U.S. federal corporate-level taxes on any income that we distribute to our stockholders provided that we satisfy those requirements.

American Capital Acquisition

On May 23, 2016, we entered into the Agreement and Plan of Merger, dated May 23, 2016 (the "Merger Agreement") related to the American Capital Acquisition. Pursuant to the Merger Agreement, American Capital shareholders received total consideration of approximately $18.06 per share comprised of: (i) $14.41 per share from us consisting of approximately $6.48 per share of cash (including a make-up dividend in the amount of $0.07 per share) and 0.483 shares of our common stock for each American Capital share at a value of $7.93 per American Capital share (based on the closing price per share of our common stock on the Acquisition Date), (ii) $2.45 per share of cash from American Capital's sale of American Capital Mortgage Management, LLC, and (iii) approximately $1.20 per share of cash as transaction support provided by Ares Capital Management acting solely on its own behalf. As of the Acquisition Date, the transaction was valued at approximately $4.2 billion. The total cash and stock consideration paid by us was $3.3 billion. In connection with the stock consideration, we issued approximately 112 million shares of our common stock to American Capital's then-existing stockholders (including holders of outstanding in-the-money American Capital stock options), thereby resulting in our then-existing stockholders owning approximately 73.7% of the combined company and then-existing American Capital stockholders owning approximately 26.3% of the combined company. As a result of the American Capital Acquisition, Ares Capital acquired $3.6 billion of assets, including $2.5 billion of investments, and assumed $226 million of liabilities.

In connection with the American Capital Acquisition, Ares Capital Management also agreed to waive, for each of the first 10 calendar quarters beginning with the second quarter of 2017, the lesser of (x) $10 million of income based fees and (y) the amount of income based fees for such quarter, in each case, to the extent earned and payable by us in such quarter pursuant to and as calculated under our investment advisory and management agreement. See Notes 3 and 14 to our consolidated financial statements for the three and six months ended June 30, 2017 for additional information regarding the American Capital Acquisition.

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PORTFOLIO AND INVESTMENT ACTIVITY

Our investment activity for the six months ended June 30, 2017 and 2016 and for the years ended December 31, 2016, 2015 and 2014 is presented below (information presented herein is at amortized cost unless otherwise indicated).

(dollar amounts in millions)	For the Six Months Ended June 30, 2017	For the Six Months Ended June 30, 2016	For the Years Ended December 31, 2016	For the Years Ended December 31, 2015	For the Years Ended December 31, 2014
New investment commitments(1):					
New portfolio companies	$ 909	$ 649	$ 2,107	$ 2,483	$ 2,284
Existing portfolio companies	1,928	361	1,596	1,334	2,295
Total new investment commitments(2)	2,837	1,010	3,703	3,817	4,579
Less:					
Investment commitments exited(3)	2,628	1,243	3,844	3,816	3,540
Net investment commitments	$ 209	$ (233)	$ (141)	$ 1	$ 1,039
Principal amount of investments funded excluding investments acquired as part of the American Capital Acquisition on the Acquisition Date:					
First lien senior secured loans	$ 1,773	$ 621	$ 1,965	$ 2,071	$ 2,642
Second lien senior secured loans	663	285	987	1,232	1,047
Subordinated certificates of the SDLP(4)	125		272		
Subordinated certificates of the SSLP(5)		3	3	229	463
Senior subordinated debt	57	95	173	257	299
Preferred equity securities	113	6	37	89	14
Other equity securities	80	7	53	27	69
Total	$ 2,811	$ 1,017	$ 3,490	$ 3,905	$ 4,534
Principal amount of investments sold or repaid:					
First lien senior secured loans	$ 1,481	$ 693	$ 2,522	$ 2,948	$ 2,326
Second lien senior secured loans	626	427	903	195	444
Subordinated certificates of the SDLP(4)	2		2		
Subordinated certificates of the SSLP(5)				330	174
Senior subordinated debt	165	52	189	132	144
Collateralized loan obligations	63				
Preferred equity securities	77	2	4	11	31
Other equity securities	296	29	35	33	89
Commercial real estate				2	5
Total(6)	$ 2,710	$ 1,203	$ 3,655	$ 3,651	$ 3,213
Principal amount of investments acquired as part of the American Capital Acquisition on the Acquisition Date:					
First lien senior secured loans	$ 550				
Second lien senior secured loans	855				
Senior subordinated debt	244				
Collateralized loan obligations	265				
Preferred equity securities	109				
Other equity securities	520				
Total	$ 2,543				
Number of new investment commitments(7)(10)	75	30	82	86	115
Average new investment commitment amount(10)	$ 38	$ 34	$ 45	$ 44	$ 40
Weighted average term for new investment commitments (in months)(8)(10)	75	60	80	65	73
Percentage of new investment commitments at floating rates(10)	96%	87%	91%	89%	90%
Percentage of new investment commitments at fixed rates(10)	1%	11%	6%	8%	8%

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(dollar amounts in millions)	For the Six Months Ended June 30, 2017	2016	For the Years Ended December 31, 2016	2015	2014
Weighted average yield of debt and other income producing securities(10):					
Funded during the period at amortized cost	8.7%	9.2%	9.3%	9.0%	9.0%
Funded during the period at fair value(9)	8.6%	9.2%	9.2%	9.0%	9.0%
Exited or repaid during the period at amortized cost	8.8%	8.9%	8.5%	7.9%	8.3%
Exited or repaid during the period at fair value(9)	8.7%	9.0%	8.4%	7.9%	8.3%
Weighted average yield of debt and other income producing securities acquired as part of the American Capital Acquisition:					
Funded on the Acquisition Date at amortized cost	10.0%				
Funded on the Acquisition Date at fair value(9)	10.0%				
Exited or repaid during the period at amortized cost	10.5%				
Exited or repaid during the period at fair value(9)	10.4%				

(1) New investment commitments include new agreements to fund revolving credit facilities or delayed draw loans. See "Off Balance Sheet Arrangements" as well as Note 7 to our consolidated financial statements for the three and six months ended June 30, 2017, for more information on our commitments to fund revolving credit facilities or delayed draw loans.

(2) Includes both funded and unfunded commitments. Of these new investment commitments, we funded $2.6 billion and $895 million for the six months ended June 30, 2017 and 2016, respectively, and $3.3 billion, $3.6 billion and $4.1 billion for the years ended December 31, 2016, 2015 and 2014, respectively.

(3) Includes both funded and unfunded commitments. For the six months ended June 30, 2017 and 2016, investment commitments exited included exits of unfunded commitments of $73 million and $108 million, respectively. For the years ended December 31, 2016, 2015 and 2014, investment commitments exited included exits of unfunded commitments of $341 million, $263 million and $449 million, respectively.

(4) See "Senior Direct Lending Program" below and Note 4 to our consolidated financial statements for the three and six months ended June 30, 2017 for more information on the SDLP.

(5) See "Senior Secured Loan Program" below and Note 4 to our consolidated financial statements for the three and six months ended June 30, 2017 for more information on the SSLP.

(6) For the six months ended June 30, 2017, the principal amount of investments sold or repaid included $514 million of investments acquired as part of the American Capital Acquisition.

(7) Number of new investment commitments represents each commitment to a particular portfolio company or a commitment to multiple companies as part of an individual transaction (e.g., the purchase of a portfolio of investments).

(8) "Weighted average yield of debt and other income producing securities" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value, as applicable.

(9) Represents fair value for investments in the portfolio as of the most recent prior quarter end, if applicable.

(10)

Excludes investments acquired as part of the American Capital Acquisition on the Acquisition Date. See Note 14 to our consolidated financial statements for the three and six months ended June 30, 2017 for additional information regarding the American Capital Acquisition.

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As of June 30, 2017 and December 31, 2016, our investments consisted of the following:

	As of			
	June 30, 2017		December 31, 2016	
(in millions)	Amortized	Fair Value	Amortized	Fair Value
First lien senior secured loans	$ 2,966	$ 2,850	$ 2,102	$ 2,036
Second lien senior secured loans	3,961	3,852	3,069	2,987
Subordinated certificates of the SDLP(1)	394	394	270	270
Subordinated certificates of the SSLP(2)	1,938	1,921	1,938	1,914
Senior subordinated loans	847	881	692	714
Collateralized loan obligations	202	197		
Preferred equity securities	664	448	505	273
Other equity securities	763	955	458	626
Total	$ 11,735	$ 11,498	$ 9,034	$ 8,820

(1) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans to 17 and 14 different borrowers as of June 30, 2017 and December 31, 2016, respectively.

(2) The proceeds from these certificates were applied to co-investments with GE to fund first lien senior secured loans to 11 and 19 different borrowers as of June 30, 2017 and December 31, 2016, respectively.

The weighted average yields at amortized cost and fair value of the following portions of our portfolio as of June 30, 2017 and December 31, 2016 were as follows:

	As of			
	June 30, 2017		December 31, 2016	
	Amortized	Fair Value	Amortized	Fair Value
Debt and other income producing securities(1)	9.4%	9.5%	9.3%	9.4%
Total portfolio(2)	8.2%	8.3%	8.3%	8.5%
First lien senior secured loans(2)	8.2%	8.5%	8.4%	8.6%
Second lien senior secured loans(2)	10.0%	10.3%	9.8%	10.1%
Subordinated certificates of the SDLP(2)(3)	14.0%	14.0%	14.0%	14.0%
Subordinated certificates of the SSLP(2)(4)	5.8%	5.8%	7.0%	7.1%
Senior subordinated loans(2)	12.8%	12.3%	12.4%	12.0%
Collateralized loan obligations	10.8%	11.0%	%	%
Income producing equity securities(2)	14.6%	14.6%	13.8%	13.8%

(1) "Weighted average yield of debt and other income producing securities" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value as applicable. The weighted average yield of debt and other income producing securities that were acquired as part of the American Capital Acquisition and held as of June 30, 2017 was 10.3% and 10.1% at amortized cost and fair value, respectively.

(2) "Weighted average yields" are computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or

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premium earned on the relevant accruing debt and other income producing securities, divided by (b) the total relevant investments at amortized cost or at fair value as applicable. The weighted average yield on total investments that were acquired as part of the American Capital Acquisition and held as of June 30, 2017 was 8.2% and 7.8% at amortized cost and fair value, respectively.

(3) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans.

(4) The proceeds from these certificates were applied to co-investments with GE to fund first lien senior secured loans.

Ares Capital Management, our investment adviser, employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our investment adviser grades the credit risk of all investments on a scale of 1 to 4 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i.e., at the time of origination or acquisition), although it may also take into account under certain circumstances the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors. Under this system, investments with a grade of 4 involve the least amount of risk to our initial cost basis. The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments graded 3 involve a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3. Investments graded 2 indicate that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. An investment grade of 1 indicates that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition, and the portfolio company likely has materially declining performance. For debt investments with an investment grade of 1, most or all of the debt covenants are out of compliance and payments are substantially delinquent. For investments graded 1, it is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit. For investments graded 1 or 2, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company. The grade of a portfolio investment may be reduced or increased over time.

We assigned a fair value as of the Acquisition Date to each of the portfolio investments acquired in connection with the American Capital Acquisition. The initial cost basis of each investment acquired was equal to the fair value of such investment as of the Acquisition Date. Many of these portfolio investments were assigned a fair value reflecting a discount to American Capital's cost basis at the time of American Capital's origination or acquisition. Each investment was initially assessed a grade of 3 (i.e., generally the grade we assign a portfolio company at acquisition), reflecting the relative risk to our initial cost basis of such investments. It is important to note that our grading system does not take into account factors or events in respect of the period from when American Capital originated or acquired such portfolio investments or the status of these portfolio investments in terms of compliance with debt facilities, financial performance and similar factors. Rather, it is only intended to measure risk from the time that we acquired the portfolio investment in connection with the American Capital Acquisition. Accordingly, it is possible that the grades of these portfolio investments may be reduced or increased after the Acquisition Date.

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Set forth below is the grade distribution of our portfolio companies as of June 30, 2017 and December 31, 2016:

	As of							
	June 30, 2017				December 31, 2016			
(dollar amounts in millions)	Fair Value	%	Number of Companies	%	Fair Value	%	Number of Companies	%
Grade 1	$ 111	1.0%	16	5.0%	$ 92	1.0%	13	6.0%
Grade 2	246	2.1%	9	2.9%	323	3.7%	12	5.5%
Grade 3	9,893	86.0%	274	85.8%	7,451	84.4%	172	78.9%
Grade 4	1,248	10.9%	20	6.3%	954	10.9%	21	9.6%
Total	$ 11,498	100.0%	319	100.0%	$ 8,820	100.0%	218	100.0%

As of June 30, 2017 and December 31, 2016, the weighted average grade of the investments in our portfolio at fair value was 3.1 and 3.1, respectively.

As of June 30, 2017, investments on non-accrual status represented 2.7% and 0.5% of the total investments at amortized cost and at fair value, respectively. As of December 31, 2016, investments on non-accrual status represented 2.9% and 0.8% of the total investments at amortized cost and at fair value, respectively.

Co-Investment Programs

Senior Direct Lending Program

We have established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. (NYSE:AIG) and other partners. The joint venture is called the SDLP. In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. In conjunction with the initial funding, we and Varagon and its clients sold investment commitments to the SDLP. Such investment commitments included $529 million of investment commitments sold to the SDLP by us. No realized gains or losses were recorded by us on these transactions. The SDLP may generally commit and hold individual loans of up to $300 million. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of ours and Varagon (with approval from a representative of each required).

We provide capital to the SDLP in the form of the SDLP Certificates, and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of June 30, 2017, we and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates.

As of June 30, 2017, we and Varagon and its clients had agreed to make capital available to the SDLP of $2.9 billion in the aggregate, of which $591 million has been made available from us. This capital will only be committed to the SDLP upon approval of transactions by the investment committee

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of the SDLP. Below is a summary of the funded capital and unfunded capital commitments of the SDLP.

	As of	
(in millions)	**June 30, 2017**	**December 31, 2016**
Total capital funded to the SDLP(1)	$ 1,876	$ 1,285
Total capital funded to the SDLP by the Company(1)	$ 394	$ 270
Total unfunded capital commitments to the SDLP(2)	$ 173	$ 177
Total unfunded capital commitments to the SDLP by the Company(2)	$ 36	$ 37

(1) At principal amount.

(2) These commitments have been approved by the investment committee of the SDLP and will be funded as the transactions are completed.

The SDLP Certificates pay a coupon of LIBOR plus 8.0% and also entitle the holders thereof to receive a portion of the excess cash flow from the loan portfolio, after expenses, which may result in a return to the holders of the SDLP Certificates that is greater than the stated coupon. The SDLP Certificates are junior in right of payment to the senior notes and intermediate funding notes.

The amortized cost and fair value of our SDLP Certificates held by us were $394 million and $394 million, respectively, as of June 30, 2017 and $270 million and $270 million, respectively, as of December 31, 2016. Our yield on our investment in the SDLP at amortized cost and fair value was 14% and 14%, respectively, as of June 30, 2017 and 14% and 14%, respectively, as of December 31, 2016. For the three months ended June 30, 2017, we earned interest income of $11 million from our investment in the SDLP Certificates. We are also entitled to certain fees in connection with the SDLP. For the three months ended June 30, 2017, in connection with the SDLP, we earned capital structuring service and other fees totaling $5 million.

As of June 30, 2017 and December 31, 2016, the portfolio was comprised of all first lien senior secured loans primarily to U.S. middle-market companies and were in industries similar to the companies in our portfolio. As of June 30, 2017 and December 31, 2016, none of the loans were on non-accrual status. Below is a summary of the SDLP's portfolio as of June 30, 2017 and December 31, 2016:

	As of	
(dollar amounts in millions)	**June 30, 2017**	**December 31, 2016**
Total first lien senior secured loans(1)	$ 1,866	$ 1,281
Weighted average yield on first lien senior secured loans(2)	7.5%	7.4%
Largest loan to a single borrower(1)	$ 200	$ 125
Total of five largest loans to borrowers(1)	$ 792	$ 560
Number of borrowers in the SDLP	17	14
Commitments to fund delayed draw loans(3)	$ 173	$ 177

(1) At principal amount.

(2) Computed as (a) the annual stated interest rate on accruing first lien senior secured loans, divided by (b) total first lien senior secured loans at principal amount.

(3) As discussed above, these commitments have been approved by the investment committee of the SDLP.

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Senior Secured Loan Program

We and GE have co-invested in first lien senior secured loans of middle market companies through the SSLP. The SSLP has been capitalized as transactions are completed. All portfolio decisions and generally all other decisions in respect of the SSLP must be approved by an investment committee of the SSLP consisting of representatives of ours and GE (with approval from a representative of each required). We have provided capital to the SSLP in the form of the SSLP Certificates. As of June 30, 2017 and December 31, 2016, we and GE owned 87.5% and 12.5%, respectively, of the outstanding SSLP Certificates.

In August 2015, GE completed the sale of its U.S. Sponsor Finance business, through which GE had participated with us in the SSLP, to CPPIB. This sale excluded GE's interest in the SSLP, and we and GE continue to operate the SSLP. We and GE no longer have an obligation to present senior secured lending investment opportunities to the SSLP and since June 30, 2015, the SSLP has not made any investments related to new portfolio companies. On August 24, 2015, we were advised that GECC, as the holder of the Senior Notes, directed State Street Bank and Trust Company, as trustee of the Senior Notes and the SSLP Certificates, pursuant to the terms of the indenture governing the Senior Notes and the SSLP Certificates, to apply all principal proceeds received by the SSLP from its investments to the repayment of the outstanding principal amount of the Senior Notes until paid in full (prior to the distribution of any such principal proceeds to the holders of the SSLP Certificates, which includes us). GECC had previously elected to waive its right to receive priority repayments on the Senior Notes from principal proceeds in most circumstances.

Below is a summary of the funded capital and unfunded capital commitments of the SSLP.

	As of	
(in millions)	**June 30, 2017**	**December 31, 2016**
Total capital funded to the SSLP(1)	$ 2,891	$ 3,819
Total capital funded to the SSLP by the Company(1)	$ 2,004	$ 2,004
Total unfunded capital commitments to the SSLP(2)	$ 50	$ 50
Total unfunded capital commitments to the SSLP by the Company(2)	$ 7	$ 7

(1) At principal amount.

(2) These commitments have been approved by the investment committee of the SSLP and will be funded as the transactions are completed.

The SSLP Certificates have a weighted average contractual coupon of LIBOR plus approximately 8.0% and also entitle the holders thereof to receive a portion of the excess cash flow from the loan portfolio, after expenses. However, the SSLP Certificates are junior in right of payment to the Senior Notes held by GE, and we expect that for so long as principal proceeds from SSLP repayments are directed entirely to repay the Senior Notes as discussed above, the yield on the SSLP Certificates will be lower than the stated coupon and continue to decline.

The amortized cost and fair value of our SSLP Certificates were $1.9 billion and $1.9 billion, respectively, as of June 30, 2017, and $1.9 billion and $1.9 billion, respectively, as of December 31, 2016. Our yield on our investment in the SSLP at amortized cost and fair value was 5.8% and 5.8%, respectively, as of June 30, 2017, and 7.0% and 7.1%, respectively, as of December 31, 2016. For the three and six months ended June 30, 2017, we earned interest income of $29 million and $63 million, respectively, from our investment in the SSLP Certificates. For the three and six months ended June 30, 2016, we earned interest income of $58 million and $116 million, respectively, from our investment in the SSLP Certificates.

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For the three and six months ended June 30, 2017, in connection with the SSLP, we earned capital structuring service, sourcing and other fees totaling $3 million and $5 million, respectively. For the three and six months ended June 30, 2016, in connection with the SSLP, we earned capital structuring service, sourcing and other fees totaling $6 million and $11 million, respectively.

In June 2017, we purchased the SSLP's entire $259 million aggregate principal amount of first lien senior secured loan investments in Implus Footcare, LLC ("Implus") at fair value of $259 million. As a result of the transaction, the SSLP fully exited its investments in Implus.

As of June 30, 2017 and December 31, 2016, the SSLP's portfolio was comprised of all first lien senior secured loans to U.S. middle-market companies and were in industries similar to the companies in our portfolio. As of June 30, 2017 and December 31, 2016, none of these loans were on non-accrual status. Below is a summary of the SSLP's portfolio.

	As of	
(dollar amounts in millions)	**June 30, 2017**	**December 31, 2016**
Total first lien senior secured loans(1)	$ 1,675	$ 3,360
Weighted average yield on first lien senior secured loans(2)	7.0%	6.9%
Largest loan to a single borrower(1)	$ 250	$ 260
Total of five largest loans to borrowers(1)	$ 1,023	$ 1,257
Number of borrowers in the SSLP	11	19
Commitments to fund delay draw loans(3)	$ 50	$ 50

(1) At principal amount.

(2) Computed as (a) the annual stated interest rate on accruing first lien senior secured loans, divided by (b) total first lien senior secured loans at principal amount.

(3) As discussed above, these commitments have been approved by the investment committee of the SSLP.

See "Recent Developments," as well as Note 16 to our consolidated financial statements for the three and six months ended June 30, 2017 for a subsequent event relating to the SSLP.

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SSLP Loan Portfolio as of June 30, 2017

(dollar amounts in millions) Portfolio Company	Business Description	Maturity Date	Stated Interest Rate(1)	Principal Amount
Connoisseur Media, LLC	Owner and operator of radio stations	6/2019	7.5%	$ 88
DFS Holding Company, Inc.(2)	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	2/2022	6.7%	190
Drayer Physical Therapy Institute, LLC	Outpatient physical therapy provider	7/2018	9.0%	127
ECI Purchaser Company, LLC	Manufacturer of equipment to safely control pressurized gases	12/2018	6.7%	186
Gehl Foods, LLC(4)	Producer of low-acid, aseptic food and beverage products	6/2019	7.7%	123
Intermedix Corporation(3)	Revenue cycle management provider to the emergency healthcare industry	12/2019	5.9%	250
Mavis Tire Supply LLC	Auto parts retailer	10/2020	6.5%	219
MCH Holdings, Inc.(4)	Healthcare professional provider	1/2020	6.6%	164
Sanders Industries Holdings, Inc.(4)	Elastomeric parts, mid-sized composite structures, and composite tooling	5/2020	6.6%	74
Singer Sewing Company	Manufacturer of consumer sewing machines	9/2017	8.8%	178
WCI-Quantum Holdings, Inc.(4)	Distributor of instructional products, services and resources	10/2020	6.4%	76
				$ 1,675

(1) Represents the weighted average annual stated interest rate as of June 30, 2017. All interest rates are payable in cash except for 1.5% of the interest rate for Singer Sewing Company, which is payment-in-kind interest.

(2) We also hold a portion of this company's first lien senior secured loan.

(3) We also hold a portion of this company's second lien senior secured loan.

(4) We hold an equity investment in this company.

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SSLP Loan Portfolio as of December 31, 2016

(dollar amounts in millions) Portfolio Company	Business Description	Maturity Date	Stated Interest Rate(1)	Principal Amount	Fair Value(2)
AMZ Holding Corp.	Specialty chemicals manufacturer	12/2018	6.8%	$ 214	$ 214
Breg, Inc.	Designer, manufacturer, and distributor of non-surgical orthopedic products for preventative, post-operative and rehabilitative use	10/2020	6.8%	147	147
Connoisseur Media, LLC	Owner and operator of radio stations	6/2019	7.3%	94	94
DFS Holding Company, Inc.	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	2/2022	6.5%	191	191
Drayer Physical Therapy Institute, LLC	Outpatient physical therapy provider	7/2018	8.8%	132	132
ECI Purchaser Company, LLC	Manufacturer of equipment to safely control pressurized gases	12/2018	6.5%	207	201
Excelligence Learning Corporation	Developer, manufacturer and retailer of educational products	12/2020	6.8%	175	175
Gehl Foods, LLC(4)	Producer of low-acid, aseptic food and beverage products	6/2019	7.5%	155	155
Implus Footcare, LLC	Provider of footwear and other accessories	4/2021	7.0%	260	252
Intermedix Corporation(3)	Revenue cycle management provider to the emergency healthcare industry	12/2019	5.8%	254	251
Mavis Tire Supply LLC	Auto parts retailer	10/2020	6.3%	230	225
MCH Holdings, Inc.(4)	Healthcare professional provider	1/2020	6.5%	168	168
Palermo Finance Corporation	Provider of mission-critical integrated public safety software and services to local, state, and federal agencies	11/2020	7.0%	185	185
Sanders Industries Holdings, Inc.(4)	Elastomeric parts, mid-sized composite structures, and composite tooling	5/2020	6.5%	76	76
Singer Sewing Company	Manufacturer of consumer sewing machines	6/2017	7.8%	181	178
STATS Acquisition, LLC	Sports technology, data and content company	6/2018	10.8%	102	99
U.S. Anesthesia Partners, Inc.(3)	Anesthesiology service provider	12/2019	6.0%	259	259
WCI-Quantum Holdings, Inc.(4)	Distributor of instructional products, services and resources	10/2020	6.1%	76	76
Woodstream Group, Inc.	Pet products manufacturer	5/2022	7.3%	254	254
				$ 3,360	$ 3,332

(1) Represents the weighted average annual stated interest rate as of December 31, 2016. All interest rates are payable in cash except for 0.5% and 2.0% of the interest rates for Singer Sewing Company and STATS Acquisition, LLC, respectively, which are payment-in-kind interest.

(2) Represents the fair value in accordance with ASC 820-10. The determination of such fair value is not included in our board of directors valuation process described elsewhere herein.

(3) We also hold a portion of this company's second lien senior secured loan.

(4) We hold an equity investment in this company.

Selected financial information for the SSLP as of June 30, 2017 and December 31, 2016 and for the six months ended June 30, 2017 and 2016, was as follows:

As of

(in millions)	June 30, 2017	December 31, 2016
Selected Balance Sheet Information:		
Investments in loans receivable, net	$ 1,668	$ 3,343
Cash and other assets	1,174	439
Total assets	$ 2,842	$ 3,782
Senior notes(1)	$ 601	$ 1,529
Other liabilities	54	45
Total liabilities	655	1,574
Subordinated certificates and members' capital	2,187	2,208
Total liabilities and members' capital	$ 2,842	$ 3,782

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(in millions)	For the Six Months Ended June 30, 2017	2016
Selected Statement of Operations Information:		
Total interest and other income	$ 114	$ 272
Interest expense	18	92
Management and sourcing fees	12	29
Other expenses	2	13
Total expenses	32	134
Net income	$ 82	$ 138

(1) See "Recent Developments," as well as Note 16 to our consolidated financial statements for the three and six months ended June 30, 2017 for a subsequent event relating to the SSLP.

RESULTS OF OPERATIONS

For the three and six months ended June 30, 2017 and 2016

Operating results for the three and six months ended June 30, 2017 and 2016 were as follows:

(in millions)	For the Three Months Ended June 30, 2017	2016	For the Six Months Ended June 30, 2017	2016
Total investment income	$ 284	$ 245	$ 559	$ 493
Total expenses, net of waiver of income based fees	153	136	332	266
Net investment income before income taxes	131	109	227	227
Income tax expense, including excise tax	7	4	9	9
Net investment income	124	105	218	218
Net realized gains on investments and foreign currency transactions	110	31	112	58
Net unrealized gains (losses) on investments, foreign currency and other transactions	(52)	21	(30)	13
Realized losses on extinguishment of debt	(4)		(4)	
Net increase in stockholders' equity resulting from operations	$ 178	$ 157	$ 296	$ 289

Net income can vary substantially from period to period due to various factors, including acquisitions, the level of new investment commitments, the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, comparisons of net increase in stockholders' equity resulting from operations may not be meaningful.

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Investment Income

(in millions)	For the Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2016	For the Six Months Ended June 30, 2017	For the Six Months Ended June 30, 2016
Interest income from investments	$ 231	$ 203	$ 462	$ 411
Capital structuring service fees	29	13	41	28
Dividend income	16	20	40	37
Management and other fees	2	5	5	10
Other income	6	4	11	7
Total investment income	$ 284	$ 245	$ 559	$ 493

The increase in interest income from investments for the three months ended June 30, 2017 from the comparable period in 2016 was primarily due to an increase in the average size of our portfolio, partially offset by a decrease in the weighted average yield of our portfolio. The size of our portfolio increased from an average of $9.1 billion at amortized cost for the three months ended June 30, 2016 to an average of $11.7 billion at amortized cost for the comparable period in 2017, which was largely due to the investments acquired as part of the American Capital Acquisition. The weighted average yield of our portfolio decreased from 9.1% for the three months ended June 30, 2016 to 7.9% for the comparable period in 2017. The decline in the weighted average yield was primarily due to the decline in the yield on our SSLP Certificates at amortized cost from 11.75% for the three months ended June 30, 2016 to 6.0% for the comparable period in 2017. The increase in capital structuring service fees for the three months ended June 30, 2017 from the comparable period in 2016 was due to the increase in new investment commitments, which increased from $540 million for the three months ended June 30, 2016 to $2.0 billion for the comparable period in 2017. This increase was partially offset by the decrease in the weighted average capital structuring fees received on new investments commitments, which decreased from 2.2% for the three months ended June 30, 2016 to 1.5% for the comparable period in 2017. This decline was primarily due to having a higher percentage of new investment commitments made to existing portfolio companies during the three months ended June 30, 2017 as compared to the comparable period in 2016. Dividend income for the three months ended June 30, 2017 and 2016 included dividends received from IHAM totaling $10 million for each period. Also during the three months ended June 30, 2017, we received $3 million in other non-recurring dividends from non-income producing equity securities compared to $4 million for the comparable period in 2016. The decrease in dividend income for the three months ended June 30, 2017 from the comparable period in 2016 was primarily due to the placement of a preferred equity security on non-accrual during the third quarter of 2016, resulting in a loss of recurring dividend income of $4 million. The decrease in management and other fees for the three months ended June 30, 2017 from the comparable period in 2016 was due to lower sourcing fees from the SSLP resulting from a decrease in the size of the SSLP portfolio. The increase in other income for the three months ended June 30, 2017 from the comparable period in 2016 was primarily attributable to higher amendment fees and administrative agent fees.

The increase in interest income from investments for the six months ended June 30, 2017 from the comparable period in 2016 was primarily due to an increase in the average size of our portfolio, partially offset by a decrease in the weighted average yield of our portfolio. The size of our portfolio increased from an average of $9.1 billion for the six months ended June 30, 2016 to an average of $10.8 billion at amortized cost for the comparable period in 2017, which was largely due to the investments acquired as part of the American Capital Acquisition. The weighted average yield of our portfolio decreased from 9.1% for the six months ended June 30, 2016 to 8.6% for the comparable period in 2017. The decline in the weighted average yield was primarily due to the decline in the yield on our SSLP Certificates at amortized cost from 11.9% for the six months ended June 30, 2016 to 6.5%

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for the comparable period in 2017. The increase in capital structuring service fees for the six months ended June 30, 2017 from the comparable period in 2016 was due to the increase in new investment commitments (excluding investments acquired in the American Capital Acquisition), which increased from $1.0 billion for the six months ended June 30, 2016 to $2.8 billion for the comparable period in 2017. This increase was partially offset by the decrease in the weighted average capital structuring fees received on new investment commitments, which decreased from 2.7% for the six months ended June 30, 2016 to 1.4% for the comparable period in 2017. This decline was primarily due to having a higher percentage of new investment commitments made to existing portfolio companies during the six months ended June 30, 2017 as compared to the comparable period in 2016. Dividend income for the six months ended June 30, 2017 and 2016 included dividends received from IHAM totaling $20 million for each period. Also during the six months ended June 30, 2017, we received $15 million in other non-recurring dividends from non-income producing equity securities compared to $5 million for the comparable period in 2016. This increase in dividend income for the six months ended June 30, 2017 from the comparable period in 2016 was partially offset by the placement of a preferred equity security on non-accrual during the third quarter of 2016, resulting in a loss of recurring dividend income of $7 million. The decrease in management and other fees for the six months ended June 30, 2017 from the comparable period in 2016 was due to lower sourcing fees from the SSLP resulting from a decrease in the size of the SSLP portfolio. The increase in other income for the six months ended June 30, 2017 from the comparable period in 2016 was primarily attributable to higher amendment fees and administrative agent fees.

Operating Expenses

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in millions)	**2017**	**2016**	**2017**	**2016**
Interest and credit facility fees	$ 55	$ 45	$ 110	$ 96
Base management fees	44	35	83	69
Income based fees	30	29	62	58
Capital gains incentive fees	10	10	26	14
Administrative fees	3	3	6	7
Professional fees and other costs related to the American Capital Acquisition	12	7	38	8
Other general and administrative	9	7	17	14
Total operating expenses	163	136	342	266
Waiver of income based fees	(10)		(10)	
Total expenses, net of waiver of income based fees	$ 153	$ 136	$ 332	$ 266

Interest and credit facility fees for the three and six months ended June 30, 2017 and 2016, were comprised of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(in millions)	**2017**	**2016**	**2017**	**2016**
Stated interest expense	$ 47	$ 39	$ 94	$ 82
Facility fees	3	1	4	3
Amortization of debt issuance costs	4	3	9	7
Net accretion of discount on notes payable	1	2	3	4
Total interest and credit facility fees	$ 55	$ 45	$ 110	$ 96

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Stated interest expense for the three months ended June 30, 2017 increased from the comparable period in 2016 primarily due to the increase in the average principal amount of debt outstanding. For the three months ended June 30, 2017, our average principal debt outstanding increased to $4.6 billion as compared to $3.9 billion for the comparable period in 2016. The weighted average stated interest rate on our outstanding debt was 4.1% for the three months ended June 30, 2017 as compared to 4.0% for the comparable period in 2016. Facility fees for the three months ended June 30, 2017 increased from the comparable period in 2016 primarily due to the increased commitments under our revolving facilities resulting in higher unused commitment fees.

Stated interest expense for the six months ended June 30, 2017 increased from the comparable period in 2016 primarily due to the increase in the average principal amount of debt outstanding. For the six months ended June 30, 2017, our average principal debt outstanding increased to $4.6 billion as compared to $4.0 billion for the comparable period in 2016. The weighted average stated interest rate on our outstanding debt was 4.1% for the six months ended June 30, 2017 as compared to 4.1% for the comparable period in 2016.

The increase in base management fees for the three and six months ended June 30, 2017 from the comparable period in 2016 was primarily due to the increase in the average size of our portfolio for the three months ended June 30, 2017 (including the approximately $2.5 billion in assets acquired in the American Capital Acquisition on January 3, 2017) as compared to the three months ended June 30, 2016. The increase in income based fees for the three and six months ended June 30, 2017 from the comparable periods in 2016 was primarily due to the pre-incentive fee net investment income, as defined in the investment advisory and management agreement, for the three and six months ended June 30, 2017 being higher than in the comparable periods in 2016. As discussed earlier, the second quarter of 2017 also reflects the Fee Waiver of $10 million.

For the three and six months ended June 30, 2017, the capital gains incentive fees expense calculated in accordance with GAAP was $10 million and $26 million, respectively. For the three and six months ended June 30, 2016, the capital gains incentive fees expense calculated in accordance with GAAP was $10 million and $14 million, respectively. The capital gains incentive fee expense accrual for the six months ended June 30, 2017 included an $11 million accrual related to the American Capital Acquisition as a result of the fair value of the net assets acquired exceeding the fair value of the merger consideration paid by us. The capital gains incentive fee accrued under GAAP includes an accrual related to unrealized capital appreciation, whereas the capital gains incentive fee actually payable under our investment advisory and management agreement does not. There can be no assurance that such unrealized capital appreciation will be realized in the future. The accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. As of June 30, 2017, the total capital gains incentive fee accrual calculated in accordance with GAAP was $63 million. As of June 30, 2017, there was no capital gains incentive fee actually payable under our investment advisory and management agreement. See Note 3 to our consolidated financial statements for the three and six months ended June 30, 2017, for more information on the base management fees, income based fees and capital gains incentive fees.

Administrative fees represent fees paid to Ares Operations for our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our executive officers and their respective staffs. Administrative fees incurred related specifically to the American Capital Acquisition are included in professional fees and other costs related to the American Capital Acquisition as discussed below.

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For the three and six months ended June 30, 2017, we incurred $12 million and $38 million, respectively, in professional fees and other costs related to the American Capital Acquisition. For the three and six months ended June 30, 2016, we incurred $7 million and $8 million in professional fees and other costs related to the American Capital Acquisition, respectively. For the three and six months ended June 30, 2017, these costs included $4 million of expenses related to a long term incentive plan liability assumed in the American Capital Acquisition. See Note 12 to our consolidated financial statements for the three and six months ended June 30, 2017 for a description of the assumed long term incentive plan liability. For the six months ended June 30, 2017, these costs also included $18 million in one-time investment banking fees incurred in January 2017 upon the closing of the American Capital Acquisition.

Other general and administrative expenses include professional fees, rent, insurance, depreciation and director's fees, among other costs.

Income Tax Expense, Including Excise Tax

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must generally (among other requirements) timely distribute to our stockholders at least 90% of our investment company taxable income, as defined by the Code, for each year. In order to maintain our RIC status, we have made and intend to continue to make the requisite distributions to our stockholders which will generally relieve us from U.S. federal corporate-level income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. If we determine that our estimated current year taxable income will be in excess of estimated dividend distributions for the current year from such income, we accrue excise tax on estimated excess taxable income as such taxable income is earned. For the three and six months ended June 30, 2017, we recorded a net expense of $4 million and $7 million for U.S. federal excise tax, respectively. For the three and six months ended June 30, 2016, we recorded a net expense of $3 million and $6 million for U.S. federal excise tax, respectively.

Certain of our consolidated subsidiaries are subject to U.S. federal and state income taxes. For the three and six months ended June 30, 2017, we recorded a net tax expense of approximately $3 million and $2 million for these subsidiaries, respectively. For the three and six months ended June 30, 2016, we recorded a net tax expense of approximately $1 million and $3 million for these subsidiaries, respectively. The income tax expense for our taxable consolidated subsidiaries will vary depending on the level of realized gains from the exits of investments held by such taxable subsidiaries during the respective periods.

Net Realized Gains/Losses

During the three months ended June 30, 2017, we had $1.9 billion of sales, repayments or exits of investments resulting in $112 million of net realized gains on investments. These sales, repayments or exits included $8 million of investments sold to IHAM and certain vehicles managed by IHAM. No realized gains or losses were recorded on these transactions with IHAM. See Note 4 to our consolidated financial statements for the three and six months ended June 30, 2017 for more detail on IHAM and its managed vehicles. During the three months ended June 30, 2017, net realized gains on investments of $112 million were comprised of $150 million of gross realized gains and $38 million of gross realized losses. Of the $112 million of net realized gains on investments, approximately $21 million were from investments acquired as part of the American Capital Acquisition.

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The net realized gains on investments during the three months ended June 30, 2017 consisted of the following:

(in millions) **Portfolio Company**	**Net Realized Gains (Losses)**
10th Street, LLC	$ 34
Community Education Centers, Inc.	24
TA THI Parent, Inc.	16
NECCO Realty Investments LLC	13
GHX Ultimate Parent Corporation	11
Wilcon Holdings LLC	10
Project Alpha Intermediate Holding, Inc. and Qlik Parent, Inc.	8
CIBT Investment Holdings, LLC	6
Market Track Holdings, LLC	6
Hard 8 Games, LLC	5
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC	(13)
Competitor Group, Inc.	(21)
Other, net	13
Total	$ 112

During the three months ended June 30, 2017, we recognized net realized losses on foreign currency transactions of $2 million.

During the three months ended June 30, 2017, we redeemed the entire $183 million in aggregate principal amount outstanding of the unsecured notes that were scheduled to mature on October 1, 2022 (the "October 2022 Notes") in accordance with the terms of the indenture governing the October 2022 Notes. The October 2022 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately $185 million, which resulted in a realized loss on the extinguishment of debt of $4 million.

During the three months ended June 30, 2016, we had $752 million of sales, repayments or exits of investments resulting in $34 million of net realized gains on investments. These sales, repayments or exits included $36 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of $0.3 million was recorded on these transactions with IHAM. During the three months ended June 30, 2016, net realized gains on investments of $34 million were comprised of $35 million of gross realized gains and $1 million of gross realized losses.

The net realized gains on investments during the three months ended June 30, 2016 consisted of the following:

(in millions) **Portfolio Company**	**Net Realized Gains (Losses)**
NMSC Holdings, Inc.	$ 15
Netsmart Technologies, Inc.	8
WorldPay Group PLC	4
Other, net	7
Total	$ 34

During the three months ended June 30, 2016, we also recognized net realized losses on foreign currency transactions of $3 million.

During the six months ended June 30, 2017, we had $2.8 billion of sales, repayments or exits of investments resulting in $125 million of net realized gains on investments. These sales, repayments or

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exits included $29 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of $0 million was recorded on these transactions with IHAM. During the six months ended June 30, 2017, net realized gains on investments of $125 million were comprised of $164 million of gross realized gains and $39 million of gross realized losses. Of the $125 million of net realized gains on investments, approximately $23 million were from investments acquired as part of the American Capital Acquisition.

The net realized gains on investments during the six months ended June 30, 2017 consisted of the following:

(in millions) **Portfolio Company**		**Net Realized Gains (Losses)**
10th Street, LLC	$	34
Community Education Centers, Inc.		24
TA THI Parent, Inc.		16
Netsmart Technologies, Inc.		13
GHX Ultimate Parent Corporation		11
Wilcon Holdings LLC		10
Project Alpha Intermediate Holding, Inc. and Qlik Parent, Inc.		8
S Toys Holdings LLC (fka The Step2 Company, LLC)		7
CIBT Investment Holdings, LLC		6
Market Track Holdings, LLC		6
Hard 8 Games, LLC		5
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC		(13)
Competitor Group, Inc.		(21)
Other, net		19
Total, net	$	125

During the six months ended June 30, 2017, we also recognized net realized losses on foreign currency transactions of $13 million.

During the six months ended June 30, 2016, we had $1.3 billion of sales, repayments or exits of investments resulting in $59 million of net realized gains on investments. These sales, repayments or exits included $101 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of $0.4 million was recorded on these transactions with IHAM. During the six months ended June 30, 2016, net realized gains on investments of $59 million were comprised of $60 million of gross realized gains and $1 million of gross realized losses.

The net realized gains on investments during the six months ended June 30, 2016 consisted of the following:

(in millions) **Portfolio Company**		**Net Realized Gains (Losses)**
NMSC Holdings, Inc.	$	16
Physiotherapy Associates Holdings, Inc.		8
Netsmart Technologies, Inc.		8
AllBridge Financial, LLC		6
Lakeland Tours, LLC		5
WorldPay Group PLC		4
MedAssets, Inc.		3
Other, net		9
Total, net	$	59

During the six months ended June 30, 2016, we also recognized net realized losses on foreign currency transactions of $1 million.

Net Unrealized Gains/Losses

We value our portfolio investments quarterly and the changes in value are recorded as unrealized gains or losses in our consolidated statement of operations. Net unrealized gains and losses for our portfolio for the three and six months ended June 30, 2017 and 2016, were comprised of the following:

(in millions)	For the Three Months Ended June 30, 2017	For the Three Months Ended June 30, 2016	For the Six Months Ended June 30, 2017	For the Six Months Ended June 30, 2016
Unrealized appreciation	$ 151	$ 114	$ 196	$ 158
Unrealized depreciation	(119)	(72)	(172)	(113)
Net unrealized appreciation reversed related to net realized gains or losses(1)	(76)	(24)	(50)	(32)
Total net unrealized gains (losses)	$ (44)	$ 18	$ (26)	$ 13

(1) The net unrealized (appreciation) depreciation reversed related to net realized gains or losses represents the unrealized appreciation or depreciation recorded on the related asset at the end of the prior period.

The changes in net unrealized appreciation and depreciation during the three months ended June 30, 2017 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Bellotto Holdings Limited	$ 49
Alcami Holdings, LLC	18
Ciena Capital LLC	10
EDS Group	9
Miles 33 (Finance) Limited	7
Columbo MidCo Limited	6
Imaging Business Machines, L.L.C.	6
CCS Intermediate Holdings, LLC	(3)
Javlin Three LLC	(3)
Indra Holdings Corp.	(3)
Green Energy Partners	(5)
Rug Doctor, LLC	(5)
Urgent Cares of America Holdings I, LLC	(6)
Infilaw Holding, LLC	(7)
ADF Capital, Inc.	(8)
New Trident Holdcorp, Inc.	(9)
Soil Safe, Inc.	(10)
Other, net	(14)
Total	$ 32

During the three months ended June 30, 2017, we also recognized net unrealized losses on foreign currency and other transactions of $8 million.

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The changes in net unrealized appreciation and depreciation during the three months ended June 30, 2016 consisted of the following:

(in millions) **Portfolio Company**	**Net Unrealized Appreciation (Depreciation)**
Primexx Energy Corporation	$ 16
UL Holding Co., LLC	13
Senior Secured Loan Fund LLC	10
The Step2 Company, LLC	7
Community Education Centers, Inc.	6
TA THI Parent, Inc.	4
The Hygenic Corporation	4
Green Energy Partners	4
ADF Capital, Inc.	3
PERC Holdings 1 LLC	3
Spin HoldCo Inc.	3
American Seafoods Investors LLC	2
Lonestar Prospects, Ltd.	2
Liquid Light, Inc.	(2)
Indra Holdings Corp.	(2)
Poplicus Incorporated	(3)
Competitor Group, Inc.	(3)
Urgent Cares of America Holdings I, LLC	(4)
Nordco Inc.	(4)
Feradyne Outdoors, LLC	(4)
Infilaw Holding, LLC	(5)
CCS Intermediate Holdings, LLC	(15)
Instituto de Banca y Comercio, Inc.	(15)
Other, net	22
Total	$ 42

During the three months ended June 30, 2016, we also recognized net unrealized gains on foreign currency and other transactions of $3 million.

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The changes in net unrealized appreciation and depreciation during the six months ended June 30, 2017 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Bellotto Holdings Limited	$ 54
Alcami Holdings, LLC	18
EDS Group	10
Ciena Capital LLC	9
Columbo Midco Limited	7
Imaging Business Machines, L.L.C.	7
Miles 33 (Finance) Limited	7
Senior Secured Loan Fund LLC	6
PIH Corporation	5
PERC Holdings 1 LLC	5
American Seafoods Investors LLC	3
Javlin Three LLC	(3)
Panda Temple Power, LLC	(4)
Cent CLO 22 Limited	(4)
Cadence Aerospace, LLC	(4)
NMSC Holdings, Inc.	(4)
Joule Unlimited Technologies, Inc.	(4)
Indra Holdings Corp.	(5)
Rug Doctor, LLC	(5)
Urgent Cares of America Holdings I, LLC	(6)
Green Energy Partners	(7)
EcoMotors, Inc.	(8)
Soil Safe, Inc.	(10)
New Trident Holdcorp, Inc.	(12)
Infilaw Holding, LLC	(13)
ADF Capital, Inc.	(17)
Other, net	(1)
Total	$ 24

During the six months ended June 30, 2017, we also recognized net unrealized losses on foreign currency and other transactions of $4 million.

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The changes in net unrealized appreciation and depreciation during the six months ended June 30, 2016 consisted of the following:

(in millions) **Portfolio Company**	**Net Unrealized Appreciation (Depreciation)**
UL Holding Co., LLC	$ 22
The Step2 Company, LLC	16
Primexx Energy Corporation	12
Senior Secured Loan Fund LLC	12
ADF Capital, Inc.	12
Community Education Centers, Inc.	11
R3 Education, Inc.	5
Spin HoldCo Inc.	4
Green Energy Partners	4
TA THI Parent, Inc.	4
2329497 Ontario Inc.	4
Orion Foods, LLC	3
The Hygenic Corporation	3
American Seafoods Investors LLC	2
Lonestar Prospects, Ltd.	2
McKenzie Sports Products, LLC	2
Liquid Light, Inc.	(2)
Poplicus Incorporated	(3)
Competitor Group, Inc.	(4)
Things Remembered, Inc.	(4)
Feradyne Outdoors, LLC	(4)
Ivy Hill Asset Management, L.P.	(4)
Nordco Inc.	(5)
Urgent Cares of America Holdings I, LLC	(5)
Indra Holdings Corp.	(8)
Infilaw Holding, LLC	(10)
CCS Intermediate Holdings, LLC	(15)
Instituto de Banca y Comercio, Inc.	(24)
Other, net	15
Total, net	$ 45

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For the years ended December 31, 2016, 2015 and 2014

Operating results for the years ended December 31, 2016, 2015 and 2014 were as follows:

	For the Years Ended December 31,		
(in millions)	**2016**	**2015**	**2014**
Total investment income	$ 1,012	$ 1,025	$ 989
Total expenses	497	499	533
Net investment income before income taxes	515	526	456
Income tax expense, including excise tax	21	18	18
Net investment income	494	508	438
Net realized gains on investments and foreign currency transactions	110	127	94
Net unrealized gains (losses) on investments, foreign currency and other transactions	(130)	(246)	59
Realized losses on extinguishment of debt		(10)	
Net increase in stockholders' equity resulting from operations	$ 474	$ 379	$ 591

Net income can vary substantially from period to period due to various factors, including acquisitions, the level of new investment commitments, the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, comparisons of net increase in stockholders' equity resulting from operations may not be meaningful.

Investment Income

	For the Years Ended December 31,		
(in millions)	**2016**	**2015**	**2014**
Interest income from investments	$ 806	$ 817	$ 741
Capital structuring service fees	99	95	113
Dividend income	75	74	85
Management and other fees	16	24	25
Other income	16	15	25
Total investment income	$ 1,012	$ 1,025	$ 989

The decrease in interest income from investments for the year ended December 31, 2016 from the comparable period in 2015 was primarily due to a decrease in the weighted average yield of our portfolio, partially offset by an increase in the average size of our portfolio. The weighted average yield of our portfolio decreased from 9.5% for the year ended December 31, 2015 to 8.9% for the comparable period in 2016, primarily driven by the decrease in the yield of the SSLP Certificates. The size of our portfolio increased from an average of $8.6 billion at amortized cost for the year ended December 31, 2015 to an average of $9.0 billion at amortized cost for the comparable period in 2016. The increase in capital structuring service fees for the year ended December 31, 2016 from the comparable period in 2015 was due to the increase in weighted average capital structuring fees received on new investment commitments, which increased from 2.5% for the year ended December 31, 2015 to 3.1% for the comparable period in 2016. Dividend income for the years ended December 31, 2016 and 2015 included dividends received from IHAM totaling $40 million and $50 million, respectively. The dividends received from IHAM for the year ended December 31, 2015 included additional dividends of $10 million that were paid in addition to the quarterly dividends generally paid by IHAM. IHAM paid

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the additional dividends out of accumulated earnings that had previously been retained by IHAM. Also during the year ended December 31, 2016, we received $20 million in other non-recurring dividends from non-income producing equity securities compared to $9 million for the comparable period in 2015. The decrease in management and other fees for the year ended December 31, 2016 from the comparable period in 2015 was due to lower sourcing fees from the SSLP resulting from a decrease in the size of the SSLP portfolio.

The increase in interest income from investments for the year ended December 31, 2015 from the comparable period in 2014 was primarily due to an increase in the size of our portfolio, which increased from an average of $8.1 billion at amortized cost for the year ended December 31, 2014 to an average of $8.6 billion at amortized cost for the comparable period in 2015. The decrease in capital structuring service fees for the year ended December 31, 2015 from the comparable period in 2014 was primarily due to the decrease in new investment commitments, which decreased from $4.6 billion for the year ended December 31, 2014 to $3.8 billion for the comparable period in 2015. Dividend income for the years ended December 31, 2015 and 2014 included dividends received from IHAM totaling $50 million and $50 million, respectively. The dividends received from IHAM for the years ended December 31, 2015 and 2014 each included additional dividends of $10 million that were paid in addition to the quarterly dividends generally paid by IHAM. IHAM paid the additional dividends out of accumulated earnings that had previously been retained by IHAM. Also during the year ended December 31, 2015, we received $9 million in other non-recurring dividends from non-income producing equity securities compared to $19 million for the comparable period in 2014. The decrease in other income for the year ended December 31, 2015 from the comparable period in 2014 was primarily attributable to lower amendment fees.

Operating Expenses

	For the Years Ended December 31,		
(in millions)	**2016**	**2015**	**2014**
Interest and credit facility fees	$ 186	$ 227	$ 216
Base management fees	137	134	128
Income based fees	123	121	118
Capital gains incentive fees	(5)	(27)	30
Administrative fees	14	14	14
Professional fees and other costs related to the American Capital Acquisition	15		
Other general and administrative	27	30	27
Total operating expenses	$ 497	$ 499	$ 533

Interest and credit facility fees for the years ended December 31, 2016, 2015 and 2014, were comprised of the following:

	For the Years Ended December 31,		
(in millions)	**2016**	**2015**	**2014**
Stated interest expense	$ 161	$ 183	$ 175
Facility fees	5	10	10
Amortization of debt issuance costs	14	17	16
Net accretion of discount on notes payable	6	17	15
Total interest and credit facility fees	$ 186	$ 227	$ 216

Stated interest expense for the year ended December 31, 2016 decreased from the comparable period in 2015 primarily due to the decrease in our weighted average stated interest rate of our debt outstanding, partially offset by an increase in the average principal amount of debt outstanding. The weighted average stated interest rate on our outstanding debt was 4.1% for the year ended December 31, 2016 as compared to 5.0% for the comparable period in 2015 primarily as a result of the repayment upon maturity of the higher cost February 2016 Convertible Notes and June 2016 Convertible Notes and increased utilization of our lower cost revolving facilities. For the year ended December 31, 2016, our average principal debt outstanding increased to $3.9 billion as compared to $3.7 billion for the comparable period in 2015. Facility fees for the year ended December 31, 2016 decreased from the comparable period in 2015 primarily due to the increased utilization of our revolving facilities resulting in lower unused commitment fees. Amortization of debt issuance costs and net accretion of discount on notes payable for the year ended December 31, 2016 decreased from the comparable period in 2015 primarily due to the maturity of the February 2016 Convertible Notes and the June 2016 Convertible Notes.

Stated interest expense for the year ended December 31, 2015 increased from the comparable period in 2014 primarily due to the increase in the average principal amount of debt outstanding, partially offset by a decrease in our weighted average stated interest rate of our debt outstanding. For the year ended December 31, 2015, our average principal debt outstanding increased to $3.7 billion as compared to $3.3 billion for the comparable period in 2014, and the weighted average stated interest rate on our outstanding debt was 5.0% for the year ended December 31, 2015 as compared to 5.3% for the comparable period in 2014.

The increase in base management fees for the year ended December 31, 2016 from the comparable period in 2015 was primarily due to the increase in the size of the portfolio. The increase in income based fees for the year ended December 31, 2016 from the comparable period in 2015 was primarily due to the increase in net investment income excluding income based fees and capital gains incentive fees.

For the years ended December 31, 2016 and 2015, the reduction in capital gains incentive fees calculated in accordance with GAAP was $5 million and $27 million, respectively. For the year ended December 31, 2014, the capital gains incentive fees expense calculated in accordance with GAAP was $30 million. Capital gains incentive fee expense accrual for the year ended December 31, 2016 changed from the comparable period in 2015 primarily due to net losses on investments, foreign currency and other transactions and the extinguishment of debt during the year ended December 31, 2016 of $20 million compared to net losses of $129 million during the year ended December 31, 2015. Capital gains incentive fee expense accrual for the year ended December 31, 2015 changed from the comparable period in 2014 primarily due to net losses on investments, foreign currency and other transactions and the extinguishment of debt during the year ended December 31, 2015 of $129 million compared to net gains of $153 million during the year ended December 31, 2014. The capital gains incentive fee accrued under GAAP includes an accrual related to unrealized capital appreciation, whereas the capital gains incentive fee actually payable under our investment advisory and management agreement does not. There can be no assurance that such unrealized capital appreciation will be realized in the future. The accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. As of December 31, 2016, 2015 and 2014, the total capital gains incentive fee accrual calculated in accordance with GAAP was $38 million, $42 million and $93 million, respectively. As of December 31, 2016 and 2015, there was no capital gains incentive fee actually payable under our investment advisory and management agreement. As of December 31, 2014, the capital gains incentive fee actually payable under our investment advisory and management agreement was $17 million. See Note 3 to our consolidated financial statements for the year ended December 31, 2016, for more information on the base management fees, income based fees and capital gains incentive fees.

Administrative fees represent fees paid to Ares Operations for our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our executive officers and their respective staffs.

For the year ended December 31, 2016, we incurred $15 million in professional fees and other costs related to the American Capital Acquisition. No such expenses were incurred in the years ended December 31, 2015 and 2014. Other general and administrative expenses include professional fees, rent, insurance, depreciation and director's fees, among other costs.

Income Tax Expense, Including Excise Tax

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must generally (among other requirements) timely distribute to our stockholders at least 90% of our investment company taxable income, as defined by the Code, for each year. In order to maintain our RIC status, we have made and intend to continue to make the requisite distributions to our stockholders which will generally relieve us from U.S. federal corporate-level income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. If we determine that our estimated current year taxable income will be in excess of estimated dividend distributions for the current year from such income, we accrue excise tax on estimated excess taxable income as such taxable income is earned. For the years ended December 31, 2016, 2015 and 2014, we recorded a net expense of $12 million, $9 million and $6 million, respectively, for U.S. federal excise tax. The net expense for the years ended December 31, 2016, 2015 and 2014 each included a reduction in expense related to the recording of a requested refund resulting from the overpayment of the prior year's excise tax of $1 million, $1 million and $2 million, respectively.

Certain of our consolidated subsidiaries are subject to U.S. federal and state income taxes. For the years ended December 31, 2016, 2015 and 2014, we recorded a tax expense of approximately $9 million, $9 million and $12 million, respectively, for these subsidiaries. The income tax expense for our taxable consolidated subsidiaries will vary depending on the level of realized gains from the exits of investments held by such taxable subsidiaries during the retrospective periods.

Net Realized Gains/Losses

During the year ended December 31, 2016, we had $3.7 billion of sales, repayments or exits of investments resulting in $110 million of net realized gains on investments. These sales, repayments or exits included $472 million of investments sold to IHAM and certain vehicles managed by IHAM and $474 million of investments sold to the SDLP in conjunction with the initial funding of the SDLP. A net realized gain of $1 million was recorded on these transactions with IHAM and there was no realized gains or losses recorded on these transactions with the SDLP. See Note 4 to our consolidated financial statements for the year ended December 31, 2016 for more detail on IHAM and its managed vehicles. During the year ended December 31, 2016, net realized gains on investments of $110 million were comprised of $121 million of gross realized gains and $11 million of gross realized losses.

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The net realized gains on investments during the year ended December 31, 2016 consisted of the following:

(in millions) **Portfolio Company**	**Net Realized** **Gains (Losses)**
The Step2 Company, LLC	$ 18
Napa Management Services Corporation	16
UL Holding Co., LLC	13
Physiotherapy Associates Holdings, Inc.	8
Netsmart Technologies, Inc.	8
Ministry Brands, LLC and MB Parent Holdings, LLC	7
AllBridge Financial, LLC	6
Lakeland Tours, LLC	5
WorldPay Group PLC	4
Primexx Energy Corporation	4
Q9 Holdings Inc.	(9)
Other, net	30
Total, net	$ 110

During the year ended December 31, 2015, we had $3.7 billion of sales, repayments or exits of investments resulting in $121 million of net realized gains on investments. These sales, repayments or exits included $538 million of investments sold to IHAM or certain vehicles managed by IHAM. A net realized gain of $1 million was recorded on these transactions. See Note 4 to our consolidated financial statements for the year ended December 31, 2016 for more detail on IHAM and its managed vehicles. Net realized gains on investments of $121 million were comprised of $125 million of gross realized gains and $4 million of gross realized losses.

The net realized gains on investments during the year ended December 31, 2015 consisted of the following:

(in millions) **Portfolio Company**	**Net Realized** **Gains (Losses)**
Cast & Crew Payroll, LLC	$ 26
Tripwire, Inc.	14
TAP Holdings, LLC	11
Global Healthcare Exchange, LLC	8
Protective Industries, Inc.	8
Hojeij Branded Foods, Inc.	8
Wellspring Distribution Corp	6
Driven Brands, Inc.	5
Fulton Holdings Corp.	5
Other, net	30
Total	$ 121

During the year ended December 31, 2015, we also recognized net realized gains on foreign currency transactions of $6 million. In addition, during the year ended December 31, 2015, we redeemed the entire $144 million aggregate principal amount outstanding of the unsecured notes that were scheduled to mature on February 15, 2022 (the "February 2022 Notes"). The February 2022 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately $145 million, which resulted in a realized loss on the extinguishment of debt of $4 million. The $200 million aggregate principal amount of unsecured notes that were scheduled to mature on October 15, 2040 were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately $201 million, which resulted in a realized loss on the extinguishment of debt of $7 million.

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During the year ended December 31, 2014, we had $3.3 billion of sales, repayments or exits of investments resulting in $92 million of net realized gains on investments. These sales, repayments or exits included $220 million of investments sold to IHAM or certain vehicles managed by IHAM. There were no realized gains or losses recorded on these transactions. Net realized gains on investments of $92 million were comprised of $154 million of gross realized gains and $62 million of gross realized losses.

The net realized gains on investments during the year ended December 31, 2014 consisted of the following:

(in millions) **Portfolio Company**	**Net Realized Gains (Losses)**
Insight Pharmaceuticals Corporation	$ 33
The Dwyer Group	21
Waste Pro USA, Inc.	19
Service King Paint & Body, LLC	11
The Thymes, LLC	10
CT Technologies Intermediate Holdings, Inc.	7
ELC Acquisition Corp.	6
VSS-Tranzact Holdings, LLC	5
Platform Acquisition, Inc.	5
Apple & Eve, LLC	4
Pillar Processing LLC	(7)
CitiPostal Inc.	(21)
MVL Group, Inc.	(28)
Other, net	27
Total	$ 92

During the year ended December 31, 2014, we also recognized net realized gains on foreign currency transactions of $2 million. In addition, during the year ended December 31, 2014, we purchased $0 million aggregate principal amount of the 2047 Notes and as a result of these transactions, we recognized realized losses on extinguishment of debt of $2 million.

Net Unrealized Gains/Losses

We value our portfolio investments quarterly and the changes in value are recorded as unrealized gains or losses in our consolidated statement of operations. Net unrealized gains and losses

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for our portfolio for the years ended December 31, 2016, 2015 and 2014, were comprised of the following:

(in millions)	For the Years Ended December 31, 2016	2015	2014
Unrealized appreciation	$ 168	$ 116	$ 176
Unrealized depreciation	(306)	(304)	(120)
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses(1)	13	(60)	1
Total net unrealized gains (losses)	$ (125)	$ (248)	$ 57

(1) The net unrealized (appreciation) depreciation reversed related to net realized gains or losses represents the unrealized appreciation or depreciation recorded on the related asset at the end of the prior period.

The changes in net unrealized appreciation and depreciation during the year ended December 31, 2016 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Senior Secured Loan Fund LLC	$ 26
UL Holding Co., LLC	20
Community Education Centers, Inc.	19
Spin HoldCo Inc.	7
R3 Education, Inc.	7
Green Energy Partners	6
The Step2 Company, LLC	6
TA THI Buyer, Inc.	5
Things Remembered, Inc.	(6)
Ivy Hill Asset Management, L.P.	(6)
Brandtone Holdings Limited	(8)
FastMed Holdings I, LLC	(8)
ADF Capital, Inc.	(9)
10th Street, LLC	(9)
Indra Holdings Corp.	(11)
CCS Intermediate Holdings, LLC	(22)
Instituto de Banca y Comercio, Inc.	(52)
Infilaw Holding, LLC	(127)
Other, net	24
Total, net	$ (138)

During the year ended December 31, 2016, we also recognized net unrealized losses on foreign currency and other transactions of $5 million.

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The changes in net unrealized appreciation and depreciation during the year ended December 31, 2015 consisted of the following:

(in millions) **Portfolio Company**	**Net Unrealized Appreciation (Depreciation)**
OTG Management, LLC	$ 28
Ciena Capital LLC	11
Physiotherapy Associates Holdings, Inc.	6
Napa Management Services Corporation	6
UL Holding Co., LLC	5
Lakeland Tours, LLC	4
Spin HoldCo Inc.	(6)
Things Remembered, Inc.	(6)
La Paloma Generating Company, LLC	(6)
10th Street, LLC	(7)
Indra Holdings Corp.	(7)
Green Energy Partners	(8)
Primexx Energy Corporation	(8)
Nodality, Inc.	(9)
Competitor Group, Inc.	(9)
2329497 Ontario Inc.	(10)
Instituto de Banca y Comercio, Inc.	(14)
CCS Intermediate Holdings, LLC	(14)
Infilaw Holding, LLC	(14)
Ivy Hill Asset Management, L.P.	(24)
Petroflow Energy Corporation	(26)
Senior Secured Loan Fund LLC	(77)
Other, net	(3)
Total	$ (188)

During the year ended December 31, 2015, we also recognized net unrealized gains on foreign currency and other transactions of $2 million.

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The changes in net unrealized appreciation and depreciation during the year ended December 31, 2014 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
10th Street, LLC	$ 44
UL Holding Co., LLC	15
Cast & Crew Payroll, LLC	11
Imperial Capital Private Opportunities, LP	10
Ciena Capital LLC	10
Tripwire, Inc.	8
Senior Secured Loan Fund LLC	7
Campus Management Corp.	7
Global Healthcare Exchange, LLC	4
Eckler Industries, Inc.	(4)
OTG Management, LLC	(4)
Orion Foods, LLC	(5)
Community Education Centers, Inc.	(7)
2329497 Ontario Inc.	(7)
The Step2 Company, LLC	(17)
ADF Restaurant Group, LLC	(18)
Ivy Hill Asset Management, L.P.	(21)
Other, net	23
Total	$ 56

During the year ended December 31, 2014, we also recognized net unrealized gains on foreign currency transactions of $2 million.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources are generated primarily from the net proceeds of public offerings of equity and debt securities, advances from the Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility (each as defined below and together, the "Facilities"), net proceeds from the issuance of other securities, including SBA-guaranteed debentures (the "SBA Debentures"), as well as cash flows from operations.

As of June 30, 2017, we had $536 million in cash and cash equivalents and $4.9 billion in total aggregate principal amount of debt outstanding ($4.8 billion at carrying value). Subject to leverage, borrowing base and other restrictions, we had approximately $1.8 billion available for additional borrowings under the Facilities and the SBA Debentures as of June 30, 2017.

We may from time to time seek to retire or repurchase our common stock through cash purchases, as well as retire, cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. Such purchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. The amounts involved may be material. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including unsecured debt and/or debt securities convertible into common stock. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the Investment Company Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, calculated pursuant to the Investment Company Act, is at least 200% after

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such borrowing. On June 21, 2016, we received exemptive relief from the SEC allowing us to modify our calculation of asset coverage requirements to exclude the SBA Debentures. This exemptive relief provides us with increased investment flexibility but also increases our risk related to leverage. As of June 30, 2017, our asset coverage was 242% (excluding the SBA Debentures).

Equity Capital Activities

As of June 30, 2017 and December 31, 2016, our total equity market capitalization was $7.0 billion and $5.2 billion, respectively. There were no sales of our equity securities during the six months ended June 30, 2017 and 2016.

On January 3, 2017, in connection with the American Capital Acquisition, we issued 112 million shares valued at approximately $16.42 per share.

In September 2015, our board of directors approved a stock repurchase program authorizing us to repurchase up to $100 million in the aggregate of our outstanding common stock in the open market at certain thresholds below our net asset value per share, in accordance with the guidelines specified in Rule 10b-18 under the Exchange Act. The timing, manner, price and amount of any share repurchases will be determined by us, in our discretion, based upon the evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors. In May 2016, we suspended our stock repurchase program pending the completion of the American Capital Acquisition. In February 2017, our board of directors authorized an amendment to our stock repurchase program to (a) increase the total authorization under the program from $100 million to $300 million and (b) extend the expiration date of the program from February 28, 2017 to February 28, 2018. Under the stock repurchase program, we may repurchase up to $300 million in the aggregate of our outstanding common stock in the open market at a price per share that meets certain thresholds below our net asset value per share, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The program does not require us to repurchase any specific number of shares and we cannot assure stockholders that any shares will be repurchased under the program. The program may be suspended, extended, modified or discontinued at any time.

As of June 30, 2017, we had repurchased a total of 0.5 million shares of our common stock in the open market under the stock repurchase program since our inception in September 2015, at an average price of $13.92 per share, including commissions paid, leaving approximately $293 million available for additional repurchases under the program. During the six months ended June 30, 2017, we did not repurchase any shares of our common stock under the stock repurchase program.

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Debt Capital Activities

Our debt obligations consisted of the following as of June 30, 2017 and December 31, 2016:

	As of					
	June 30, 2017			December 31, 2016		
(in millions)	Total Aggregate Principal Amount Available/ Outstanding(1)	Principal Amount	Carrying Value	Total Aggregate Principal Amount Available/ Outstanding(1)	Principal Amount	Carrying Value
Revolving Credit Facility	$ 2,108(2)	$ 920	$ 920	$ 1,265	$ 571	$ 571
Revolving Funding Facility	1,000	685	685	540	155	155
SMBC Funding Facility	400	160	160	400	105	105
SBA Debentures	75	25	25	75	25	24
2017 Convertible Notes			(3)	162	162	162(4)
2018 Convertible Notes	270	270	268(4)	270	270	267(4)
2019 Convertible Notes	300	300	297(4)	300	300	296(4)
2022 Convertible Notes	388	388	366(4)			
2018 Notes	750	750	746(5)	750	750	745(5)
2020 Notes	600	600	596(6)	600	600	596(6)
January 2022 Notes	600	600	593(7)	600	600	592(7)
October 2022 Notes			(8)	183	183	179(9)
2047 Notes	230	230	182(10)	230	230	182(10)
Total	$ 6,721	$ 4,928	$ 4,838	$ 5,375	$ 3,951	$ 3,874

(1) Subject to borrowing base, leverage and other restrictions. Represents the total aggregate amount committed or outstanding, as applicable, under such instrument.

(2) Provides for a feature that allows us, under certain circumstances, to increase the size of the Revolving Credit Facility to a maximum of $3.1 billion.

(3) See below for more information on the repayment of the 2017 Convertible Notes at maturity.

(4) Represents the aggregate principal amount outstanding of the Convertible Unsecured Notes. As of June 30, 2017, the total unamortized debt issuance costs and the unaccreted discount for the 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes were $2 million, $3 million and $22 million, respectively. As of December 31, 2016, the total unamortized debt issuance costs and the unaccreted discount for the 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes were $0 million, $3 million and $4 million, respectively.

(5)

Represents the aggregate principal amount outstanding of the 2018 Notes less unamortized debt issuance costs and plus the net unamortized premium that was recorded upon the issuances of the 2018 Notes. As of June 30, 2017 and December 31, 2016, the total unamortized debt issuance costs less the net unamortized premium was $4 million and $5 million, respectively.

(6)

Represents the aggregate principal amount outstanding of the 2020 Notes less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of the 2020 Notes. As of June 30, 2017 and December 31, 2016, the total unamortized debt issuance costs and the net unaccreted discount was $4 million and $4 million, respectively.

(7)

Represents the aggregate principal amount outstanding of the January 2022 Notes less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of the January 2022 Notes. As of June 30, 2017 and December 31, 2016, the total unamortized debt issuance costs and the net unaccreted discount were $7 million and $8 million, respectively.

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(8)
See below for more information on the repayment of the October 2022 Notes.

(9)
Represents the aggregate principal amount outstanding of the October 2022 Notes less unamortized debt issuance costs. As of December 31, 2016, the total unamortized debt issuance costs was $4 million.

(10)
Represents the aggregate principal amount outstanding of the 2047 Notes less the unaccreted purchased discount recorded as part of the acquisition of Allied Capital Corporation in April 2010 (the "Allied Acquisition"). As of June 30, 2017 and December 31, 2016, the total unaccreted purchased discount was $48 million and $48 million, respectively.

The weighted average stated interest rate and weighted average maturity, both on aggregate principal amount outstanding, of all our debt outstanding as of June 30, 2017 were 3.9% and 4.6 years, respectively, and as of December 31, 2016 were 4.2% and 4.8 years, respectively.

The ratio of total principal amount of debt outstanding to stockholders' equity as of June 30, 2017 was 0.70:1.00 compared to 0.77:1.00 as of December 31, 2016.

Revolving Credit Facility

We are party to a senior secured revolving credit facility (as amended and restated, the "Revolving Credit Facility"), that allows us to borrow up to $2.1 billion at any one time outstanding. The Revolving Credit Facility consists of a $395 million term loan tranche with a stated maturity date of January 4, 2022 and a $1.7 billion revolving tranche. For $1.6 billion of the revolving tranche, the end of the revolving period and the stated maturity date are January 4, 2021 and January 4, 2022, respectively. For $38 million of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2020 and May 4, 2021, respectively. For the remaining $45 million of the revolving tranche, the end of the revolving period and the stated maturity date are May 4, 2019 and May 4, 2020, respectively. The Revolving Credit Facility also provides for a feature that allows us, under certain circumstances, to increase the overall size of the Revolving Credit Facility to a maximum of $3.1 billion. The interest rate charged on the Revolving Credit Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility), in each case, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of June 30, 2017, the interest rate in effect was LIBOR plus 1.75%. We are also required to pay a letter of credit fee of either 2.00% or 2.25% per annum on letters of credit issued, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. Additionally, we are required to pay a commitment fee of 0.375% per annum on any unused portion of the Revolving Credit Facility. As of June 30, 2017, there was $920 million outstanding under the Revolving Credit Facility and we were in compliance in all material respects with the terms of the Revolving Credit Facility.

Revolving Funding Facility

Our consolidated subsidiary, Ares Capital CP Funding LLC ("Ares Capital CP"), is party to a revolving funding facility (as amended, the "Revolving Funding Facility"), that allows Ares Capital CP to borrow up to $1 billion at any one time outstanding. The Revolving Funding Facility is secured by all of the assets held by, and the membership interest in, Ares Capital CP. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are January 3, 2019 and January 3, 2022, respectively. The interest rate charged on the Revolving Funding Facility is based on LIBOR plus 2.30% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.30% per annum. Ares Capital CP is also required to pay a commitment fee of between 0.50% and 1.50% per annum depending on the size of the unused portion of the Revolving Funding Facility. As of June 30, 2017, there was $685 million outstanding under the Revolving Funding Facility and we and Ares Capital CP were in compliance in all material respects with the terms of the Revolving Funding Facility.

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SMBC Funding Facility

Our consolidated subsidiary, Ares Capital JB Funding LLC ("ACJB"), is party to a revolving funding facility (as amended, the "SMBC Funding Facility"), that allows ACJB to borrow up to $400 million at any one time outstanding. The SMBC Funding Facility is secured by all of the assets held by ACJB. As of June 30, 2017, the end of the reinvestment period and the stated maturity date for the SMBC Funding Facility were September 14, 2017 and September 14, 2022, respectively. The reinvestment period and the stated maturity date are both subject to two one-year extensions by mutual agreement. The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of June 30, 2017, the interest rate in effect was LIBOR plus 1.75%. Additionally, ACJB is required to pay a commitment fee of between 0.35% and 0.875% per annum depending on the size of the unused portion of the SMBC Funding Facility. As of June 30, 2017, there was $160 million outstanding under the SMBC Funding Facility and we and ACJB were in compliance in all material respects with the terms of the SMBC Funding Facility.

SBA Debentures

In April 2015, our wholly owned subsidiary, AVF LP, received a license from the SBA to operate as a SBIC under the provisions of Section 301(c) of the Small Business Investment Act of 1958, as amended. The SBA places certain limitations on the financing of investments by SBICs in portfolio companies, including regulating the types of financings, restricting investments to only include small businesses with certain characteristics or in certain industries, and requiring capitalization thresholds that may limit distributions to us.

The license from the SBA allows AVF LP to obtain leverage by issuing the SBA Debentures, subject to issuance of a capital commitment by the SBA and other customary procedures. Leverage through the SBA Debentures is subject to required capitalization thresholds. Current SBA regulations limit the amount that any SBIC may borrow to $150 million and as of June 30, 2017, the original amount committed to AVF LP by the SBA was $75 million. Any undrawn commitments expire on September 30, 2019. The SBA Debentures are non-recourse to us, have interest payable semi-annually, have a ten-year maturity and may be prepaid at any time without penalty. As of June 30, 2017, AVF LP had $25 million of the SBA Debentures issued and outstanding, which mature between September 2025 and March 2026. As of June 30, 2017, AVF LP was in compliance in all material respects with SBA regulatory requirements.

The interest rate for the SBA Debentures is fixed at the time the SBA Debentures and other applicable issued SBA-guaranteed debentures can be pooled and sold to the public and is based on a spread over U.S. treasury notes with ten-year maturities. The pooling of newly issued SBA-guaranteed debentures occurs twice per year. The spread includes an annual charge as determined by the SBA (the "Annual Charge") as well as a market-driven component. Prior to the ten-year fixed interest rate being determined, the interest rate charged for the SBA Debentures is based on LIBOR plus an applicable spread of 0.30% and the Annual Charge. As of June 30, 2017, the weighted average fixed interest rate in effect for the SBA Debentures was 3.48%.

Convertible Unsecured Notes

We have issued $270 million aggregate principal amount of unsecured convertible notes that mature on January 15, 2018 (the "2018 Convertible Notes"), $300 million aggregate principal amount of unsecured convertible notes that mature on January 15, 2019 (the "2019 Convertible Notes") and $388 million aggregate principal amount of unsecured convertible notes that mature on February 1,

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2022 (the "2022 Convertible Notes" and together with the 2018 Convertible Notes and the 2019 Convertible Notes, the "Convertible Unsecured Notes"). The Convertible Unsecured Notes mature upon their respective maturity dates unless previously converted or repurchased in accordance with their terms. We do not have the right to redeem the Convertible Unsecured Notes prior to maturity. The 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes bear interest at a rate of 4.750%, 4.375% and 3.75%, respectively, per year, payable semi-annually.

In certain circumstances, the Convertible Unsecured Notes will be convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, at their respective conversion rates (listed below as of June 30, 2017) subject to customary anti-dilution adjustments and the requirements of their respective indenture (the "Convertible Unsecured Notes Indentures"). Prior to the close of business on the business day immediately preceding their respective conversion date (listed below), holders may convert their Convertible Unsecured Notes only under certain circumstances set forth in the respective Convertible Unsecured Notes Indenture. On or after their respective conversion dates until the close of business on the scheduled trading day immediately preceding their respective maturity date, holders may convert their Convertible Unsecured Notes at any time. In addition, if we engage in certain corporate events as described in their respective Convertible Unsecured Notes Indenture, holders of the Convertible Unsecured Notes may require us to repurchase for cash all or part of the Convertible Unsecured Notes at a repurchase price equal to 100% of the principal amount of the Convertible Unsecured Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the required repurchase date.

Certain key terms related to the convertible features for each of the Convertible Unsecured Notes as of June 30, 2017 are listed below.

	2018 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Conversion premium	17.5%	15.0%	15.0%
Closing stock price at issuance	$16.91	$17.53	$16.86
Closing stock price date	October 3, 2012	July 15, 2013	January 23, 2017
Conversion price(1)	$19.64	$19.99	$19.39
Conversion rate (shares per one thousand dollar principal amount)(1)	50.9054	50.0292	51.5756
Conversion dates	July 15, 2017	July 15, 2018	August 1, 2021

(1) Represents conversion price and conversion rate, as applicable, as of June 30, 2017, taking into account certain de minimis adjustments that will be made on the conversion date.

In March 2017, we repaid in full $162 million in aggregate principal amount of unsecured convertible notes (the "2017 Convertible Notes") due in March 2017 upon their maturity.

Unsecured Notes

2018 Notes

We have issued $750 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 4.875% per year and mature on November 30, 2018 (the "2018 Notes"). The 2018 Notes require payment of interest semi-annually, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time at our option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2018 Notes, and any accrued and unpaid interest. $600 million in aggregate principal amount of the 2018 Notes were issued at a discount to the principal amount and $150 million in aggregate principal amount of the 2018 Notes were issued at a premium to the principal amount.

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2020 Notes

We have issued $600 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 3.875% per year and mature on January 15, 2020 (the "2020 Notes"). The 2020 Notes require payment of interest semi-annually, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time at our option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing the 2020 Notes, and any accrued and unpaid interest. $400 million in aggregate principal amount of the 2020 Notes were issued at a discount to the principal amount and $200 million in aggregate principal amount of the 2020 Notes were issued at a premium to the principal amount.

January 2022 Notes

We have issued $600 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 3.625% per year and mature on January 19, 2022 (the "January 2022 Notes"). The January 2022 Notes require payment of interest semi-annually, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time at our option at a redemption price equal to par plus a "make whole" premium, if applicable, as determined pursuant to the indenture governing the January 2022 Notes, and any accrued and unpaid interest. The January 2022 Notes were issued at a discount to the principal amount.

2047 Notes

As part of the Allied Acquisition, we assumed $230 million aggregate principal amount of unsecured notes which bear interest at a rate of 6.875% and mature on April 15, 2047 (the "2047 Notes" and together with the 2018 Notes, the 2020 Notes, the January 2022 Notes and the October 2022 Notes, the "Unsecured Notes"). The 2047 Notes require payment of interest quarterly, and all principal is due upon maturity. These notes are redeemable in whole or in part at any time or from time to time at our option, at a par redemption price of $25.00 per security plus accrued and unpaid interest.

As of June 30, 2017, we were in compliance in all material respects with the terms of the Convertible Unsecured Notes Indentures and the indentures governing the Unsecured Notes.

The Convertible Unsecured Notes and the Unsecured Notes are our senior unsecured obligations and rank senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the Convertible Unsecured Notes and the Unsecured Notes; equal in right of payment to our existing and future unsecured indebtedness that is not expressly subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

See Note 5 to our consolidated financial statements for the three and six months ended June 30, 2017 for more information on our debt obligations.

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CONTRACTUAL OBLIGATIONS

A summary of the maturities of our principal amounts of debt and other contractual payment obligations as of December 31, 2016 are as follows:

	Payments Due by Period				
(in millions)	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Revolving Credit Facility	$ 571	$	$	$ 571	$
Revolving Funding Facility	155		155		
SMBC Funding Facility	105				105
SBA Debentures	25				25
2017 Convertible Notes	162	162			
2018 Convertible Notes	270		270		
2019 Convertible Notes	300		300		
2018 Notes	750		750		
2020 Notes	600			600	
January 2022 Notes	600				600
October 2022 Notes	183				183
2047 Notes	230				230
Operating lease obligations	85	9	18	18	40
	$ 4,036	$ 171	$ 1,493	$ 1,189	$ 1,183

OFF BALANCE SHEET ARRANGEMENTS

We have various commitments to fund investments in our portfolio, as described below.

As of June 30, 2017 and December 31, 2016, we had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to fund which are at (or substantially at) our discretion:

	As of	
(in millions)	June 30, 2017	December 31, 2016
Total revolving and delayed draw loan commitments	$ 628	$ 411
Less: drawn commitments	(137)	(81)
Total undrawn commitments	491	330
Less: commitments substantially at our discretion	(19)	(12)
Less: unavailable commitments due to borrowing base or other covenant restrictions		
Total net adjusted undrawn revolving and delayed draw loan commitments	$ 472	$ 318

Included within the total revolving and delayed draw loan commitments as of June 30, 2017 and December 31, 2016 were delayed draw loan commitments totaling $159 million and $92 million, respectively. Our commitment to fund delayed draw loans is triggered upon the satisfaction of certain pre-negotiated terms and conditions. Generally, the most significant and uncertain term requires the borrower to satisfy a specific use of proceeds covenant. The use of proceeds covenant typically requires the borrower to use the additional loans for the specific purpose of a permitted acquisition or permitted investment, for example. In addition to the use of proceeds covenant, the borrower is generally required to satisfy additional negotiated covenants (including specified leverage levels).

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Also included within the total revolving and delayed draw loan commitments as of June 30, 2017 were commitments to issue up to $80 million in letters of credit through a financial intermediary on behalf of certain portfolio companies. As of June 30, 2017, we had $14 million in letters of credit issued and outstanding under these commitments on behalf of the portfolio companies. For all these letters of credit issued and outstanding, we would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. We recorded a liability of $3 million for certain letters of credit issued and outstanding and none of the other letters of credit issued and outstanding were recorded as a liability on our balance sheet as such other letters of credit are considered in the valuation of the investments in the portfolio company. Of these letters of credit, $2 million expire in 2017 and $12 million expire in 2018.

We also have commitments to co-invest in the SDLP and the SSLP for our portion of the SDLP's and the SSLP's commitments to fund delayed draw loans to certain portfolio companies of the SDLP and the SSLP. See "Senior Direct Lending Program" and "Senior Secured Loan Program" above and Note 4 to our consolidated financial statements for the three and six months ended June 30, 2017 for more information.

As of June 30, 2017 and December 31, 2016, we were party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

	As of	
(in millions)	**June 30, 2017**	**December 31, 2016**
Total private equity commitments	$ 88	$ 57
Less: funded private equity commitments	(34)	(17)
Total unfunded private equity commitments	54	40
Less: private equity commitments substantially our discretion	(53)	(39)
Total net adjusted unfunded private equity commitments	$ 1	$ 1

In the ordinary course of business, we may sell certain of our investments to third party purchasers. In particular, in connection with the sale of certain controlled portfolio company equity investments (as well as certain other sales), we have, and may continue to do so in the future, agreed to indemnify such purchasers for future liabilities arising from the investments and the related sale transaction. Such indemnification provisions have given rise to liabilities in the past and may do so in the future.

In addition, in the ordinary course of business, we may guarantee certain obligations in connection with our portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable.

RECENT DEVELOPMENTS

As of June 30, 2017, our investment in the SSLP Certificates at amortized cost and fair value was $1.9 billion and $1.9 billion, respectively. As of June 30, 2017, the SSLP had $1.2 billion in cash and GE's Senior Notes outstanding totaled $601 million. In early July 2017, the SSLP made its monthly waterfall distribution from this cash, which fully repaid GE's Senior Notes and included distributions to the SSLP Certificates. From this distribution, our SSLP Certificates received $474 million. After this distribution, our amortized cost in our SSLP Certificates was $1.5 billion.

In addition, in July 2017, we and GE agreed to an early termination of the SSLP whereby on July 26, 2017, we completed the SSLP Loan Sale and assumed the SSLP's remaining unfunded loan

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commitments totaling $50 million. Upon completion of the SSLP Loan Sale, the SSLP made the 'Liquidation Distribution, of which we received $1.5 billion. In connection with the Liquidation Distribution, we recognized an $18 million net realized loss as a result of the early termination. After completion of the transactions above, the operations of the SSLP were effectively terminated pursuant to the terms of the documents governing the SSLP and the SSLP will no longer have an obligation to fund existing commitments and other amounts to its former portfolio companies.

Excluding the loans acquired from the SSLP described above, from July 1, 2017 through July 26, 2017, we made new investment commitments of approximately $128 million, of which $101 million were funded. Of these new commitments, 99% were in first lien senior secured loans and 1% were in investments in the SDLP Certificates to make co-investments with Varagon and its clients in floating rate first lien senior secured loans through the SDLP. Of the approximately $128 million of new investment commitments, 100% were floating rate. The weighted average yield of debt and other income producing securities funded during the period at amortized cost was 7.6%. We may seek to sell all or a portion of these new investment commitments, although there can be no assurance that we will be able to do so.

Excluding the repayments of the SSLP Certificates described above, from July 1, 2017 through July 26, 2017, we exited approximately $327 million of investment commitments, including $276 million of investment commitments acquired in the American Capital Acquisition. Of the total investment commitments, 46% were other equity securities, 25% were second lien senior secured loans, 13% were preferred equity securities, 13% were first lien senior secured loans, 1% were senior subordinated loans, 1% were collateralized loan obligations and 1% were investments in the SDLP Certificates. Of the approximately $327 million of exited investment commitments, 59% were non-interest bearing, 40% were floating rate and 1% were fixed rate. The weighted average yield of debt and other income producing securities exited or repaid during the period at amortized cost was 9.6% and the weighted average yield on total investments exited or repaid during the period at amortized cost was 4.1%. On the approximately $327 million of investment commitments exited from July 1, 2017 through July 26, 2017, we recognized total net realized gains of approximately $61 million, including net realized gains of approximately $60 million on investment commitments exited that were acquired in the American Capital Acquisition.

In addition, as of July 26, 2017, we had an investment backlog and pipeline of approximately $530 million and $325 million, respectively. Investment backlog includes transactions approved by our investment adviser's investment committee and/or for which a formal mandate, letter of intent or a signed commitment have been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment have been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, we may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. We cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.

CRITICAL ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with GAAP, and include the accounts of ours and our consolidated subsidiaries. We are an investment company following accounting and reporting guidance in ASC 946. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the results of the operations and financial condition as of and for the periods presented. All significant intercompany balances and transactions have been eliminated.

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Interim financial statements are prepared in accordance with GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6 or 10 of Regulation S-X. In the opinion of management, all adjustments, consisting solely of normal recurring accruals considered necessary for the fair presentation of financial statements for the interim period presented, have been included. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending December 31, 2017.

Cash and Cash Equivalents

Cash and cash equivalents include funds from time to time deposited with financial institutions and short-term, liquid investments in a money market account. Cash and cash equivalents are carried at cost which approximates fair value.

Concentration of Credit Risk

We place our cash and cash equivalents with financial institutions and, at times, cash held in money market accounts may exceed the Federal Deposit Insurance Corporation insured limit.

Investments

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment using the specific identification method without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. Unrealized gains or losses primarily reflect the change in investment values, including the reversal of previously recorded unrealized gains or losses when gains or losses are realized.

Investments for which market quotations are readily available are typically valued at such market quotations. In order to validate market quotations, we look at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available (i.e., substantially all of our investments) are valued at fair value as determined in good faith by our board of directors, based on, among other things, the input of our investment adviser, audit committee and independent third-party valuation firms that have been engaged at the direction of our board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12-month period (with certain de minimis exceptions) and under a valuation policy and a consistently applied valuation process. The valuation process is conducted at the end of each fiscal quarter, and a portion of the Company's investment portfolio at fair value is subject to review by an independent valuation firm each quarter. In addition, our independent registered public accounting firm obtains an understanding of, and performs select procedures relating to, our investment valuation process within the context of performing the integrated audit.

As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments: the enterprise value of a portfolio company (the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to any similar publicly traded securities, changes in the interest rate environment and the credit markets, which may affect the price at which similar investments would trade in their principal markets and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate our valuation.

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Because there is not a readily available market value for most of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our board of directors, as described herein. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which we have recorded it.

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned.

Our board of directors undertakes a multi-step valuation process each quarter, as described below:

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with our portfolio management team.

- Preliminary valuations are reviewed and discussed with our investment adviser's management and investment professionals, and then valuation recommendations are presented to our board of directors.

- The audit committee of our board of directors reviews these valuations, as well as the input of third parties, including independent third-party valuation firms who have reviewed a portion of the investments in the Company's portfolio at fair value.

- Our board of directors discusses valuations and ultimately determines the fair value of each investment in our portfolio without a readily available market quotation in good faith based on, among other things, the input of our investment adviser, audit committee and, where applicable, independent third-party valuation firms.

See Note 8 to our consolidated financial statements for the year ended December 31, 2016 and Note 8 to our consolidated financial statements for the three and six months ended June 30, 2017 for more information on our valuation process.

Interest and Dividend Income Recognition

Interest income is recorded on an accrual basis and includes the accretion of discounts and amortization of premiums. Discounts from and premiums to par value on securities purchased are accreted/amortized into interest income over the life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discounts and amortization of premiums, if any.

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. We may make exceptions to this policy if the loan has sufficient collateral value and is in the process of collection.

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Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

Payment-in-Kind Interest

We have loans in our portfolio that contain PIK provisions. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To maintain our status as a RIC, this non-cash source of income must be paid out to stockholders in the form of dividends, even though we have not yet collected the cash.

Capital Structuring Service Fees and Other Income

Our investment adviser seeks to provide assistance to our portfolio companies and in return we may receive fees for capital structuring services. These fees are generally only available to us as a result of our underlying investments, are normally paid at the closing of the investments, are generally non-recurring and are recognized as revenue when earned upon closing of the investment. The services that our investment adviser provides vary by investment, but generally include reviewing existing credit facilities, arranging bank financing, arranging equity financing, structuring financing from multiple lenders, structuring financing from multiple equity investors, restructuring existing loans, raising equity and debt capital, and providing general financial advice, which concludes upon closing of the investment. Any services of the above nature subsequent to the closing would generally generate a separate fee payable to us. In certain instances where we are invited to participate as a co-lender in a transaction and do not provide significant services in connection with the investment, a portion of loan fees paid to us in such situations will be deferred and amortized over the estimated life of the loan.

Other income includes fees for management and consulting services, loan guarantees, commitments, amendments and other services rendered by us to portfolio companies. Such fees are recognized as income when earned or the services are rendered.

Foreign Currency Translation

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

(1) Fair value of investment securities, other assets and liabilities at the exchange rates prevailing at the end of the period.

(2) Purchases and sales of investment securities, income and expenses at the exchange rates prevailing on the respective dates of such transactions, income or expenses.

Results of operations based on changes in foreign exchange rates are separately disclosed in the statement of operations, if any. Foreign security and currency translations may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices more volatile than those of comparable U.S. companies or U.S. government securities.

Derivative Instruments

We do not utilize hedge accounting and as such we value our derivatives at fair value with the unrealized gains or losses recorded in "net unrealized gains (losses) from foreign currency and other transactions" in our consolidated statement of operations.

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Equity Offering Expenses

Our offering costs are charged against the proceeds from equity offerings when proceeds are received.

Debt Issuance Costs

Debt issuance costs are amortized over the life of the related debt instrument using the straight line method or the effective yield method, depending on the type of debt instrument.

Income Taxes

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, we must (among other requirements) meet certain source-of- income and asset diversification requirements and timely distribute to our stockholders at least 90% of our investment company taxable income, as defined by the Code, for each year. We (among other requirements) have made and intend to continue to make the requisite distributions to our stockholders, which will generally relieve us from U.S. federal corporate-level income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. To the extent that we determine that our estimated current year taxable income will be in excess of estimated dividend distributions for the current year, we accrue excise tax, if any, on estimated excess taxable income as such taxable income is earned.

Certain of our consolidated subsidiaries are subject to U.S. federal and state corporate-level income taxes.

Dividends to Common Stockholders

Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend is determined by our board of directors each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are generally distributed, although we may decide to retain such capital gains for investment.

We have adopted a dividend reinvestment plan that provides for reinvestment of any distributions we declare in cash on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our board of directors authorizes, and we declare, a cash dividend, then our stockholders who have not "opted out" of our dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of our common stock, rather than receiving the cash dividend. We intend to use primarily newly issued shares to implement the dividend reinvestment plan (so long as we are trading at a premium to net asset value). If our shares are trading at a discount to net asset value and we are otherwise permitted under applicable law to purchase such shares, we may purchase shares in the open market in connection with our obligations under our dividend reinvestment plan. However, we reserve the right to issue new shares of our common stock in connection with our obligations under the dividend reinvestment plan even if our shares are trading below net asset value.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of actual and contingent assets and liabilities at the date of the financial statements and the reported amounts of income or loss and

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expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of investments.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance in this ASU supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)*. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations*, which clarifies the guidance in ASU No. 2014-09 and has the same effective date as the original standard. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, an update on identifying performance obligations and accounting for licenses of intellectual property. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, which includes amendments for enhanced clarification of the guidance. In December 2016, the FASB issued ASU No. 2016-20, *Technical Corrections and Improvements to Revenue from Contracts with Customers (Topic 606)*, the amendments in this update are of a similar nature to the items typically addressed in the technical corrections and improvements project. Additionally, in February 2017, the FASB issued ASU No. 2017-05, *Other Income Gains and Losses from the Derecognition of Nonfinancial Assets (subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*, an update clarifying that a financial asset is within the scope of Subtopic 610-20 if it is deemed an "in-substance non-financial asset." The application of this guidance is not expected to have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Leases (Topic 840)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for those leases previously classified as operating leases. The guidance requires the use of a modified retrospective transition approach, which includes a number of optional practical expedients that entities may elect to apply. The amendments in ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, with early adoption permitted. While we are currently evaluating the impact of ASU No. 2016-02, we expect an increase to the consolidated balance sheets for lease assets and associated lease liabilities for our lease agreements previously accounted for as operating leases.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates and the valuations of our investment portfolio.

Interest Rate Risk

Interest rate sensitivity refers to the change in our earnings that may result from changes in the level of interest rates. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, 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. See "Risk Factors Risks Relating to Our Business We are exposed to risks associated with changes in interest rates."

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As of June 30, 2017, 81% of the investments at fair value in our portfolio bore interest at variable rates, 8% bore interest at fixed rates, 10% were non-interest earning and 1% were on non-accrual status. Additionally, for the variable rate investments, 73% of these investments contained interest rate floors (representing 59% of total investments at fair value). Also, as of June 30, 2017, all the loans made through the SSLP and SDLP contained interest rate floors. The Facilities all bear interest at variable rates with no interest rate floors, while the SBA Debentures, the Unsecured Notes and the Convertible Unsecured Notes bear interest at fixed rates.

We regularly measure our exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on that review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates.

While hedging activities may mitigate our exposure to adverse fluctuations in interest rates, certain hedging transactions that we may enter into in the future, such as interest rate swap agreements, may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio investments. In addition, there can be no assurance that we will be able to effectively hedge our interest rate risk.

Based on our June 30, 2017, balance sheet, the following table shows the annual impact on net income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

(in millions) **Basis Point Change**	**Interest Income**	**Interest Expense**	**Net Income(1)**
Up 300 basis points	$ 246	$ 42	$ 204
Up 200 basis points	$ 164	$ 28	$ 136
Up 100 basis points	$ 82	$ 14	$ 68
Down 100 basis points	$ (10)	$ (14)	$ 4
Down 200 basis points	$ (8)	$ (16)	$ 8
Down 300 basis points	$ (8)	$ (16)	$ 8

(1) Excludes the impact of income based fees. See Note 3 to our consolidated financial statements for the three and six months ended June 30, 2017 for more information on the income based fees.

The above sensitivity analysis does not include our CLO equity investments. CLO equity investments are levered structures that are collateralized primarily with first lien floating rate loans that may have LIBOR floors and are levered primarily with floating rate debt that does not have a LIBOR floor. The residual cash flows available to the equity holders of the CLOs will decline as interest rates increase until interest rates surpass the LIBOR floors on the floating rate loans. However, the revenue recognized on our CLO equity investments is calculated using the effective interest method which incorporates a forward LIBOR curve in the projected cash flows. Any change to interest rates that is not in-line with the forward LIBOR curve used in the projections, in either the timing or magnitude of the change, will cause actual distributions to differ from the current projections and will impact the related revenue recognized from these investments.

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Based on our December 31, 2016, balance sheet, the following table shows the annual impact on net income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

(in millions) **Basis Point Change**	**Interest** **Income**	**Interest** **Expense**	**Net** **Income(1)**
Up 300 basis points	$ 205	$ 25	$ 180
Up 200 basis points	$ 136	$ 17	$ 119
Up 100 basis points	$ 67	$ 9	$ 58
Down 100 basis points	$ 9	$ (6)	$ 15
Down 200 basis points	$ 8	$ (6)	$ 14
Down 300 basis points	$ 8	$ (6)	$ 14

(1) Excludes the impact of income based fees. See Note 3 to our consolidated financial statements for the three and six months ended June 30, 2017 for more information on the income based fees.

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SENIOR SECURITIES
(dollar amounts in thousands, except per unit data)

Information about our senior securities (including preferred stock, debt securities and other indebtedness) is shown in the following tables as of the end of the last ten fiscal years and as of June 30, 2017. The report of our independent registered public accounting firm, KPMG LLP, on the senior securities table as of December 31, 2016, is attached as an exhibit to the registration statement of which this prospectus and the accompanying prospectus supplement is a part. The " "indicates information that the SEC expressly does not require to be disclosed for certain types of senior securities.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Revolving Credit Facility				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 919,916	$ 2,420	$	N/A
Fiscal 2016	$ 571,053	$ 2,296	$	N/A
Fiscal 2015	$ 515,000	$ 2,213	$	N/A
Fiscal 2014	$ 170,000	$ 2,292	$	N/A
Fiscal 2013	$	$	$	N/A
Fiscal 2012	$	$	$	N/A
Fiscal 2011	$ 395,000	$ 2,393	$	N/A
Fiscal 2010	$ 146,000	$ 3,079	$	N/A
Fiscal 2009	$ 474,144	$ 2,294	$	N/A
Fiscal 2008	$ 480,486	$ 2,201	$	N/A
Fiscal 2007	$ 282,528	$ 2,644	$	N/A
Revolving Funding Facility				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 685,000	$ 2,420	$	N/A
Fiscal 2016	$ 155,000	$ 2,296	$	N/A
Fiscal 2015	$ 250,000	$ 2,213	$	N/A
Fiscal 2014	$ 324,000	$ 2,292	$	N/A
Fiscal 2013	$ 185,000	$ 2,547	$	N/A
Fiscal 2012	$ 300,000	$ 2,721	$	N/A
Fiscal 2011	$ 463,000	$ 2,393	$	N/A
Fiscal 2010	$ 242,050	$ 3,079	$	N/A
Fiscal 2009	$ 221,569	$ 2,294	$	N/A
Fiscal 2008	$ 114,300	$ 2,201	$	N/A
Fiscal 2007	$ 85,000	$ 2,644	$	N/A
Revolving Funding II Facility				
Fiscal 2009	$	$	$	N/A
SMBC Revolving Funding Facility				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 160,000	$ 2,420	$	N/A
Fiscal 2016	$ 105,000	$ 2,296	$	N/A
Fiscal 2015	$ 110,000	$ 2,213	$	N/A
Fiscal 2014	$ 62,000	$ 2,292	$	N/A
Fiscal 2013	$	$	$	N/A
Fiscal 2012	$	$	$	N/A
SBA Debentures				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 25,000	$ 2,420	$	N/A
Fiscal 2016	$ 25,000	$ 2,296	$	N/A
Fiscal 2015	$ 22,000	$ 2,213	$	N/A
Debt Securitization				
Fiscal 2011	$ 77,531	$ 2,393	$	N/A
Fiscal 2010	$ 155,297	$ 3,079	$	N/A
Fiscal 2009	$ 273,752	$ 2,294	$	N/A

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Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Fiscal 2008	$ 314,000	$ 2,201	$	N/A
Fiscal 2007	$ 314,000	$ 2,644	$	N/A
February 2016 Convertible Notes				
Fiscal 2015	$ 575,000	$ 2,213	$	N/A
Fiscal 2014	$ 575,000	$ 2,292	$	N/A
Fiscal 2013	$ 575,000	$ 2,547	$	N/A
Fiscal 2012	$ 575,000	$ 2,721	$	N/A
Fiscal 2011	$ 575,000	$ 2,393	$	N/A
June 2016 Convertible Notes				
Fiscal 2015	$ 230,000	$ 2,213	$	N/A
Fiscal 2014	$ 230,000	$ 2,292	$	N/A
Fiscal 2013	$ 230,000	$ 2,547	$	N/A
Fiscal 2012	$ 230,000	$ 2,721	$	N/A
Fiscal 2011	$ 230,000	$ 2,393	$	N/A
2017 Convertible Notes				
Fiscal 2016	$ 162,500	$ 2,296	$	N/A
Fiscal 2015	$ 162,500	$ 2,213	$	N/A
Fiscal 2014	$ 162,500	$ 2,292	$	N/A
Fiscal 2013	$ 162,500	$ 2,547	$	N/A
Fiscal 2012	$ 162,500	$ 2,721	$	N/A
2018 Convertible Notes				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 270,000	$ 2,420	$	N/A
Fiscal 2016	$ 270,000	$ 2,296	$	N/A
Fiscal 2015	$ 270,000	$ 2,213	$	N/A
Fiscal 2014	$ 270,000	$ 2,292	$	N/A
Fiscal 2013	$ 270,000	$ 2,547	$	N/A
Fiscal 2012	$ 270,000	$ 2,721	$	N/A
2019 Convertible Notes				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 300,000	$ 2,420	$	N/A
Fiscal 2016	$ 300,000	$ 2,296	$	N/A
Fiscal 2015	$ 300,000	$ 2,213	$	N/A
Fiscal 2014	$ 300,000	$ 2,292	$	N/A
Fiscal 2013	$ 300,000	$ 2,547	$	N/A
2022 Convertible Notes				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 388,000	$ 2,420	$	N/A
2011 Notes				
Fiscal 2010	$ 300,584	$ 3,079	$	$ 1,018
2012 Notes				
Fiscal 2010	$ 161,210	$ 3,079	$	$ 1,018
2018 Notes				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 750,000	$ 2,420	$	N/A
Fiscal 2016	$ 750,000	$ 2,296	$	N/A
Fiscal 2015	$ 750,000	$ 2,213	$	N/A
Fiscal 2014	$ 750,000	$ 2,292	$	N/A
Fiscal 2013	$ 600,000	$ 2,547	$	N/A
2020 Notes				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 600,000	$ 2,420	$	N/A
Fiscal 2016	$ 600,000	$ 2,296	$	N/A
Fiscal 2015	$ 600,000	$ 2,213	$	N/A
Fiscal 2014	$ 400,000	$ 2,292	$	N/A
January 2022 Notes				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 600,000	$ 2,420	$	N/A
Fiscal 2016	$ 600,000	$ 2,296	$	N/A

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Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
February 2022 Notes				
Fiscal 2014	$ 143,750	$ 2,292	$	$ 1,024
Fiscal 2013	$ 143,750	$ 2,547	$	$ 1,043
Fiscal 2012	$ 143,750	$ 2,721	$	$ 1,035
October 2022 Notes				
Fiscal 2016	$ 182,500	$ 2,296	$	$ 1,017
Fiscal 2015	$ 182,500	$ 2,213	$	$ 1,011
Fiscal 2014	$ 182,500	$ 2,292	$	$ 1,013
Fiscal 2013	$ 182,500	$ 2,547	$	$ 993
Fiscal 2012	$ 182,500	$ 2,721	$	$ 986
2040 Notes				
Fiscal 2014	$ 200,000	$ 2,292	$	$ 1,040
Fiscal 2013	$ 200,000	$ 2,547	$	$ 1,038
Fiscal 2012	$ 200,000	$ 2,721	$	$ 1,041
Fiscal 2011	$ 200,000	$ 2,393	$	$ 984
Fiscal 2010	$ 200,000	$ 3,079	$	$ 952
2047 Notes				
Fiscal 2017 (as of June 30, 2017, unaudited)	$ 229,557	$ 2,420	$	$ 1,018
Fiscal 2016	$ 229,557	$ 2,296	$	$ 1,015
Fiscal 2015	$ 229,557	$ 2,213	$	$ 1,011
Fiscal 2014	$ 229,557	$ 2,292	$	$ 985
Fiscal 2013	$ 230,000	$ 2,547	$	$ 972
Fiscal 2012	$ 230,000	$ 2,721	$	$ 978
Fiscal 2011	$ 230,000	$ 2,393	$	$ 917
Fiscal 2010	$ 230,000	$ 3,079	$	$ 847

(1) Total amount of each class of senior securities outstanding at principal value at the end of the period presented.

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by total senior securities representing indebtedness. This asset coverage ratio is multiplied by $1,000 to determine the "Asset Coverage Per Unit" (including for the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, which were issued in $25 increments). In June 2016, Ares Capital received exemptive relief from the SEC allowing it to modify the asset coverage requirements to exclude SBA Debentures from this calculation. As such, the asset coverage ratio beginning with Fiscal 2016 excludes the SBA Debentures. Certain prior year amounts have been reclassified to conform to the 2016 presentation. In particular, unamortized debt issuance costs were previously included in other assets and were reclassified to long-term debt as a result of the adoption of ASU 2015-03, Interest Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs during the first quarter of 2016.

(3) The amount to which such class of senior security would be entitled upon our involuntary liquidation in preference to any security junior to it.

(4) Not applicable, except for with respect to the 2011 Notes, the 2012 Notes, the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, as other senior securities are not registered for public trading on a stock exchange. The average market value per unit for each of the 2011 Notes, the 2012 Notes, the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes is based on the average daily prices of such notes and is expressed per $1,000 of indebtedness (including for the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, which were issued in $25 increments).

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BUSINESS

Ares Capital

Ares Capital, a Maryland corporation, is a specialty finance company that is a closed-end, non-diversified management investment company. We have elected to be regulated as a BDC under the Investment Company Act. We were founded on April 16, 2004, were initially funded on June 23, 2004 and completed our initial public offering on October 8, 2004. As of June 30, 2017, we were the largest BDC with approximately $12.3 billion of total assets.

We are externally managed by our investment adviser, Ares Capital Management, a subsidiary of Ares Management, a publicly traded, leading global alternative asset manager. Our administrator, Ares Operations, a subsidiary of Ares Management, provides certain administrative and other services necessary for us to operate.

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in U.S. middle-market companies, where we believe the supply of primary capital is limited and the investment opportunities are most attractive. However, we may from time to time invest in larger or smaller (in particular, for investments in early-stage and/or venture capital-backed) companies. We generally use the term "middle-market" to refer to companies with annual EBITDA between $10 million and $250 million. As used herein, EBITDA represents net income before net interest expense, income tax expense, depreciation and amortization.

We invest primarily in first lien senior secured loans (including "unitranche" loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component. First and second lien senior secured loans generally are senior debt instruments that rank ahead of subordinated debt of a given portfolio company. Mezzanine debt is subordinated to senior loans and is generally unsecured. Our investments in corporate borrowers generally range between $30 million and $500 million each, investments in project finance/power generation projects generally range between $10 million and $200 million each and investments in early-stage and/or venture capital-backed companies generally range between $1 million and $25 million each. However, the investment sizes may be more or less than these ranges and may vary based on, among other things, our capital availability, the composition of our portfolio and general micro- and macro-economic factors.

To a lesser extent, we also make preferred and/or common equity investments, which have generally been non-control equity investments of less than $20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments. Also, as a result of the American Capital Acquisition, American Capital's equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio.

The proportion of these types of investments will change over time given our views on, among other things, the economic and credit environment in which we are operating. In connection with our investing activities, we may make commitments with respect to indebtedness or securities of a potential portfolio company substantially in excess of our final investment. In such situations, while we may initially agree to fund up to a certain dollar amount of an investment, we may subsequently syndicate or sell a portion of such amount (including, without limitation, to vehicles managed by our portfolio company, IHAM), such that we are left with a smaller investment than what was reflected in our original commitment. In addition to originating investments, we may also acquire investments in the secondary market (including purchases of a portfolio of investments).

The first and second lien senior secured loans in which we invest generally have stated terms of three to 10 years and the mezzanine debt investments in which we invest generally have stated terms of up to 10 years, but the expected average life of such first and second lien loans and mezzanine debt is

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generally between three and seven years. However, we may invest in loans and securities with any maturity or duration. The instruments in which we invest typically are not rated by any rating agency, but we believe that if such instruments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service, lower than "BBB " by Fitch Ratings or lower than "BBB " by Standard & Poor's Ratings Services), which, under the guidelines established by these entities, is an indication of having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as "high yield bonds" or "junk bonds." We may invest without limit in debt or other securities of any rating, as well as debt or other securities that have not been rated by any nationally recognized statistical rating organization.

We believe that our investment adviser, Ares Capital Management, is able to leverage the current investment platform, resources and existing relationships of Ares with financial sponsors, financial institutions, hedge funds and other investment firms to provide us with attractive investment opportunities. In addition to deal flow, the Ares investment platform assists our investment adviser in analyzing, structuring and monitoring investments. Ares has been in existence for over 15 years and its partners have an average of over 24 years of experience in leveraged finance, private equity, distressed debt, commercial real estate finance, investment banking and capital markets. We have access to Ares' investment professionals and administrative professionals, who provide assistance in accounting, finance, legal, compliance, operations, information technology and investor relations. As of March 31, 2017, Ares had approximately 370 investment professionals and approximately 585 administrative professionals.

American Capital Acquisition

On January 3, 2017, we completed the American Capital Acquisition in a cash and stock transaction valued at approximately $4.2 billion. In connection with the stock consideration, we issued approximately 112 million shares of our common stock to American Capital's then-existing stockholders (including holders of outstanding in-the-money American Capital stock options), thereby resulting in our then-existing stockholders owning approximately 73.7% of the combined company and then-existing American Capital stockholders owning approximately 26.3% of the combined company. See Note 14 to our consolidated financial statements for the three and six months ended June 30, 2017 and Note 16 to our consolidated financial statements for the year ended December 31, 2016 for additional information regarding the American Capital Acquisition.

In connection with the American Capital Acquisition, Ares Capital Management has agreed to the Fee Waiver.

Ares Management, L.P.

Ares is a publicly traded, leading global alternative asset manager. As of March 31, 2017, Ares had approximately 955 employees in over 15 principal and originating offices across the United States, Europe, Asia and Australia. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its three distinct but complementary investment groups in Credit, Private Equity and Real Estate is a market leader based on investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole.

Ares Capital Management LLC

Ares Capital Management, our investment adviser, is served by an origination, investment and portfolio management team of approximately 100 U.S.-based investment professionals as of March 31, 2017 and led by certain partners of the Ares Credit Group: Michael Arougheti, Kipp deVeer, Mitchell

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Goldstein and Michael Smith. Ares Capital Management leverages off of Ares' investment platform and benefits from the significant capital markets, trading and research expertise of Ares' investment professionals. Ares Capital Management's investment committee has eight members comprised of certain of the U.S.-based partners of the Ares Credit Group.

MARKET OPPORTUNITY

We believe that current market conditions present attractive opportunities for us to invest in middle-market companies, specifically:

- We believe that many commercial and investment banks have, in recent years, de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital markets transactions. In addition, these lenders may be constrained in their ability to underwrite and hold bank loans and high yield securities for middle-market issuers as they seek to meet existing and future regulatory capital requirements. These factors may result in opportunities for alternative funding sources to middle-market companies and therefore more new-issue market opportunities for us.

- We believe disruption and volatility that occurs periodically in the credit markets, reduces capital available to certain capital providers, causing a reduction in competition. When these volatile market conditions occur, they often create opportunities to achieve attractive risk-adjusted returns.

- We believe that there is a lack of market participants that are willing to hold meaningful amounts of certain middle-market loans. As a result, we believe our ability to minimize syndication risk for a company seeking financing by being able to hold our loans without having to syndicate them is a competitive advantage.

- We believe that middle-market companies have faced difficulty in raising debt through the capital markets. This approach to financing may become more difficult to the extent institutional investors seek to invest in larger, more liquid offerings, leaving less competition and fewer financing alternatives for middle-market companies.

- We believe there is a large pool of un-invested private equity capital for middle-market businesses. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and mezzanine debt from other sources such as us.

COMPETITIVE ADVANTAGES

We believe that we have the following competitive advantages over other capital providers to middle-market companies:

The Ares Platform

Ares operates three distinct but complementary investment groups, including the Ares Credit Group, the Ares Private Equity Group and the Ares Real Estate Group. We believe Ares' current investment platform provides a competitive advantage in terms of access to origination and marketing activities and diligence for us. In particular, we believe that the Ares platform provides us with an advantage through its deal flow generation and investment evaluation process. Ares' asset management platform also provides additional market information, company knowledge and industry insight that benefit our investment and due diligence process. Ares' professionals maintain extensive financial sponsor and intermediary relationships, which provide valuable insight and access to transactions and information.

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Seasoned Management Team

The investment professionals in the Ares Credit Group and members of our investment adviser's investment committee also have significant experience investing across market cycles. This experience also provides us with a competitive advantage in identifying, originating, investing in and managing a portfolio of investments in middle-market companies.

Broad Origination Strategy

We focus on self-originating most of our investments by pursuing a broad array of investment opportunities in middle-market companies, venture capital backed businesses and power generation projects across multiple channels. We also leverage off of the extensive relationships of the broader Ares platform, including relationships with the portfolio companies in the IHAM Vehicles, to identify investment opportunities. We believe that this allows for asset selectivity and that there is a significant relationship between proprietary deal origination and credit performance. We believe that our focus on generating proprietary deal flow and lead investing also gives us greater control over capital structure, deal terms, pricing and documentation and enables us to actively manage our portfolio investments. Moreover, by leading the investment process, we are often able to secure controlling positions in credit tranches, thereby providing additional control in investment outcomes. We also have originated substantial proprietary deal flow from middle-market intermediaries, which often allows us to act as the sole or principal source of institutional capital to the borrower.

Scale and Flexible Transaction Structuring

We believe that being the largest BDC makes us a more desirable and flexible capital provider, especially in competitive markets. We are flexible with the types of investments we make and the terms associated with those investments. We believe this approach and experience enables our investment adviser to identify attractive investment opportunities throughout economic cycles and across a company's capital structure so we can make investments consistent with our stated investment objective and preserve principal while seeking appropriate risk adjusted returns. In addition, we have the flexibility to provide "one stop" financing with the ability to invest capital across the balance sheet and syndicate and hold larger investments than many of our competitors. We believe that the ability to underwrite, syndicate and hold larger investments benefits our stockholders by (a) potentially increasing net income and earnings through syndication, (b) increasing originated deal flow flexibility, (c) broadening market relationships and deal flow, (d) allowing us to optimize our portfolio composition and (e) allowing us to provide capital to a broader spectrum of middle-market companies, which we believe currently have limited access to capital from traditional lending sources. In addition, we believe that the ability to provide capital at every level of the balance sheet provides a strong value proposition to middle-market borrowers and our senior debt capabilities provide superior deal origination and relative value analysis capabilities compared to junior capital focused lenders.

Experience with and Focus on Middle-Market Companies

Ares has historically focused on investments in middle-market companies and we benefit from this experience. In sourcing and analyzing deals, our investment adviser benefits from Ares' extensive network of relationships focused on middle-market companies, including management teams, members of the investment banking community, private equity groups and other investment firms with whom Ares has had long-term relationships. We believe this network enables us to identify well-positioned prospective portfolio company investments. The Ares Credit Group works closely with Ares' other investment professionals. As of March 31, 2017, Ares oversaw a portfolio of investments in over 1,300 companies, approximately 565 structured assets and over 160 properties across over 60 industries, which provides access to an extensive network of relationships and insights into industry trends and the state of the capital markets.

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Disciplined Investment Philosophy

In making its investment decisions, our investment adviser has adopted Ares' long-standing, consistent, credit-based investment approach that was developed over 20 years ago by its founders. Specifically, our investment adviser's investment philosophy, portfolio construction and portfolio management involve an assessment of the overall macroeconomic environment and financial markets and company-specific research and analysis. Its investment approach emphasizes capital preservation, low volatility and minimization of downside risk. In addition to engaging in extensive due diligence from the perspective of a long-term investor, our investment adviser's approach seeks to reduce risk in investments by focusing on:

- businesses with strong franchises and sustainable competitive advantages;
- industries with positive long-term dynamics;
- businesses and industries with cash flows that are dependable and predictable;
- management teams with demonstrated track records and appropriate economic incentives;
- rates of return commensurate with the perceived risks;
- securities or investments that are structured with appropriate terms and covenants; and
- businesses backed by experienced private equity sponsors.

Extensive Industry Focus

We seek to concentrate our investing activities in industries with a history of predictable and dependable cash flows and in which the Ares investment professionals have had extensive investment experience. Ares investment professionals have developed long-term relationships with management teams and management consultants in over 50 industries, and have accumulated substantial information and identified potential trends within these industries. In turn, we benefit from these relationships, information and identification of potential trends in making investments.

OPERATING AND REGULATORY STRUCTURE

Our investment activities are managed by our investment adviser and supervised by our board of directors, a majority of whom are independent of Ares and its affiliates. Our investment adviser is registered under the Advisers Act. Under our investment advisory agreement we have agreed to pay our investment adviser base management fees based on our total assets, as defined under the Investment Company Act (other than cash and cash equivalents, but including assets purchased with borrowed funds), income based fees and capital gains incentive fees. See " Investment Advisory and Management Agreement". Ares Operations provides us with certain administrative and other services necessary for us to operate pursuant to the administration agreement. See " Administration Agreement".

As a BDC, we are required to comply with certain regulatory requirements. For example, we are not generally permitted to co-invest in any portfolio company in which a fund managed by Ares or any of its downstream affiliates (other than us and our downstream affiliates) currently has an investment. However, we may co-invest with funds managed by Ares or any of its downstream affiliates, subject to compliance with existing regulatory guidance, applicable regulations and our allocation procedures. On January 18, 2017, we received an order from the SEC that permits us and other BDCs and registered closed-end management investment companies managed by Ares to co-invest in portfolio companies with each other and with affiliated investment funds. Co-investments made under the Order are subject to compliance with certain conditions and other requirements, which could limit our ability to participate in a co-investment transaction.

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Also, while we may borrow funds to make investments, our ability to use debt is limited in certain significant aspects. In particular, BDCs must have at least 200% asset coverage calculated pursuant to the Investment Company Act (i.e., we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us) in order to issue senior securities, which requires us to finance our investments with at least as much equity as senior securities in the aggregate. Certain of our credit facilities also require that we maintain asset coverage of at least 200%. As of June 30, 2017, our asset coverage was 242% (excluding the SBA Debentures).

In addition, as a consequence of us being a RIC under the Code for U.S. federal income tax purposes, our asset growth is dependent on our ability to raise equity capital through the issuance of common stock. RICs generally must distribute substantially all of their investment company taxable income (as defined under the Code) to stockholders as dividends in order to preserve their status as a RIC and not to be subject to additional U.S. federal corporate-level taxes. This requirement, in turn, generally prevents us from using our earnings to support our operations, including making new investments.

INVESTMENTS

Ares Capital Corporation Portfolio

We have built an investment portfolio of primarily first and second lien senior secured loans, mezzanine debt and, to a lesser extent, equity investments in private middle-market companies. Our portfolio is well diversified by industry sector and its concentration to any single issuer is limited.

Our debt investments in corporate borrowers generally range between $30 million and $500 million each, investments in project finance/power generation projects generally range between $10 million and $200 million each and investments in early-stage and/or venture capital-backed companies generally range between $1 million and $25 million each. However, the sizes of our investments may be more or less than these ranges and may vary based on, among other things, our capital availability, the composition of our portfolio and general micro- and macro-economic factors.

Our preferred and/or common equity investments have generally been non-control equity investments of less than $20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments. Also, as a result of the American Capital Acquisition, American Capital's equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio.

In addition, the proportion of these types of investments will change over time given our views on, among other things, the economic and credit environment in which we are operating. In connection with our investing activities, we may make commitments with respect to indebtedness or securities of a potential portfolio company substantially in excess of our expected final hold size. In such situations, while we may initially agree to fund up to a certain dollar amount of an investment, we may subsequently syndicate a portion of such amount such that we are left with a smaller investment than what was reflected in our original commitment. We may also syndicate a "first out" loan to an investor and retain a "last out" loan, in which case the "first out" loan will generally receive priority with respect to payments of principal, interest and any other amounts due thereunder. In addition to originating investments, we may also acquire investments in the secondary market (including purchases of a portfolio of investments).

We make senior secured loans primarily in the form of first lien loans (including unitranche loans) and second lien loans. Our senior secured loans generally have terms of three to ten years. In connection with our senior secured loans we generally receive a security interest in certain of the assets of the borrower and consequently such assets serve as collateral in support of the repayment of such senior secured loans. Senior secured loans are generally exposed to the least amount of credit risk because they typically hold a senior position with respect to scheduled interest and principal payments and security interests in assets of the borrower. However, unlike mezzanine debt, senior secured loans typically do not receive any stock, warrants to purchase stock or other yield enhancements. Senior secured loans may include both revolving lines of credit and term loans.

Structurally, mezzanine debt usually ranks subordinate in priority of payment to senior secured loans and is often unsecured. However, mezzanine debt ranks senior to preferred and common equity in a borrower's capital structure. Mezzanine debt investments generally offer lenders fixed returns in the form of interest payments and will often provide lenders an opportunity to participate in the capital appreciation of a borrower, if any, through an equity interest. This equity interest typically takes the form of an equity co-investment and/or warrants. Due to its higher risk profile and often less restrictive covenants as compared to senior secured loans, mezzanine debt generally bears a higher stated interest rate than senior secured loans. The equity co-investment and warrants (if any) associated with a mezzanine debt investment typically allow lenders to receive repayment of their principal on an agreed amortization schedule while retaining their equity interest in the borrower. Equity issued in connection with mezzanine debt also may include a "put" feature, which permits the holder to sell its equity interest back to the borrower at a price determined through an agreed formula.

In making an equity investment, in addition to considering the factors discussed under " Investment Selection" below, we also consider the anticipated timing of a liquidity event, such as a public offering, sale of the company or redemption of our equity securities.

While our primary focus is to generate current income and capital appreciation through investments in first and second lien senior secured loans and mezzanine debt and, to a lesser extent, equity securities of eligible portfolio companies, we also may invest up to 30% of our portfolio in non-qualifying assets, as permitted by the Investment Company Act. See " Regulation" below. Specifically, as part of this 30% basket, we may invest in entities that are not considered "eligible portfolio companies" (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act.

In the first quarter of 2011, the Staff informally communicated to certain BDCs the Staff's belief that certain entities, which would be classified as an "investment company" under the Investment Company Act but for the exception from the definition of "investment company" set forth in Rule 3a-7 promulgated under the Investment Company Act, could not be treated as eligible portfolio companies (as defined in Section 2(a)(46) under the Investment Company Act) (i.e., not eligible to be included in a BDC's 70% "qualifying assets" basket). Subsequently, in August 2011 the SEC issued the Concept Release which stated that "[a]s a general matter, the Commission presently does not believe that Rule 3a-7 issuers are the type of small, developing and financially troubled businesses in which the U.S. Congress intended BDCs primarily to invest" and requested comment on whether or not a 3a-7 issuer should be considered an "eligible portfolio company." We provided a comment letter in respect of the Concept Release and continue to believe that the language of Section 2(a)(46) of the Investment Company Act permits a BDC to treat as "eligible portfolio companies" entities that rely on the 3a-7 exception. However, given the current uncertainty in this area (including the language in the Concept Release) and subsequent discussions with the Staff, we have, solely for purposes of calculating the composition of our portfolio pursuant to Section 55(a) of the Investment Company Act, identified such entities, which include the SDLP and the SSLP, as "non-qualifying assets" should the Staff ultimately disagree with our position.

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Co-Investment Programs

Senior Direct Lending Program

We have established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. (NYSE:AIG) and other partners. The joint venture is called the SDLP. In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. The SDLP may generally commit and hold individual loans of up to $300 million. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of ours and Varagon (with approval from a representative of each required).

We provide capital to the SDLP in the form of the SDLP Certificates, and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of June 30, 2017, we and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates. The SDLP Certificates pay a coupon of LIBOR plus a stated spread and also entitle the holders thereof to receive a portion of the excess cash flow from the loan portfolio, which may result in a return to the holders of the SDLP Certificates that is greater than the stated coupon. The SDLP Certificates are junior in right of payment to the senior notes and intermediate funding notes.

As of June 30, 2017, we and Varagon and its clients had agreed to make capital available to the SDLP of $2.9 billion in the aggregate, of which $591 million has been made available from us. This capital will only be committed to the SDLP upon approval of transactions by the investment committee of the SDLP as discussed above. Below is a summary of the funded capital and unfunded capital commitments of the SDLP.

	As of	
(dollar amounts in millions)	**June 30, 2017**	**December 31, 2016**
Total capital funded to the SDLP(1)	$ 1,876	$ 1,285
Total capital funded to the SDLP by the Company(1)	$ 394	$ 270
Total unfunded capital commitments to the SDLP(2)	$ 173	$ 177
Total unfunded capital commitments to the SDLP by the Company(2)	$ 36	$ 37

(1) At principal amount.

(2) These commitments have been approved by the investment committee of the SDLP and will be funded as the transactions are completed.

As of June 30, 2017, the fair value of the SDLP Certificates held by us was $394 million, which represented approximately 3.4% of our total portfolio at fair value. As of December 31, 2016, the fair value of the SDLP Certificates held by us was $270 million, which represented approximately 3.1% of our total portfolio at fair value. As of June 30, 2017, the SDLP had 17 different underlying borrowers.

For more information on the SDLP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity Senior Direct Lending Program."

Senior Secured Loan Program

We and GE have co-invested in first lien senior secured loans of middle market companies through the SSLP. The SSLP has been capitalized as transactions are completed. All portfolio decisions and generally all other decisions in respect of the SSLP must be approved by an investment committee of the SSLP consisting of representatives of ours and GE (with approval from a representative of each required). We have provided capital to the SSLP in the form of the SSLP Certificates. As of June 30, 2017 and December 31, 2016, we and GE owned 87.5% and 12.5%, respectively, of the outstanding SSLP Certificates.

In August 2015, GE completed the sale of its U.S. Sponsor Finance business, through which GE had participated with us in the SSLP, to CPPIB. This sale excluded GE's interest in the SSLP, and we and GE continue to operate the SSLP. We and GE no longer have an obligation to present senior secured lending investment opportunities to the SSLP and since June 30, 2015, the SSLP has not made any investments related to new portfolio companies. On August 24, 2015, we were advised that GECC, as the holder of the Senior Notes, directed State Street Bank and Trust Company, as trustee of the Senior Notes and the SSLP Certificates, pursuant to the terms of the indenture governing the Senior Notes and the SSLP Certificates, to apply all principal proceeds received by the SSLP from its investments to the repayment of the outstanding principal amount of the Senior Notes until paid in full (prior to the distribution of any such principal proceeds to the holders of the SSLP Certificates, which includes us). GECC had previously elected to waive its right to receive priority repayments on the Senior Notes from principal proceeds in most circumstances.

Below is a summary of the funded capital and unfunded capital commitments of the SSLP.

	As of	
(dollar amounts in millions)	**June 30, 2017**	**December 31, 2016**
Total capital funded to the SSLP(1)	$ 2,891	$ 3,819
Total capital funded to the SSLP by the Company(1)	$ 2,004	$ 2,004
Total unfunded capital commitments to the SSLP(2)	$ 50	$ 50
Total unfunded capital commitments to the SSLP by the Company(2)	$ 7	$ 7

(1) At principal amount.

(2) These commitments have been approved by the investment committee of the SSLP and will be funded as the transactions are completed.

As of June 30, 2017, the fair value of the SSLP Certificates held by us was $1.9 billion, which represented approximately 16.7% of our total portfolio at fair value. As of December 31, 2016, the fair value of the SSLP Certificates held by us was $1.9 billion, which represented approximately 21.7% of our total portfolio at fair value. As of June 30, 2017, the SSLP had 11 different underlying borrowers.

For more information on the SSLP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity Senior Secured Loan Program" and "The Company Recent Developments."

Ivy Hill Asset Management, L.P.

As of June 30, 2017, our portfolio company, IHAM, an SEC-registered investment adviser, managed 23 vehicles and served as the sub-manager/sub-servicer for two other vehicles. As of June 30, 2017, IHAM had assets under management of approximately $4.3 billion. As of June 30, 2017, the amortized cost and fair value of our investment in IHAM was $244 million and $305 million, respectively. In connection with IHAM's registration as a registered investment adviser, on March 30, 2012, we received exemptive relief from the SEC allowing us to, subject to certain conditions, own directly or indirectly up to 100% of IHAM's outstanding equity interests and make additional investments in IHAM. From time to time, IHAM or certain IHAM Vehicles may purchase investments

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from us or sell investments to us, in each case for a price equal to the fair market value of such investments determined at the time of such transactions.

On January 3, 2017, in connection with the American Capital Acquisition, ACAM merged with and into IHAM, with IHAM remaining as the surviving entity as a wholly owned portfolio company of ours. As a result, IHAM now manages certain funds that were previously managed by ACAM. Additionally, on May 19, 2017, pursuant to approval granted at a special meeting of stockholders of ACSF held on May 19, 2017, IHAM entered into a new management agreement with ACSF, pursuant to which IHAM serves as ACSF's investment adviser.

Industry Composition

We generally seek to invest in companies in the industries in which Ares' investment professionals have direct expertise. The following is a representative list of the industries in which we have invested:

- Aerospace and Defense
- Automotive Services
- Business Services
- Consumer Products
- Containers and Packaging
- Education
- Environmental Services
- Financial Services
- Food and Beverage
- Healthcare Services
- Investment Funds and Vehicles
- Manufacturing
- Oil and Gas
- Other Services

- Power Generation
- Restaurant and Food Services
- Retail
- Telecommunications

However, we may invest in other industries if we are presented with attractive opportunities.

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The industrial and geographic compositions of the Company's portfolio at fair value as of June 30, 2017 and December 31, 2016 were as follows:

	As of	
	June 30, 2017	**December 31, 2016**
Industry		
Investment Funds and Vehicles(1)	22.5%	25.2%
Business Services	17.0	9.8
Healthcare Services	15.4	14.3
Consumer Products	8.2	7.2
Other Services	6.0	8.9
Financial Services	3.8	4.2
Restaurants and Food Services	3.6	4.5
Power Generation	3.6	6.4
Manufacturing	3.4	3.8
Food and Beverage	3.0	2.2
Education	2.7	2.0
Containers and Packaging	2.2	2.8
Environmental Services	1.5	0.9
Automotive Services	1.3	1.9
Oil and Gas	1.2	1.0
Other	4.6	4.9
Total	100.0%	100.0%

(1) Includes the Company's investment in the SDLP, which had made first lien senior secured loans to 17 and 14 different borrowers as of June 30, 2017 and December 31, 2016, respectively, and the Company's investment in the SSLP, which had made first lien senior secured loans to 11 and 19 different borrowers as of June 30, 2017 and December 31, 2016, respectively. The portfolio companies in the SDLP and SSLP are in industries similar to the companies in the Company's portfolio.

	As of	
Geographic Region	**June 30, 2017**	**December 31, 2016**
West(1)	37.1%	41.5%
Southeast	21.8	19.5
Midwest	20.8	19.7
Mid Atlantic	11.5	14.7
International	6.0	1.0
Northeast	2.8	3.6
Total	100.0%	100.0%

(1) Includes the Company's investment in the SDLP, which represented 3.4% and 3.1% of the total investment portfolio at fair value as of June 30, 2017 and December 31, 2016, respectively, and the Company's investment in the SSLP, which represented 16.7% and 21.7% of the total investment portfolio at fair value as of June 30, 2017 and December 31, 2016, respectively.

As of June 30, 2017, 2.7% of total investments at amortized cost (or 0.5% of total investments at fair value) were on non-accrual status. As of December 31, 2016, 2.9% of total investments at amortized cost (or 0.8% of total investments at fair value) were on non-accrual status.

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Since our IPO on October 8, 2004 through June 30, 2017, our exited investments resulted in an aggregate cash flow realized internal rate of return (as discussed in more detail in footnote 1 to the table below) to us of approximately 14% (based on original cash invested, net of syndications, of approximately $15.7 billion and total proceeds from such exited investments of approximately $19.3 billion). Approximately 66% of these exited investments resulted in an aggregate cash flow realized internal rate of return to us of 10% or greater.

The aggregate cash flow realized internal rate of return, original cash invested, net of syndications, and total proceeds, in each case from exited investments, are listed below from our IPO on October 8, 2004 through the end of each period shown below.

	Exited Investments IPO through													
(dollar amounts in millions)	**June 30, 2017**	**December 31, 2016**	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**	**December 31, 2012**	**December 31, 2011**	**December 31, 2010**	**December 31, 2009**	**December 31, 2008**	**December 31, 2007**	**December 31, 2006**	**December 31, 2005**	**December 31, 2004**
Realized internal rate of return(1)	14%	13%	13%	13%	13%	13%	14%	15%	14%	19%	21%	26%	41%	17%
Original cash invested, net of syndications	15,686	$ 14,264	$ 12,170	$ 9,883	$ 7,717	$ 6,817	$ 4,638	$ 2,696	$ 1,220	$ 923	$ 684	$ 424	$ 119	$ 28
Total proceeds	19,328	$ 17,523	$ 14,903	$ 12,121	$ 9,445	$ 8,264	$ 5,627	$ 3,256	$ 1,405	$ 1,104	$ 818	$ 511	$ 140	$ 32

(1) Internal rate of return is the discount rate that makes the net present value of all cash flows related to a particular investment equal to zero. Internal rate of return is gross of expenses related to investments as these expenses are not allocable to specific investments. Investments are considered to be exited when the original investment objective has been achieved through the receipt of cash and/or non-cash consideration upon the repayment of a debt investment or sale of an investment or through the determination that no further consideration was collectible and, thus, a loss may have been realized.

Additionally, since our IPO on October 8, 2004 through June 30, 2017, our realized gains have exceeded our realized losses by approximately $702 million (excluding a one-time gain on the acquisition of Allied Capital and realized gains/losses from the extinguishment of debt and other assets). For this same time period, our average annualized net realized gain rate was approximately 1.2% (excluding a one-time gain on the Allied Acquisition and realized gains/losses from the extinguishment of debt and other assets). Net realized gain/loss rates for a particular period are the amount of net realized gains/losses during such period divided by the average quarterly investments at amortized cost in such period.

Information included herein regarding internal rates of return, realized gains and losses and annualized net realized gain rates are historical results relating to our past performance and are not necessarily indicative of future results, the achievement of which cannot be assured.

INVESTMENT SELECTION

Ares' investment philosophy was developed over 20 years ago and has remained consistent and relevant throughout a number of economic cycles. We are managed using a similar investment philosophy used by the investment professionals of Ares in respect of its other investment funds.

This investment philosophy involves, among other things:

- an assessment of the overall macroeconomic environment and financial markets and how such assessment may impact industry and asset selection;
- company-specific research and analysis; and
- with respect to each individual company, an emphasis on capital preservation, low volatility and minimization of downside risk.

The foundation of Ares' investment philosophy is intensive credit investment analysis, a portfolio management discipline based on both market technicals and fundamental value-oriented research, and diversification strategy. We follow a rigorous investment process based on:

a comprehensive analysis of issuer creditworthiness, including a quantitative and qualitative assessment of the issuer's business;

an evaluation of management and its economic incentives;

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- an analysis of business strategy and industry trends; and
- an in-depth examination of capital structure, financial results and projections.

We seek to identify those companies exhibiting superior fundamental risk-reward profiles and strong defensible business franchises while focusing on the relative value of the investment across the industry as well as for the specific company.

Intensive Due Diligence

The process through which an investment decision is made involves extensive research into the target company, its industry, its growth prospects and its ability to withstand adverse conditions. If the senior investment professional responsible for the potential transaction determines that an investment opportunity should be pursued, we will engage in an intensive due diligence process. Approximately 30-40% of the investments initially reviewed by us proceed to this phase. Though each transaction will involve a somewhat different approach, the regular due diligence steps generally undertaken include:

- meeting with the target company's management team to get a detailed review of the business, and to probe for potential weaknesses in business prospects;
- checking management's backgrounds and references;
- performing a detailed review of historical financial performance, including performance through various economic cycles, and the quality of earnings;
- reviewing both short and long term projections of the business, and sensitizing them for both upside and downside risk;
- visiting headquarters and company operations and meeting with top and middle-level executives;
- contacting customers and vendors to assess both business prospects and standard practices;
- conducting a competitive analysis, and comparing the issuer to its main competitors on an operating, financial, market share and valuation basis;
- researching the industry for historic growth trends and future prospects as well as to identify future exit alternatives (including available Wall Street research, industry association literature and general news);
- assessing asset value and the ability of physical infrastructure and information systems to handle anticipated growth; and
- investigating legal risks and financial and accounting systems.

Selective Investment Process

After an investment has been identified and preliminary diligence has been completed, a credit research and analysis report is prepared. This report is reviewed by the senior investment professional in charge of the potential investment. If such senior and other investment professionals are in favor of the potential investment, then it is first presented to the investment committee on a preliminary basis, which is comprised of certain U.S.-based partners of the Ares Credit Group.

After the investment committee approves continued work on the potential investment, a more extensive due diligence process is employed by the transaction team. Additional due diligence with respect to any investment may be conducted on our behalf by attorneys, independent accountants, and other third party consultants and research firms prior to the closing of the investment, as appropriate on a case-by-case basis. Approximately 7-10% of all investments initially reviewed by us will be presented to the investment committee. Approval of an investment for funding requires the approval of the majority of the investment committee of our investment adviser, although unanimous consent is sought.

Issuance of Formal Commitment

Once we have determined that a prospective portfolio company is suitable for investment, we work with the management and/or sponsor of that company and its other capital providers, including senior, junior and equity capital providers, if any, to finalize the structure of the investment. Approximately 3-5% of the investments to new portfolio companies initially reviewed by us eventually result in the issuance of formal commitments and the closing of such transactions.

Debt Investments

We invest in portfolio companies primarily in the form of first lien senior secured loans (including unitranche loans), second lien senior secured loans and mezzanine debt. The first and second lien senior secured loans generally have terms of three to ten years. In connection with our first and second lien senior secured loans we generally receive security interests in certain assets of our portfolio companies that could serve as collateral in support of the repayment of such loans. First and second lien senior secured loans generally have floating interest rates, which may have LIBOR floors, and also may provide for some amortization of principal and excess cash flow payments, with the remaining principal balance due at maturity.

We structure our mezzanine investments primarily as unsecured subordinated loans that provide for relatively higher fixed interest rates. The mezzanine debt investments generally have terms of up to ten years. These loans typically have interest-only payments, with amortization of principal, if any, deferred to the later years of the mezzanine investment. In some cases, we may enter into loans that, by their terms, convert into equity or additional debt or defer payments of interest (or at least cash interest) for the first few years after our investment. Also, in some cases our mezzanine debt will be secured by a subordinated lien on some or all of the assets of the borrower.

In some cases, our debt investments may provide for a portion of the interest payable to be PIK interest. To the extent interest is PIK, it will be payable through the increase of the principal amount of the loan by the amount of interest due on the then-outstanding aggregate principal amount of such loan.

In the case of our first and second lien senior secured loans and mezzanine debt, we tailor the terms of the investment to the facts and circumstances of the transaction and the prospective portfolio company, negotiating a structure that aims to protect our rights and manage our risk while creating incentives for the portfolio company to achieve its business plan and improve its profitability. For example, in addition to seeking a senior position in the capital structure of our portfolio companies, we will seek, where appropriate, to limit the downside potential of our investments by:

- targeting a total return on our investments (including both interest and potential equity appreciation) that compensates us for credit risk;

- incorporating "put" rights, call protection and LIBOR floors for floating rate loans, into the investment structure; and

- negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, consistent with preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights, including either observation or participation rights.

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We generally require financial covenants and terms that require an issuer to reduce leverage, thereby enhancing credit quality. These methods include: (a) maintenance leverage covenants requiring a decreasing ratio of indebtedness to cash flow over time, (b) maintenance cash flow covenants requiring an increasing ratio of cash flow to the sum of interest expense and capital expenditures and (c) indebtedness incurrence prohibitions, limiting a company's ability to take on additional indebtedness. In addition, by including limitations on asset sales and capital expenditures we may be able to prevent a borrower from changing the nature of its business or capitalization without our consent.

Our debt investments may include equity features, such as warrants or options to buy a minority interest in the portfolio company. Warrants we receive with our debt investments may require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure the warrants to provide provisions protecting our rights as a minority-interest holder, as well as puts, or rights to sell such securities back to the portfolio company, upon the occurrence of specified events. In many cases, we also obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

Equity Investments

To a lesser extent, we also make preferred and/or common equity investments, which have generally been non-control equity investments of less than $20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments. Also, as a result of the American Capital Acquisition, American Capital's equity investments, including equity investments pursuant to which American Capital controlled a particular portfolio company, became part of our portfolio.

ACQUISITION OPPORTUNITIES

We believe that there may be opportunity for further consolidation in our industry. From time to time, we evaluate potential strategic opportunities, including acquisitions of:

- asset portfolios;
- other private and public finance companies, business development companies and asset managers; and
- selected secondary market assets.

In this regard, on January 3, 2017, we completed the American Capital Acquisition.

We have been in, and from time to time may engage in, discussions with counterparties in respect of various potential strategic acquisition and investment transactions, including potential acquisitions of other finance companies, business development companies and asset managers. Some of these transactions could be material to our business and, if completed, could be difficult to integrate, result in increased leverage or dilution and/or subject us to unexpected liabilities. However, other than in connection with the American Capital Acquisition, none of these discussions has progressed to the point at which the completion of any such transaction could be deemed to be probable or reasonably certain as of the date of this prospectus. Completion of any such transaction would be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our board of directors, any required third party consents and, in certain cases, the approval of our stockholders. We cannot predict how quickly the terms of any such transaction could be finalized, if at all. Accordingly, there can be no assurance that such transaction would be completed. We have incurred, and may in the future incur, significant expenses in connection with evaluating potential strategic acquisition and investment transactions.

ON-GOING RELATIONSHIPS WITH AND MONITORING OF PORTFOLIO COMPANIES

We closely monitor each investment we make, maintain a regular dialogue with both the management team and other stakeholders and seek specifically tailored financial reporting. In addition, senior investment professionals may take board seats or obtain board observation rights in connection with our portfolio companies. As of June 30, 2017, of our 319 portfolio companies, we were entitled to board seats or board observation rights on 31% of these companies and these companies represented approximately 56% of our portfolio at fair value.

We seek to exert significant influence post-investment, in addition to covenants and other contractual rights and through board participation, when appropriate, by actively working with management on strategic initiatives. We often introduce managers of companies in which we have invested to other portfolio companies to capitalize on complementary business activities and best practices.

Our investment adviser employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our investment adviser grades the credit risk of all investments on a scale of 1 to 4 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i.e., at the time of origination or acquisition), although it may also take into account under certain circumstances the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors. Under this system, investments with a grade of 4 involve the least amount of risk to our initial cost basis. The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments graded 3 involve a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3. Investments graded 2 indicate that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. An investment grade of 1 indicates that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition, and the portfolio company likely has materially declining performance. For debt investments with an investment grade of 1, most or all of the debt covenants are out of compliance and payments are substantially delinquent. For investments graded 1, it is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit. For investments graded 1 or 2, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company. The grade of a portfolio investment may be reduced or increased over time.

We assigned a fair value as of the Acquisition Date to each of the portfolio investments acquired in connection with the American Capital Acquisition. The initial cost basis of each investment acquired was equal to the fair value of such investment as of the Acquisition Date. Many of these portfolio investments were assigned a fair value reflecting a discount to American Capital's cost basis at the time of American Capital's origination or acquisition. Each investment was initially assessed a grade of 3 (i.e., generally the grade we assign a portfolio company at acquisition), reflecting the relative risk to our initial cost basis of such investments. It is important to note that our grading system does not take into account factors or events in respect of the period from when American Capital originated or acquired such portfolio investments or the current status of these portfolio investments in terms of

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compliance with debt facilities, financial performance and similar factors. Rather, it is only intended to measure risk from the time that we acquired the portfolio investment in connection with the American Capital Acquisition. Accordingly, it is possible that the grades of these portfolio investments may be reduced or increased in the future.

As of June 30, 2017, the weighted average grade of our portfolio at fair value was 3.1. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity."

MANAGERIAL ASSISTANCE

As a BDC, we must offer, and must provide upon request, significant managerial assistance to certain of our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. Ares Operations may provide all or a portion of this assistance pursuant to our administration agreement, the costs of which will be reimbursed by us. We may receive fees for these services.

COMPETITION

Our primary competitors include public and private funds, commercial and investment banks, commercial finance companies, other BDCs and private equity funds, each of which we compete with for financing opportunities. Many of our competitors are substantially larger and have considerably greater financial and marketing resources than we do. For example, some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider more investments and establish more relationships than we do. Furthermore, many of our competitors are not subject to the regulatory restrictions that the Investment Company Act imposes on us as a BDC. For additional information concerning the competitive risks we face, see "Risk Factors Risks Relating to Our Business We operate in a highly competitive market for investment opportunities."

We believe that the relationships of the members of our investment adviser's investment committee and of the partners of Ares enable us to learn about, and compete effectively for, financing opportunities with attractive middle-market companies in the industries in which we seek to invest. We believe that Ares' professionals' deep and long-standing direct sponsor relationships and the resulting proprietary transaction opportunities that these relationships often present, provide valuable insight and access to transactions and information. We use the industry information of Ares' investment professionals to which we have access to assess investment risks and determine appropriate pricing for our investments in portfolio companies.

STAFFING

We do not currently have any employees and do not expect to have any employees. Services necessary for our business are provided by individuals who are employees or affiliates of our investment adviser, Ares Capital Management, and our administrator, Ares Operations, each of which is a subsidiary of Ares Management, pursuant to the terms of our investment advisory and management agreement and our administration agreement, respectively, each as described below. Each of our executive officers is an employee or affiliate of our investment adviser or our administrator. Our day-to-day investment activities are managed by our investment adviser. Most of the services necessary for the origination of our investment portfolio are provided by investment professionals employed by Ares Capital Management. Ares Capital Management had approximately 100 U.S.-based investment professionals as of March 31, 2017 who focus on origination, transaction development, investment and

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the ongoing monitoring of our investments. See "Management Investment Advisory and Management Agreement" below. We reimburse both our investment adviser and our administrator for a certain portion of expenses incurred in connection with such staffing, as described in more detail below. Because we have no employees, Ares Capital does not have a formal employee relations policy.

PROPERTIES

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are currently located at 245 Park Avenue, 44th Floor, New York, New York 10167. We are party to office leases pursuant to which we are leasing office facilities from third parties. For certain of these office leases, we have also entered into separate subleases with Ares Management LLC and IHAM, pursuant to which Ares Management LLC, the sole member of Ares Capital Management, and IHAM sublease a portion of these leases. Ares Management LLC has also entered into separate subleases with us, pursuant to which we sublease certain office spaces from Ares Management LLC.

LEGAL PROCEEDINGS

We are party to certain lawsuits in the normal course of business. In addition, American Capital and Allied Capital were involved in various legal proceedings that we assumed in connection with the American Capital Acquisition and the Allied Acquisition, respectively. Furthermore, third parties may try to seek to impose liability on us in connection with our activities or the activities of our portfolio companies. While the outcome of any such legal proceedings cannot at this time be predicted with certainty, we do not expect that these legal proceedings will materially affect our business, financial condition or results of operations.

On May 20, 2013, we were named as one of several defendants in an action filed in the United States District Court for the Eastern District of Pennsylvania by the bankruptcy trustee of DSI Renal Holdings LLC ("DSI Renal") and two affiliate companies. On March 17, 2014, the motion by the Company and the other defendants to transfer the case to the United States District Court for the District of Delaware (the "Delaware Court") was granted. On May 6, 2014, the Delaware Court referred the matter to the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The complaint alleges, among other things, that each of the named defendants participated in a purported "fraudulent transfer" involving the restructuring of a subsidiary of DSI Renal. Among other things, the complaint seeks, jointly and severally from all defendants, (1) damages of approximately $425 million, of which the complaint states our individual share is approximately $117 million, and (2) punitive damages. The defendants filed a motion to dismiss all claims on August 5, 2013. On July 20, 2017, the Bankruptcy Court issued an order granting the motion to dismiss certain claims and denying the motion to dismiss certain other claims, including the purported fraudulent transfer claims. The defendants must answer the complaint by August 25, 2017. We are currently unable to assess with any certainty whether we may have any exposure in the Action. We believe the plaintiff's claims are without merit and intend to vigorously defend ourselves in the Action.

On or about February 10, 2017, shareholders of American Capital filed a second consolidated amended putative shareholder class action complaint allegedly on behalf of holders of the common stock of American Capital against the former members of American Capital's board of directors and certain former American Capital officers (collectively, the "American Capital defendants"), as well as Elliott Management Corporation, Elliott Associates, L.P., Elliott International, L.P. and Elliott International Capital Advisors Inc. (collectively "Elliott") in the Circuit Court for Montgomery County, Maryland (the "Court") challenging the American Capital Acquisition. This action is a consolidation of putative shareholder complaints filed against the directors of American Capital on June 24, 2016, July 12, 2016, July 21, 2016 and July 27, 2016, which were first consolidated in an amended consolidated putative shareholder class action complaint filed on August 18, 2016. The action alleges that the directors, officers and Elliott failed to adequately discharge their fiduciary duties to the public shareholders of American Capital by hastily commencing a sales process due to the board's manipulation by Elliott. In the alternative, the complaint alleges Elliott aided and abetted breaches of fiduciary duty by the American Capital directors and officers. The complaint also alleges that the directors and officers failed to obtain for the shareholders the highest value available in the marketplace for their shares in the American Capital Acquisition. The complaint further alleges that the merger was the product of a flawed process due to Elliott's continued manipulation, the use of deal protection devices in the American Capital Acquisition that precluded other bidders from making a higher offer to American Capital and the directors' conflicts of interest due to special benefits, including the full vesting of American Capital stock options and incentive awards or golden parachutes the directors received upon consummation of the proposed merger. Additionally, the complaint alleges that the registration statement, which was filed with the SEC on July 20, 2016 and included a joint proxy statement to American Capital's shareholders, is materially false and misleading because it omits material information concerning the financial and procedural fairness of the American Capital Acquisition. The complaint seeks to recover compensatory damages for all losses resulting from the alleged breaches of fiduciary duty and waste. The American Capital defendants filed their motion to dismiss the second consolidated amended complaint on March 3, 2017. Elliott filed its motion to dismiss the second consolidated amended complaint on April 14, 2017. Briefing on defendants' motions was completed on May 26, 2017. A hearing on the motions to dismiss was scheduled for June 9, 2017 before Judge Ronald Rubin of the Circuit Court for Montgomery County, Maryland (the "Court"); however, that hearing was stayed as to American Capital defendants in light of the settlement described below.

On June 9, 2017, the American Capital defendants reached an agreement in principle with plaintiffs regarding the proposed settlement of claims against them in this action, and the American Capital defendants and plaintiffs subsequently executed a settlement term sheet (the "Term Sheet") on June 19, 2017. As set forth in the Term Sheet, the American Capital defendants have agreed to the proposed settlement solely to eliminate the burden, expense, distraction and uncertainties inherent in further litigation, and without admitting any liability or wrongdoing. The plaintiffs and American Capital defendants will seek preliminary approval of the proposed settlement from the Court by August 3, 2017; however, there can be no assurance that the parties will ultimately enter into a stipulation of settlement or that the Court will approve such settlement if the parties were to enter into such stipulation. The proposed settlement is not, and should not be construed as, an admission of wrongdoing or liability by any American Capital defendant.

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PORTFOLIO COMPANIES

The following table describes each of the businesses included in our portfolio and reflects data as of June 30, 2017. Percentages shown for class of investment securities held by us represent percentage of the class owned and do not necessarily represent voting ownership. Percentages shown for equity securities, other than warrants or options, represent the actual percentage of the class of security held before dilution. Percentages shown for warrants and options held represent the percentage of class of security we may own assuming we exercise our warrants or options before dilution.

We have indicated by footnote portfolio companies (a) where we directly or indirectly own more than 25% of the outstanding voting securities of such portfolio company and, therefore, are presumed to be "controlled" by us under the Investment Company Act and (b) where we directly or indirectly own 5% to 25% of the outstanding voting securities of such portfolio company or where we hold one or more seats on the portfolio company's board of directors and, therefore, are deemed to be an "affiliated person" under the Investment Company Act. We directly or indirectly own less than 5% of the outstanding voting securities of all other portfolio companies (or have no other affiliations with such portfolio companies) listed on the table. We offer to make significant managerial assistance to certain of our portfolio companies. Where we do not hold a seat on the portfolio company's board of directors, we may receive rights to observe such board meetings.

Where we have indicated by footnote the amount of undrawn commitments to portfolio companies to fund various revolving and delayed draw senior secured and subordinated loans, such undrawn commitments are presented net of (i) standby letters of credit treated as drawn commitments because they are issued and outstanding, (ii) commitments substantially at our discretion and (iii) commitments that are unavailable due to borrowing base or other covenant restrictions.

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ARES CAPITAL CORPORATION AND SUBSIDIARIES
PORTFOLIO COMPANIES
As of June 30, 2017
(dollar amounts in millions)
(Unaudited)

Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value	
A.U.L. Corp.	Provider of vehicle service	First lien senior secured		6/5/2023		$	(8)
1250 Main Street, Suite 300	contracts and limited	revolving loan					
Napa, California 94559	warranties for passenger vehicles	First lien senior secured loan	6.125% (Libor + 5.00%/Q)	6/5/2023		$ 7.7	
Absolute Dental Management LLC and	Dental services provider	First lien senior secured loan	10.60% (Libor + 9.39%/Q)	1/5/2022		$ 17.8	
ADM Equity, LLC		First lien senior secured loan	10.60% (Libor + 9.39%/Q)	1/5/2022		$ 4.8	
526 South Tonopah Dr. Suite #200		Class A preferred units			8.46%	$ 1.2	
Las Vegas, NV 89106		Class A common units			8.46%	$	
ACAS CLO 2007-1, Ltd.(4)(5)(6) P.O. Box 1093 GT Queensgate House, South Church Street George Town, Cayman Islands	Investment vehicle	Subordinated notes		4/20/2021		$	
ACAS Equity Holdings Corporation(4)(6) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Investment company	Common stock			100.00%	$ 0.4	
ACAS Real Estate Holdings Corporation(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Real estate holding company	Common stock			100.00%	$ 2.3	
Accruent, LLC and Athena Parent, Inc.	Real estate and facilities management software provider	First lien senior secured revolving loan		5/16/2022		$	(9)
10801-2 N Mopac Expressway,		Second lien senior secured loan	10.93% (Libor + 9.75%/Q)	11/16/2022		$ 53.0	
Suite 400		Series A preferred stock			0.76%	$ 0.6	
Austin, TX 78759		Common stock			0.76%	$ 2.3	
Acessa Health, Inc. (fka HALT Medical, Inc.) 131 Sand Creek Road, Suite B Brentwood, CA 94513	Medical supply provider	Common stock			1.18%	$ 0.1	
Achilles Acquisition LLC	Benefits broker and	First lien senior secured loan		6/6/2023		$	(10)
200 Galleria Parkway	outsourced workflow	First lien senior secured loan	7.22% (Libor + 6.00%/Q)	6/6/2023		$ 10.2	
Atlanta, GA 30339	automation platform provider for brokers						
Acrisure, LLC, Acrisure Investors FO, LLC	Retail insurance advisor and	Second lien senior secured loan		11/22/2024		$	(11)

and Acrisure Investors SO, LLC 5664 Prairie Creek Dr. SE Caledonia, MI 49316	brokerage	Second lien senior secured loan	10.54% (Libor + 9.25%/Q)	11/22/2024		$ 4.4
		Second lien senior secured loan	10.55% (Libor + 9.25%/Q)	11/22/2024		$ 9.7
		Second lien senior secured loan	10.55% (Libor + 9.25%/Q)	11/22/2024		$ 88.6
		Second lien senior secured loan	10.55% (Libor + 9.25%/Q)	11/22/2024		$ 15.0
		Membership interests			1.91%	$ 10.8
		Membership interests			0.95%	$ 2.7
Adaptive Mobile Security Limited(5) Ferry House 48-52 Lower Mount Street Dublin 2, Ireland	Developer of security software for mobile communications networks	First lien senior secured loan	12.00% (EURIBOR + 9.00% Cash, 1.00% PIK/M)	7/1/2018		$ 1.6
		First lien senior secured loan	12.00% (EURIBOR + 9.00% Cash, 1.00% PIK/M)	10/1/2018		$ 0.5
		First lien senior secured loan	12.00% (EURIBOR + 9.00% Cash, 1.00% PIK/M)	10/1/2018		$ 1.3
ADCS Billings Intermediate Holdings, LLC 151 Southhall Lane, Suite 300 Maitland, FL 32751	Dermatology practice	First lien senior secured revolving loan	9.00% (Base Rate + 4.75%/Q)	5/18/2022		$ 2.3(12)
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.(4) 165 Passaic Avenue Fairfield, NJ 07004	Restaurant owner and operator	First lien senior secured loan	19.25% PIK (Libor + 18.00%/Q)	12/18/2018		$ 3.4
		First lien senior secured loan		12/18/2018		$ 11.3
		Promissory note		12/18/2023		$
		Warrant		12/18/2023	95.00%	$ (2)
ADG, LLC and RC IV GEDC Investor LLC 29777 Telegraph Road Suite 3000 Southfield, MI 48304	Dental services provider	First lien senior secured revolving loan	5.97% (Libor + 4.75%/Q)	9/28/2022		$ 3.1(13)
		First lien senior secured revolving loan	8.00% (Base Rate + 3.75%/Q)	9/28/2022		$ 1.1(13)
		Second lien senior secured loan	10.23% (Libor + 9.00%/Q)	3/28/2024		$ 86.6
		Membership units			0.92%	$ 2.7

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value
AEP Holdings, Inc. and Arrowhead Holdco	Distributor of	First lien senior secured loan	7.93% (Libor + 6.75%/Q)	8/31/2021		$ 1.3
Company	non-discretionary, mission-	First lien senior secured loan	7.93% (Libor + 6.75%/Q)	8/31/2021		$ 2.0
3787 95th Ave. N.E. Blaine, MN 55014	critical aftermarket replacement parts	Common stock			1.17%	$ 3.8
Alcami Holdings, LLC(4) AAIPharma Services Headquarters	Outsourced drug development services	First lien senior secured revolving loan	6.59% (Libor + 5.50%/Q)	10/25/2019		$ 6.9(14)
2320 Scientific Park Drive Wilmington, NC 28405	provider	First lien senior secured revolving loan	6.66% (Libor + 5.50%/Q)	10/25/2019		$ 6.0(14)
		First lien senior secured revolving loan	6.72% (Libor + 5.50%/Q)	10/25/2019		$ 7.7(14)
		First lien senior secured loan	6.50% (Libor + 5.50%/Q)	10/26/2020		$ 96.2
		First lien senior secured loan	10.75% (Base Rate + 6.50%/Q)	10/26/2020		$ 0.2
		First lien senior secured loan	6.73% (Libor + 5.50%/Q)	10/26/2020		$ 10.0
		Senior subordinated loan	14.75%	10/26/2020		$ 33.6
		Senior subordinated loan	12.25%	10/26/2020		$ 25.0
		Senior subordinated loan	11.75%	10/26/2020		$ 30.0
		Senior subordinated loan	12.00%	10/26/2020		$ 30.0
		Senior subordinated loan	15.25%	10/26/2020		$ 33.9
		Series R preferred membership units			100.00%	$ 1.1
		Series R-2 preferred membership units			100.00%	$ 2.0
Alegeus Technologies Holdings Corp.	Benefits administration and	Preferred stock			1.50%	$ 2.6
1601 Trapelo Road South Building, 2nd Floor Waltham, MA 02451	transaction processing provider	Common stock			1.50%	$
AllBridge Financial, LLC(4) 13760 Noel Road, Suite 1100 Dallas, TX 75240	Asset management services	Equity interests			100.00%	$
Alphabet Energy, Inc.	Technology developer to	First lien senior secured loan		8/1/2017		$ 2.4
26225 Eden Landing Road, Suite D	convert waste-heat into	Series 1B preferred stock			0.19%	$
Hayward, CA 94545	electricity	Warrant		12/12/2023	0.88%	$ (2)
American Broadband Holding Company and	Broadband communication	Warrant		11/7/2017	20.76%	$ 4.1(2)
Cameron Holdings of NC, Inc. 401 N. Tryon Street, 10th Floor Charlotte, NC 28202	services	Warrant		9/1/2020	20.00%	$ 10.0(2)
American Residential Services L.L.C. 965 Ridge Lake Blvd. Memphis, TN 38120	Heating, ventilation and air conditioning services provider	Second lien senior secured loan	9.23% (Libor + 8.00%/Q)	12/31/2022		$ 67.0
				8/19/2021		$ 0.5(16)

American Seafoods Group LLC and American Seafoods Partners LLC 2025 First Avenue, Suite 900 Seattle, WA 98121	Harvester and processor of seafood	First lien senior secured revolving loan	8.25% (Base Rate + 4.00%/Q)			
		First lien senior secured loan	6.23% (Libor + 5.00%/Q)	8/19/2021		$ 6.6
		First lien senior secured loan	8.25% (Base Rate + 4.00%/Q)	8/19/2021		$ 0.1
		Second lien senior secured loan	10.23% (Libor + 9.00%/Q)	2/19/2022		$ 55.0
		Class A units			0.24%	$ 0.1
		Warrant		8/19/2035	3.36%	$ 11.3(2)
AMZ Holding Corp. 4800 State Road 60 East Mulberry, Florida 33860	Specialty chemicals manufacturer	First lien senior secured revolving loan		6/27/2022		$ (17)
		First lien senior secured loan	6.22% (Libor + 5.00%/Q)	6/27/2022		$ 15.2
Ares IIIR/IVR CLO Ltd.(4)(5)(6) P.O. Box 1093 GT Queensgate House, South Church Street George Town, Cayman Islands	Investment vehicle	Subordinated notes		4/16/2021		$
Argon Medical Devices, Inc. 5151 Headquarters Drive, Suite 210 Plano, TX 75024	Manufacturer and marketer of single-use specialty medical devices	Second lien senior secured loan	10.80% (Libor + 9.50%/Q)	6/23/2022		$ 9.0
Associated Asphalt Partners, LLC 130 Church Ave SW Roanoke, VA 24011	Provider of asphalt terminalling, storage and distribution	First lien senior secured loan	6.48% (Libor + 5.25%/Q)	4/5/2024		$ 4.3
Athletic Club Holdings, Inc. 5201 East Tudor Road Anchorage, AL 99507	Premier health club operator	First lien senior secured loan	9.50% (Libor + 8.50%/Q)	10/31/2020		$ 35.0

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value
AwarePoint Corporation	Healthcare technology	First lien senior secured loan	11.70% (Libor + 10.50%/M)	12/1/2019		$ 8.0
600 W. Broadway, Suite 250 San Diego, CA 92101	platform developer	Warrant		9/5/2024	8.83%	$ 0.6(2)
Babson CLO Ltd. 2006-II(5)(6) Walker House, 87 Mary Street George Town, KY1-9002 Cayman Islands	Investment vehicle	Subordinated notes		10/16/2020		$
Babson CLO Ltd. 2013-II(5)(6) P.O. Box 1093 Queensgate House Grand Cayman, KY1-1102, Cayman Islands	Investment vehicle	Subordinated notes	12.00%	1/18/2025		$ 2.8
Babson CLO Ltd. 2014-I(5)(6) P.O. Box 1093 Queensgate House Grand Cayman, KY1-1102, Cayman Islands	Investment vehicle	Subordinated notes	11.80%	7/20/2025		$ 5.0
Babson CLO Ltd. 2014-II(5)(6) P.O. Box 1093 Queensgate House Grand Cayman, KY1-1102, Cayman Islands	Investment vehicle	Subordinated notes	18.00%	10/17/2026		$ 13.7
Badger Sportswear Acquisition, Inc. 111 Badger Lane, Statesville, NC 28625	Provider of team uniforms and athletic wear	Second lien senior secured loan	10.16% (Libor + 9.00%/Q)	3/11/2024		$ 50.0
Bellotto Holdings Limited(4)(5) Colwick Business Park Private Road No. 2 Colwick, Nottingham NG4 2JR, UK	Manufacturer and retailer of blinds and curtains	Preferred stock			97.00%	$ 53.2
		Preferred stock			80.00%	$ 2.9
		Common stock			95.80%	$ 34.7
		Class A common stock			98.20%	$ 157.1
Benihana, Inc.	Restaurant owner and	First lien senior secured	10.00% (Base Rate + 5.75%/Q)	7/17/2018		$ 0.7(18)
8685 Northwest 53rd Terrace Miami, FL 33166	operator	revolving loan				
		First lien senior secured revolving loan	8.30% (Libor + 7.00%/Q)	7/17/2018		$ 0.8(18)
		First lien senior secured loan	8.25% (Libor + 7.00%/Q)	1/17/2019		$ 0.3
		First lien senior secured loan	8.25% (Libor + 7.00%/Q)	1/17/2019		$ 4.6
BeyondTrust Software, Inc. 5090 40th St. Suite 400 Phoenix, AZ 85018	Management software solutions provider	First lien senior secured revolving loan		9/25/2019		$ (19)
		First lien senior secured loan	8.00% (Libor + 7.00%/Q)	9/25/2019		$ 28.6
	Investment partnership				8.50%	$ 7.4

Blue Wolf Capital Fund II, L.P.(5)(6) 48 Wall Street 31 Floor New York, NY 10005		Limited partnership interest				
BluePay Processing, LLC 184 Shuman Boulevard Suite 350 Naperville, IL 60563	Payment processing solutions provider	Second lien senior secured loan	9.67% (Libor + 8.50%/Q)	8/30/2022		$ 32.8
Borchers Americas, Inc. 811 Sharon Drive, Westlake, Ohio 44145	Provider of performance enhancing coating additives	First lien senior secured loan	6.05% (Libor + 4.75%/Q)	1/13/2024		$ 5.0
Brandtone Holdings Limited(5) 51 - 54 Pearse Street Dublin 2, Ireland	Mobile communications and marketing services provider	First lien senior secured loan		11/1/2018		$
		First lien senior secured loan		2/1/2019		$
		Warrant		8/5/2026	2.14%	$ (2)
BRG Sports, Inc. 669 Sugar Lane Elyria, OH 44035	Designer, manufacturer and licensor of branded sporting goods	Preferred stock			1.65%	$
		Common stock			1.28%	$
Cadence Aerospace, LLC 2600 94th Street SW, Suite 150 Everett, WA 98204	Aerospace precision components manufacturer	First lien senior secured loan	7.50% (Libor + 6.25%/Q)	5/9/2018		$ 3.9
		Second lien senior secured loan	20.00% PIK	5/9/2019		$ 5.0
		Second lien senior secured loan	11.50% (Libor + 10.25%/Q)	5/9/2019		$ 73.3
Callidus Capital Corporation(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Asset management services	Common stock			100.00%	$ 1.7
CallMiner, Inc. 200 West Street Waltham, MA 02452	Provider of cloud-based conversational analytics solutions	Second lien senior secured loan	10.70% (Libor + 9.50%/M)	5/1/2018		$ 1.3
		Second lien senior secured loan	10.70% (Libor + 9.50%/M)	8/1/2018		$ 0.8
		Warrant		7/23/2024	1.83%	$ (2)
Campus Management Acquisition Corp.(3) 350 Park Avenue, 23rd Floor New York, NY 10022	Education software developer	Preferred stock			16.75%	$ 10.2

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value
Carlyle Global Market Strategies CLO 2013-3, Ltd.(5)(6) 190 Elgin Avenue, George Town Grand Cayman KY1-9005, Cayman Islands	Investment vehicle	Subordinated notes	8.50%	7/15/2025		$ 2.7
Carlyle Global Market Strategies CLO 2015-3, Ltd.(5)(6) 190 Elgin Avenue, George Town Grand Cayman KY1-9005, Cayman Islands	Investment vehicle	Subordinated notes	10.80%	7/28/2028		$ 21.7
Cast & Crew Payroll, LLC 2300 Empire Avenue 5th Floor Burbank, CA 91504	Payroll and accounting services provider to the entertainment industry	Second lien senior secured loan	9.05% (Libor + 7.75%/Q)	8/12/2023		$ 26.7
CCS Intermediate Holdings, LLC and CCS Group Holdings, LLC 3343 Perimeter Hill Drive, Suite 300 Nashville, TN 37211	Correctional facility healthcare operator	First lien senior secured revolving loan	5.30% (Libor + 4.00%/Q)	7/23/2019		$ 3.2(20)
		First lien senior secured revolving loan	7.25% (Base Rate + 3.00%/Q)	7/23/2019		$ 1.1(20)
		First lien senior secured loan	5.30% (Libor + 4.00%/Q)	7/23/2021		$ 5.5
		Second lien senior secured loan	9.58% (Libor + 8.38%/Q)	7/23/2022		$ 98.6
		Class A units			1.22%	$ 0.2
Cent CDO 12 Limited(5)(6) P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, Cayman Islands, KY1-1102	Investment vehicle	Subordinated notes	10.00%	11/18/2020		$ 17.7
Cent CLO 22 Limited(5)(6) P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, Cayman Islands, KY1-1102	Investment vehicle	Subordinated notes	11.80%	11/7/2026		$ 21.1
Cent CLO 24 Limited(5)(6) P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, Cayman Islands, KY1-1102	Investment vehicle	Subordinated notes	8.50%	10/15/2026		$ 21.7
Centurion CDO 8 Limited(5)(6) P.O. Box 1093 GT Queensgate House, South Church Street George Town, Cayman Islands	Investment vehicle	Subordinated notes		3/8/2019		$
CFW Co-Invest, L.P., NCP Curves, L.P. and	Health club franchisor	Limited partnership interest			12.24%	$ 4.7
					7.41%	$ 2.5(5)

Curves International Holdings, Inc. 100 Ritchie Road Waco, TX 76712		Limited partnership interest Common stock			12.25% $	(5)
Champion Parent Corporation and Calera XVI, LLC(4) 9401 Waples Street, Suite 150 San Diego, CA 92121	Endurance sports media and event operator	First lien senior secured revolving loan		11/30/2018	$	0.1(21)
		First lien senior secured loan		11/30/2018	$	0.9
		Preferred shares			45.00% $	
		Membership units			7.88% $	
		Common shares			32.96% $	
ChargePoint, Inc. 1692 Dell Avenue Campbell, CA 95008	Developer and operator of electric vehicle charging stations	Second lien senior secured loan	10.05% (Libor + 8.75%/M)	8/1/2020	$	20.0
		Warrant		12/24/2024	3.70% $	2.1(2)
Chariot Acquisition, LLC 3510 Port Jacksonville Pkwy Jacksonville, Fl 32226	Manufacturer of aftermarket golf cart parts and accessories	First lien senior secured revolving loan		9/30/2021	$	(22)
		First lien senior secured loan	7.50% (Libor + 6.25%/Q)	9/30/2021	$	18.2
		First lien senior secured loan	7.50% (Libor + 6.25%/Q)	9/30/2021	$	9.3
CHL, LTD. 1023 State Street Schenectady, NY 12307	Repair and service solutions provider for cable, satellite and telecommunications based service providers	Warrant		5/2/2020	6.00% $	(2)
		Warrant		5/2/2020	6.00% $	(2)
		Warrant		5/2/2020	6.00% $	(2)
Ciena Capital LLC(4) 1633 Broadway, 39th Floor New York, NY 10019	Real estate and small business loan servicer	First lien senior secured revolving loan	6.00%	12/31/2017	$	14.0(23)
		Equity interests			100.00% $	26.5
Clearwater Analytics, LLC 777 W. Main Street, Suite 900 Boise, Idaho 83702	Provider of integrated cloud-based investment portfolio management, accounting, reporting and analytics software	First lien senior secured revolving loan	8.72% (Libor + 7.50%/Q)	9/1/2022	$	0.6(24)

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017		Fair Value
CMW Parent LLC (fka Black Arrow, Inc.) 65 North San Pedro San Jose, CA 95110	Multiplatform media firm	Series A units			0.00%	$	
CoLTs 2005-1 Ltd.(4)(5)(6) P.O. Box 908 GT Walker House, Mary Street George Town, Cayman Islands	Investment vehicle	Preferred shares				$	
CoLTs 2005-2 Ltd.(4)(5)(6) P.O. Box 908 GT Walker House, Mary Street George Town, Cayman Islands	Investment vehicle	Preferred shares				$	
Columbo Midco Limited, Columbo Bidco Limited and Columbo Topco Limited(4)(5) 25 Bedford Street London WC2E 9ES United Kingdom	Compliance, accounting and tax consulting services provider	Preferred stock			95.52%	$	6.3
		Preferred stock			85.80%	$	24.3
		Preferred stock			100.00%	$	4.4
Command Alkon, Incorporated and CA Note Issuer, LLC 1800 International Park Dr., Suite 400 Birmingham, AL 35243	Software solutions provider to the ready-mix concrete industry	Second lien senior secured loan	9.48% (Libor + 8.25%/Q)	8/8/2020		$	10.0
		Second lien senior secured loan	9.37% (Libor + 8.25%/Q)	8/8/2020		$	11.5
		Second lien senior secured loan	9.48% (Libor + 8.25%/Q)	8/8/2020		$	26.5
		Senior subordinated loan	14.00% PIK	8/8/2021		$	25.0
Commercial Credit Group, Inc. 227 West Trade Street, Suite 1450 Charlotte, NC 28202	Commercial equipment finance and leasing company	Senior subordinated loan	11.00% (Libor + 9.75%/Q)	8/31/2022		$	28.0
Component Hardware Group, Inc. 1890 Swarthmore Avenue Lakewood, NJ 08701	Manufacturer of commercial equipment	First lien senior secured revolving loan	5.50% (Libor + 4.50%/Q)	7/1/2019		$	1.9(25)
		First lien senior secured loan	5.80% (Libor + 4.50%/Q)	7/1/2019		$	7.9
Compusearch Software Systems, Inc. 21251 Ridgetop Circle Suite 100 Dulles, VA 20166	Provider of enterprise software and services for organizations in the public sector	Second lien senior secured loan	9.93% (Libor + 8.75%/Q)	11/5/2021		$	51.0
Compuware Parent, LLC 777 Mariners Island Blvd. San Mateo, CA 94404	Web and mobile cloud performance testing and monitoring services provider	Class A-1 common stock			0.41%	$	1.8
		Class B-1 common stock			0.41%	$	0.4
		Class C-1 common stock			0.41%	$	0.2
		Class A-2 common stock			0.41%	$	
		Class B-2 common stock			0.41%	$	
		Class C-2 common stock			0.41%	$	
Convergint Technologies LLC	Integrated services provider	Second lien senior secured loan		12/18/2020		$	(26)

One Commerce Drive	for security, fire and life	Second lien senior secured loan	9.82% (Libor + 8.50%/Q)	12/18/2020		$	11.0
Schaumburg, IL 60173	safety	Second lien senior secured loan	9.91% (Libor + 8.50%/Q)	12/18/2020		$	6.0
		Second lien senior secured loan	9.92% (Libor + 8.50%/Q)	12/18/2020		$	11.0
		Second lien senior secured loan	9.43% (Libor + 8.00%/Q)	12/18/2020		$	75.0
Correctional Medical Group	Correctional facility	First lien senior secured loan	8.79% (Libor + 7.65%/Q)	9/29/2021		$	3.1
Companies, Inc.	healthcare operator	First lien senior secured loan	8.79% (Libor + 7.65%/Q)	9/29/2021		$	48.8
2511 Garden Road, Suite A160 Monterey, CA 93940							
Cozzini Bros., Inc. and BH-Sharp Holdings LP	Provider of commercial knife sharpening and cutlery	First lien senior secured revolving loan	6.62% (Libor + 5.50%/Q)	3/10/2023		$	1.0(27)
350 Howard Avenue,	services in the restaurant	First lien senior secured loan		3/10/2023		$	(28)
Des Plaines, IL 60018	industry	First lien senior secured loan	6.62% (Libor + 5.50%/Q)	3/10/2023		$	17.6
		First lien senior secured loan	6.62% (Libor + 5.50%/Q)	3/10/2023		$	4.6
		Common units			3.24%	$	2.8
CPV Maryland Holding Company II, LLC	Gas turbine power generation	Senior subordinated loan	5.00% Cash, 5.00% PIK	12/31/2020		$	41.6
c/o Competitive Power Ventures, Inc. 8403 Colesville Road, Suite 915 Silver Spring, MD 20910	facilities operator	Warrant		8/8/2018	4.00%	$	(2)
CREST Exeter Street Solar 2004-1(5)(6) P.O. Box 908 GT Walker House, Mary Street George Town, Grand Cayman Cayman Islands	Investment vehicle	Preferred shares				$	
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC(3)	Provider of outsourced healthcare linen management	First lien senior secured revolving loan		12/20/2021		$	(29)
1501 North Guillemard Street	solutions	First lien senior secured loan		12/20/2021		$	(30)
Pensacola, FL 32501		First lien senior secured loan	7.48% (Libor + 6.25%/Q)	12/20/2021		$	5.8
		First lien senior secured loan	7.48% (Libor + 6.25%/Q)	12/20/2021		$	5.2
		First lien senior secured loan	7.46% (Libor + 6.25%/Q)	12/20/2021		$	2.0
		Class A preferred units			10.59%	$	3.4
		Class B common units			10.59%	$	0.4

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value
CSHM LLC(4) 618 Church Street Suite 520 Nashville,TN 37219	Dental services provider	Class A membership units			1.90%	$
CST Buyer Company (d/b/a Intoxalock) 11035 Aurora Ave Des Moines, Iowa 50325	Provider of ignition interlock devices	First lien senior secured revolving loan		3/1/2023		$ (31)
		First lien senior secured loan	7.61% (Libor + 6.25%/Q)	3/1/2023		$ 14.7
D4C Dental Brands HoldCo, Inc. and Bambino Group Holdings, LLC 1350 Spring Street NW Suite 600, Atlanta, GA 30353	Dental services provider	First lien senior secured revolving loan		12/21/2022		$ (32)
		Class A preferred units			0.64%	$ 0.9
Datapipe, Inc. 10 Exchange Place 12th Floor Jersey City, NJ 07302	Data center provider	Second lien senior secured loan	9.17% (Libor + 8.00%/Q)	9/16/2019		$ 28.6
DCA Investment Holding, LLC 6240 Lake Osprey Drive Sarasota, FL 34240	Multi-branded dental practice management	First lien senior secured revolving loan	8.50% (Base Rate + 4.25%/Q)	7/2/2021		$ 1.5(33)
		First lien senior secured loan	6.48% (Libor + 5.25%/Q)	7/2/2021		$ 18.4
Dent Wizard International Corporation and DWH Equity Investors, L.P. 4710 Earth City Expressway Bridgeton, MO 63044	Automotive reconditioning services	Second lien senior secured loan	9.87% (Libor + 8.75%/Q)	10/7/2020		$ 50.0
		Class A common stock			0.44%	$ 0.5
		Class B common stock			0.37%	$ 1.0
DESRI VI Management Holdings, LLC c/o D.E. Shaw & Co., L.P. 1166 Avenue of the Americas, 9th Floor New York, NY 10036	Wind power generation facility operator	Senior subordinated loan	10.00%	12/24/2021		$ 13.9
DFS Holding Company, Inc. 607 W. Dempster St. Mt. Prospect, IL 60056	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	First lien senior secured loan	6.30% (Libor + 5.00%/Q)	2/17/2022		$ 4.6
DineInFresh, Inc. 22 West 19th Street, 5th Floor New York, NY 10011	Meal-delivery provider	First lien senior secured loan	10.02% (Libor + 8.75%/M)	7/1/2018		$ 3.3
		Warrant		12/19/2024	1.48%	$ (2)
Directworks, Inc. and Co-Exprise Holdings, Inc. 6021 Wallace Road, Suite 300	Provider of cloud-based software solutions for direct materials sourcing and	First lien senior secured loan	10.25% (Libor + 9.25%/M)	4/1/2018		$ 1.7
		Warrant		12/19/2024	4.76%	$ (2)

Wexford, PA 15090	supplier management for manufacturers					
DNAnexus, Inc. 1975 W. El Camino Real, Suite 101 Mountain View, CA 94040	Bioinformatics company	Warrant		3/21/2024	0.64%	$ 0.1(2)
Dorner Holding Corp. 975 Cottonwood Avenue, Hartland, WI 53029	Manufacturer of precision unit conveyors	First lien senior secured revolving loan	9.00% (Base Rate + 4.75%/Q)	3/15/2022		$ 1.0(34)
		First lien senior secured revolving loan	7.05% (Libor + 5.75%/Q)	3/15/2022		$ 0.5(34)
		First lien senior secured loan	7.05% (Libor + 5.75%/Q)	3/15/2023		$ 7.4
DTI Holdco, Inc. and OPE DTI Holdings, Inc. Two Ravinia Drive, Suite 850 Atlanta, GA 30346	Provider of legal process outsourcing and managed services	First lien senior secured revolving loan		9/30/2021		$ (35)
		First lien senior secured loan	6.42% (Libor + 5.25%/Q)	9/30/2023		$ 4.1
		Class A common stock			0.86%	$ 6.8
		Class B common stock			0.86%	$
Dwyer Acquisition Parent, Inc. and TDG Group Holding Company 1020 N University Park Drive Waco, TX 76707	Operator of multiple franchise concepts primarily related to home maintenance or repairs	Senior subordinated loan	11.00%	2/15/2020		$ 23.5
		Senior subordinated loan	11.00%	2/15/2020		$ 31.5
		Senior subordinated loan	11.00%	2/15/2020		$ 52.7
		Common stock			1.87%	$ 4.7
Eagle Family Foods Group LLC 1 Strawberry Lane Orrville, OH 44667	Manufacturer and producer of milk products	First lien senior secured loan	10.35% (Libor + 9.05%/Q)	12/31/2021		$ 21.2
		First lien senior secured loan	10.35% (Libor + 9.05%/Q)	12/31/2021		$ 53.7
Earthcolor Group, LLC 249 Pomeroy Road Parsippany, NJ 07054	Printing management services	Limited liability company interests			9.30%	$
Eaton Vance CDO X plc(5)(6) 85 Merrion Square Dublin 2 Ireland	Investment vehicle	Subordinated notes	10.00%	2/22/2027		$ 5.5

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Eckler Industries, Inc. 5200 S. Washington Ave. Titusville, FL 32780	Restoration parts and accessories provider for classic automobiles	First lien senior secured revolving loan	9.25% (Base Rate + 5.00%/Q)	9/29/2017		$ 1.8(36)
		First lien senior secured loan	7.25% (Libor + 6.00%/Q)	9/29/2017		$ 6.2
		First lien senior secured loan	7.25% (Libor + 6.00%/Q)	9/29/2017		$ 23.0
		Series A preferred stock			5.41%	$
		Common stock			5.41%	$
EcoMotors, Inc. 17000 Federal Drive, Suite 200 Allen Park, MI 48101	Engine developer	First lien senior secured loan		3/1/2018		$ 0.2
		Warrant		12/28/2022	2.10%	$ (2)
		Warrant		2/24/2025	0.46%	$ (2)
EDS Group(4)(5) Medienst. 5b 94036 Passau, Germany	Provider of print and digital services	First lien senior secured loan	6.00% (Libor + 5.00%/Q)	6/28/2019		$ 0.4
		First lien senior secured loan	6.00% (Libor + 5.00%/Q)	6/28/2019		$ 0.6
		First lien senior secured loan	6.00% (Libor + 5.00%/Q)	6/28/2019		$ 0.2
		First lien senior secured loan	6.00% (Libor + 5.00%/Q)	6/28/2019		$ 0.6
		First lien senior secured loan	6.00% (Libor + 5.00%/Q)	6/28/2019		$ 0.4
		First lien senior secured loan	6.00% (Libor + 5.00%/Q)	6/28/2019		$ 0.1
		Senior subordinated loan	3.13%	6/28/2019		$ 7.1
		Senior subordinated loan	3.13%	6/28/2019		$ 7.2
		Preferred stock			22.20%	$ 0.1
		Common stock			22.20%	$ 4.7
Edward Don & Company, LLC and VCP-EDC Co-Invest, LLC 9801 Adam Don Pkwy, Woolridge,IL 60517	Distributor of foodservice equipment and supplies	First lien senior secured loan	9.66% (Libor + 8.50%/Q)	9/30/2022		$ 47.9
		Membership units			2.02%	$ 3.0
Emergency Communications Network, LLC 780 W Granada Blvd Ormond Beach, FL 32174	Provider of mission critical emergency mass notification solutions	First lien senior secured revolving loan		6/1/2022		$ (37)
		First lien senior secured loan	7.30% (Libor + 6.25%/Q)	6/1/2023		$ 60.6
Emerus Holdings, Inc. 82330 North Loop 1604 W San Antonio, TX 78249	Freestanding 24-hour emergency care micro-hospitals operator	First lien senior secured revolving loan		9/1/2020		$ (38)
		First lien senior secured loan	5.73% (Libor + 4.50%/Q)	9/1/2021		$ 2.0
EN Engineering, L.L.C. 28100 Torch Parkway, Suite 400 Warrenville, IL 60555	National utility services firm providing engineering and consulting services to natural gas, electric power and other energy and industrial end markets	First lien senior secured revolving loan		6/30/2021		$ (39)
		First lien senior secured		5/8/2023		$ (40)

Entertainment Partners, LLC and Entertainment Partners Canada Inc. 2835 North Naomi Street Burbank, CA 91504	Provider of entertainment workforce and production management solutions	revolving loan					
		First lien senior secured loan		5/8/2023		$	(41)
		First lien senior secured loan	6.50% (Libor + 5.50%/Q)	5/8/2022		$	7.6(5)
		First lien senior secured loan	6.81% (Libor + 5.75%/Q)	5/8/2023		$	12.7
		First lien senior secured loan	6.81% (Libor + 5.75%/Q)	5/8/2023		$	15.1
		First lien senior secured loan	6.93% (Libor + 5.75%/Q)	5/8/2023		$	14.5
		First lien senior secured loan	6.93% (Libor + 5.75%/Q)	5/8/2023		$	17.2
		First lien senior secured loan	7.19% (Libor + 5.75%/Q)	5/8/2023		$	14.5
		First lien senior secured loan	7.19% (Libor + 5.75%/Q)	5/8/2023		$	17.2
ESCP PPG Holdings, LLC(3) 8330 State Road Philadelphia, PA 19136	Distributor of new equipment and aftermarket parts to the heavy-duty truck industry	Class A units			7.91%	$	2.7
ETG Holdings, Inc.(4) PO Box 487 Greenville, SC 29602	Manufacturer of industrial woven products	Common stock			30.00%	$	
European Capital UK SME Debt LP(4)(5)(6) 25 Bedford Street London WC2E 9ES, United Kingdom	Investment partnership	Limited partnership interest			45.00%	$	27.3
Everspin Technologies, Inc. 1347 N. Alma School Road, Suite 220 Chandler, AZ 85224	Designer and manufacturer of computer memory solutions	Warrant		10/7/2026	3.98%	$	(2)
Excelligence Holdings Corp. 2 Lower Ragsdale Dr. #215 Monterey, CA 93940	Developer, manufacturer and retailer of educational products	First lien senior secured loan	7.21% (Libor + 6.00%/Q)	4/18/2023		$	12.9

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Faction Holdings, Inc. and The Faction Group LLC (fka PeakColo Holdings, Inc.) 303 E. 17th Avenue, Suite 1000 Denver, CO 80203	Wholesaler of cloud-based software applications and services	First lien senior secured revolving loan		1/6/2019		$ (42)
		First lien senior secured loan	10.41% (Libor + 9.25%/M)	1/1/2021		$ 8.0
		Warrant		1/6/2027	3.59%	$ 0.2(2)
		Warrant		12/3/2025	1.03%	$ 0.1(2)
		Warrant		11/3/2024	1.41%	$ 0.1(2)
Fashion Holding Luxembourg SCA (Modacin/Camaeiu)(4)(5) 6 rue Eugene Ruppert Luxembourg L-2453 Luxembourg	Retailer of women's clothing	Preferred stock			1.46%	$
Feradyne Outdoors, LLC and Bowhunter Holdings, LLC 110 Beasley Rd. Cartersville, GA 30120	Provider of branded archery and bowhunting accessories	Common units			3.20%	$ 2.7
Financial Asset Management Systems, Inc. and FAMS Holdings, Inc.(3) 1967 Lakeside Parkway Suite 402 Tucker, GA 30084	Debt collection services provider	Common stock			18.00%	$
First Insight, Inc. 1606 Carmody Court, Suite 106 Sewickley, PA 15143	Software company providing merchandising and pricing solutions to companies worldwide	Warrant		3/20/2024	0.88%	$ (2)
Flagship CLO V(5)(6) P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, Cayman Islands, KY1-1102	Investment vehicle	Subordinated securities				$
Flexera Software LLC 300 Park Boulevard Suite 500 Itasca, IL 60143	Provider of software and software applications that manages application usage, compliance and security risk	Second lien senior secured loan	8.30% (Libor + 7.00%/Q)	4/2/2021		$ 5.0
Flow Solutions Holdings, Inc. 22908 NE Alder Crest Drive, Suite 100 Redmond, WA 98053	Distributor of high value fluid handling, filtration and flow control products	Second lien senior secured loan	10.17% (Libor + 9.00%/Q)	10/30/2018		$ 5.6
		Second lien senior secured loan	10.17% (Libor + 9.00%/Q)	10/30/2018		$ 27.4
Foamex Innovations, Inc. 1400 North Providence Road, Suite 2000	Manufacturer of advanced polymer foam products	Series A common stock			0.10%	$
		Series B common stock			0.10%	$

Media, PA 19063							
FPI Holding Corporation(4) 38773 Road 48 Dinuba, CA 93618	Distributor of fruits	First lien senior secured loan		6/1/2018		$	0.6
Galls, LLC 1340 Russell Cave Road Lexington, KY 40505	Distributor of apparel products to safety professionals	Second lien senior secured loan	9.05% (Libor + 7.75%/Q)	8/29/2021		$	14.3
		Second lien senior secured loan	9.05% (Libor + 7.75%/Q)	8/29/2021		$	26.0
Garden Fresh Restaurant Corp. and GFRC Holdings LLC(4) 15822 Bernardo Center Drive, Suite A San Diego, CA 92127	Restaurant owner and operator	First lien senior secured revolving loan	10.50% (Libor + 9.00%/Q)	2/1/2022		$	1.4(43)
		First lien senior secured loan	10.50% (Libor + 9.00%/Q)	2/1/2022		$	40.1
		Class A units			48.60%	$	1.2
Genomatica, Inc. Cambridge Discovery Park, 5th Floor 100 Acorn Park Drive Cambridge, MA 02140	Developer of a biotechnology platform for the production of chemical products	Warrant		3/28/2023	0.70%	$	(2)
Gentle Communications, LLC 200 5th Avenue, Suite 3 Waltham, MA 02451	Dental services provider	First lien senior secured revolving loan		5/27/2022		$	(44)
GF Parent LLC 4757 Nexus Center Drive San Diego, CA 92121	Producer of low-acid, aseptic food and beverage products	Class A preferred units			2.58%	$	2.1
		Class A common units			2.20%	$	
GHX Ultimate Parent Corporation, Commerce Parent, Inc. and Commerce Topco, LLC 1315 W. Century Dr., Suite 100 Louisville, Colorado 80027	On-demand supply chain automation solutions provider to the healthcare industry	Second lien senior secured loan	9.30% (Libor + 8.00%/Q)	6/30/2025		$	95.5
		Series A perpetual preferred stock	11.75% (Libor + 10.75%/Q)		64.15%	$	110.3
		Class A units			1.34%	$	13.9

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Global Franchise Group, LLC and GFG Intermediate Holding, Inc. 1346 Oakbrook Drive, Suite 170 Norcross, GA 30093	Worldwide franchisor of quick service restaurants	First lien senior secured loan	10.45% (Libor + 9.15%/Q)	12/18/2019		$ 58.7
GoldenTree Loan Opportunities VII, Limited(5)(6) P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, Cayman Islands, KY1-1102	Investment vehicle	Subordinated notes	9.00%	4/25/2025		$ 21.0
Gordian Group, LLC 950 Third Avenue, 17th Floor New York, NY 10022	Provider of products, services and software to organizations pursuing efficient and effective procurement and information solutions	Common stock			5.00%	$
Green Energy Partners, Stonewall LLC and Panda Stonewall Intermediate Holdings II LLC 12 Paoli Pike Suite 5 Paoli, PA 19301	Gas turbine power generation facilities operator	First lien senior secured loan	6.80% (Libor + 5.50%/Q)	11/13/2021		$ 23.4
		Senior subordinated loan	8.00% Cash, 5.25% PIK	12/31/2021		$ 18.8
		Senior subordinated loan	8.00% Cash, 5.25% PIK	12/31/2021		$ 87.9
Greenphire, Inc. and RMCF III CIV XXIX, L.P 640 Freedom Business Center Drive, Suite 201 King of Prussia, PA 19406	Software provider for clinical trial management	First lien senior secured revolving loan	8.00% (Base Rate + 3.75%/Q)	12/19/2018		$ 0.5(45)
		First lien senior secured loan	9.15% (Libor + 8.00%/M)	9/1/2020		$ 1.5
		First lien senior secured loan	9.15% (Libor + 8.00%/M)	12/19/2018		$ 3.1
		Limited partnership interest			5.01%	$ 2.2
GS Pretium Holdings, Inc. 15450 South Outer Forty Drive, Suite 120 Chesterfield, MO 63017	Manufacturer and supplier of high performance plastic containers	Common stock			0.41%	$ 0.8
GTCR Valor Companies, Inc. 30 East Randolph Street 7th Floor Chicago, IL 60601	Public relations software as service provider	Second lien senior secured loan	10.69% (Libor + 9.50%/Q)	6/17/2024		$ 100.0
Halcyon Loan Advisors Funding 2014-1 Ltd.(5)(6) P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, Cayman Islands, KY1-1102	Investment vehicle	Subordinated notes	13.80%	4/18/2026		$ 0.4
	Investment vehicle	Subordinated notes	13.50%	7/25/2027		$ 13.0

Halcyon Loan Advisors Funding 2015-2, Ltd.(5)(6) P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, Cayman Islands, KY1-1102						
Halex Holdings, Inc.(4) 4200 Santa Ana Street Ontario, CA 91761	Manufacturer of flooring installation products	First lien senior secured revolving loan		12/31/2018		$ 1.1(46)
		Common stock			100.00%	$
Harvey Tool Company, LLC and Harvey Tool Holding, LLC 428 Newburyport Turnpike Rowley, MA 01969	Manufacturer of cutting tools for the metalworking industry	First lien senior secured revolving loan		3/28/2019		$ (47)
		Senior subordinated loan	11.00%	9/28/2020		$ 28.3
		Class A membership units			1.09%	$ 2.0
HCI Equity, LLC(4)(5)(6) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Investment company	Member interest			100.00%	$ 0.1
Herbert Park B.V.(5)(6) Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost, The Netherlands	Investment vehicle	Subordinated notes		10/20/2026		
Heritage Food Service Group, Inc. and WCI-HFG Holdings, LLC 5130 Executive Boulevard Fort Wayne, IN 46808	Distributor of repair and replacement parts for commercial kitchen equipment	Second lien senior secured loan	9.80% (Libor + 8.50%/Q)	10/20/2022		$ 31.6
		Preferred units			2.50%	$ 3.5
Hygiena Borrower LLC 941 Avenida Acaso Carmarillo, CA 93012	Adenosine triphosphate testing technology provider	First lien senior secured revolving loan		8/26/2022		$ (48)
		Second lien senior secured loan	10.30% (Libor + 9.00%/Q)	8/26/2023		$ 10.7
		Second lien senior secured loan	10.30% (Libor + 9.00%/Q)	8/26/2023		$ 10.0

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value
ICSH Parent, Inc. and Vulcan Container	Industrial container	Second lien senior secured loan		4/28/2025		$ (49)
Services Holdings, Inc.	manufacturer, reconditioner	Second lien senior secured loan	9.17% (Libor + 8.00%/Q)	4/28/2025		$ 63.6
1540 Greenwood Avenue Montebello, CA 90640	and servicer	Series A common stock			1.10%	$ 2.7
IfByPhone Inc. 300 W. Adams Street, Suite 900 Chicago, IL 60606	Voice-based marketing automation software provider	Warrant		10/15/2022	5.00%	$ 0.1(2)
Imaging Business Machines, L.L.C. and	Provider of high-speed	Senior subordinated loan	14.00%	6/15/2022		$ 8.3
Scanner Holdings Corporation(4)	intelligent document scanning	Senior subordinated loan	14.00%	6/15/2022		$ 8.3
2750 Crestwood Blvd Birmingham, AL 35210	hardware and software	Series A preferred stock			85.81%	$ 6.6
		Class A common stock			8.19%	$
		Class B common stock			8.19%	$
Imperial Capital Group LLC	Investment services	Class A common units			2.45%	$ 11.5
2000 Avenue of the Stars, 9th Floor S		2006 Class B common units			2.45%	$
Los Angeles, CA 90067		2007 Class B common units			2.45%	$
Imperial Capital Private Opportunities, LP(6) 2000 Avenue of the Stars, 9th Floor S Los Angeles, CA 90067	Investment partnership	Limited partnership interest			80.00%	$ 15.6
Implus Footcare, LLC	Provider of footwear and	First lien senior secured loan	8.04% (Libor + 6.75%/Q)	4/30/2021		$ 15.1
2001 T.W. Alexander Drive, Box 13925 Durham, NC 27709-3925	other accessories	First lien senior secured loan	8.05% (Libor + 6.75%/Q)	4/30/2021		$ 100.6
Indra Holdings Corp. 9655 International Blvd. Cincinnati, OH 45246	Designer, marketer, and distributor of rain and cold weather products	Second lien senior secured loan	8.67% (Libor + 7.50%/Q)	11/1/2021		$ 55.8
Infilaw Holding, LLC 1100 5th Avenue South, Suite 301	Operator of for-profit law schools	First lien senior secured revolving loan		2/1/2018		$ 2.5(50)
Naples, FL 34102		Series A preferred units			95.34%	$
		Series A-1 preferred units			69.36%	$
		Series B preferred units			6.67%	$
Infogix, Inc. and Infogix Parent Corporation	Enterprise data analytics and	First lien senior secured loan	7.80% (Libor + 6.50%/Q)	12/31/2021		$ 54.6
1240 E. Diehl Rd, Suite 400	integrity software solutions	First lien senior secured loan	7.80% (Libor + 6.50%/Q)	12/31/2021		$ 34.9
Naperville, IL 60563	provider	Series A preferred stock			1.47%	$ 2.8
		Common stock			1.47%	$ 1.7
Inmar, Inc. 2601 Pilgrim CourtWinston Salem, NC 27106	Technology-driven solutions provider for retailers, wholesalers and	Second lien senior secured loan	11.25% (Base Rate + 7.00%/Q)	5/1/2025		$ 27.9

	manufacturers						
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc. Calle Santa Ana 1660 Santurce, Puerto Rico 00909	Private school operator	First lien senior secured revolving loan	12.25% (Base Rate + 8.00%/Q)	5/18/2018		$	12.0(51)
		First lien senior secured loan	10.50% (Libor + 9.00%/Q)	12/31/2018		$	3.0
		Series B preferred stock			5.00%	$	
		Series C preferred stock			3.98%	$	
		Senior preferred series A-1 shares			83.50%	$	47.0
		Common stock			4.02%	$	
Interactions Corporation 31 Hayward Street, Suite E Franklin, MA 02038	Developer of a speech recognition software based customer interaction system	Second lien senior secured loan	9.85% (Libor + 8.60%/M)	3/1/2021		$	5.9
		Second lien senior secured loan	9.85% (Libor + 8.60%/M)	3/1/2021		$	19.2
		Warrant		6/16/2022	3.16%	$	0.3(2)
Intermedix Corporation 424 Church Street, Suite 2400 Nashville, TN 37219	Revenue cycle management provider to the emergency healthcare industry	Second lien senior secured loan	9.55% (Libor + 8.25%/Q)	6/27/2020		$	108.6
InterVision Systems, LLC and InterVision Holdings, LLC 2270 Martin Avenue Santa Clara, CA 95050	Provider of cloud based IT solutions, infrastructure and services	First lien senior secured loan	10.06% (Libor + 8.65%/Q)	5/31/2022		$	32.5
		Class A membership units			2.50%	$	1.0
Ioxus, Inc(3) 18 Stadium Circle Oneonta, NY 13820	Manufacturer of energy storage devices	First lien senior secured loan		12/30/2019		$	0.7
		First lien senior secured loan	12.00% PIK	12/30/2019		$	10.4
		Series CC preferred stock			5.51%	$	
		Warrant		8/24/2026	19.49%	$	(2)
		Warrant		1/27/2027	5.51%	$	(2)
		Warrant		1/27/2026	19.49%	$	(2)
iParadigms Holdings, LLC 1111 Broadway 3rd Floor Oakland, CA 94607	Anti-plagiarism software provider to the education market	Second lien senior secured loan	8.55% (Libor + 7.25%/Q)	7/29/2022		$	38.7

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value
iPipeline, Inc., Internet Pipeline, Inc. and iPipeline Holdings, Inc. 222 Valley Creek Blvd, Suite 300 Exton, PA 19341	Provider of SaaS-based software solutions to the insurance and financial services industry	First lien senior secured revolving loan		8/4/2021		$ (52)
		First lien senior secured loan	7.42% (Libor + 6.25%/Q)	8/4/2022		$ 6.7
		First lien senior secured loan	8.48% (Libor + 7.25%/Q)	8/4/2022		$ 46.4
		First lien senior secured loan	8.48% (Libor + 7.25%/Q)	8/4/2022		$ 14.7
		Preferred stock			0.73%	$ 2.9
		Common stock			0.64%	$
IQMS 2231 Wisteria Lane, Paso Robles, CA 93446	Provider of enterprise resource planning and manufacturing execution software for small and midsized manufacturers	First lien senior secured loan	9.48% (Libor + 8.25%/Q)	3/28/2022		$ 27.8
		First lien senior secured loan	9.48% (Libor + 8.25%/Q)	3/28/2022		$ 10.0
Iron Bow Technologies, LLC 4800 Westfields Boulevard Suite 300 Chantilly,VA 20151	Provider and value added reseller of information technology products and solutions	Second lien senior secured loan	12.80% (Libor + 11.75%/Q)	2/8/2021		$ 9.9
IronPlanet, Inc. 3825 Hopyard Road, Suite 250 Pleasanton, CA 94588	Online auction platform provider for used heavy equipment	Warrant		9/24/2023	7.60%	$ 0.2(2)
Island Medical Management Holdings, LLC 350 Motor Parkway, Suite 309 Hauppauge, NY 11788	Provider of physician management services	First lien senior secured loan		9/1/2022		$ (53)
		First lien senior secured loan	6.68% (Libor + 5.50%/Q)	9/1/2022		$ 4.7
Itel Laboratories, Inc. 6745 Phillips Industrial Boulevard Jacksonville, FL 32256	Data services provider for building materials to property insurance industry	First lien senior secured revolving loan		6/29/2018		$ (54)
		Preferred units			1.89%	$ 1.6
Ivy Hill Asset Management, L.P.(4)(6) 245 Park Avenue, 44th Floor New York, NY 10167	Asset management services	Member interest			100.00%	$ 304.7
Javlin Three LLC, Javlin Four LLC, and Javlin Five LLC(6) 1414 Harney Street Suite 440 Omaha, NE 68102	Asset-backed financial services company	First lien senior secured loan	11.05% (Libor + 10.00%/Q)			$ 18.3
Jazz Acquisition, Inc. c/o Warburg Pincus 450 Lexington Avenue New York, NY 10017	Designer and distributor of aftermarket replacement components to the commercial airlines industry	Second lien senior secured loan	8.05% (Libor + 6.75%/Q)	6/19/2022		$ 22.0

JDC Healthcare Management, LLC 3030 Lyndon B Johnson Fwy #1400 Dallas, TX 75231	Dental services provider	First lien senior secured revolving loan	7.37% (Libor + 6.25%/Q)	4/11/2022		$	0.4(55)
		First lien senior secured loan		4/10/2023		$	(56)
		First lien senior secured loan	7.37% (Libor + 6.25%/Q)	4/10/2023		$	33.0
Joule Unlimited Technologies, Inc. and Stichting Joule Global Foundation 18 Crosby Drive Bedford, MA 01730	Renewable fuel and chemical production developer	First lien senior secured loan		10/1/2018		$	1.4
		Warrant		7/25/2023	0.99%	$	(2)(5)
JWC/KI Holdings, LLC 1701 Crossroads Dr. Odenton, MD 21113	Foodservice sales and marketing agency	Membership units			5.13%	$	4.7
K2 Pure Solutions Nocal, L.P. 260 Queen Street West, 4th Floor Toronto, ON M5V 1Z8 Canada	Chemical producer	First lien senior secured revolving loan	8.36% (Libor + 7.13%/Q)	2/19/2021		$	1.5(57)
		First lien senior secured loan	7.23% (Libor + 6.00%/Q)	2/19/2021		$	40.0
		First lien senior secured loan	7.23% (Libor + 6.00%/Q)	2/19/2021		$	13.0
KBHS Acquisition, LLC (d/b/a Alita Care, LLC) 160 Chubb Avenue, Suite 206, Lyndhurst, NJ 07071	Provider of behavioral health services	First lien senior secured revolving loan	6.00% (Libor + 5.00%/Q)	3/17/2022		$	1.0(15)
Kettle Cuisine, LLC 330 Lynnway Lynn, MA 01901	Manufacturer of fresh refrigerated and frozen food products	Second lien senior secured loan	10.84% (Libor + 9.75%/Q)	2/21/2022		$	28.5

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2017	Fair Value
Key Surgical LLC 8101 Wallace Road Minneapolis, MN 55344	Provider of sterile processing, operating room, and instrument care supplies for hospitals	First lien senior secured revolving loan	6.00% (Libor + 4.75%/Q)	6/1/2022		$ 0.9(58)
		First lien senior secured loan	5.95% (Libor + 4.75%/Q)	6/1/2023		$ 7.3
		First lien senior secured loan	5.75% (Libor + 4.75%/Q)	6/1/2023		$ 16.9
KHC Holdings, Inc. and Kele Holdco, Inc. 3300 Brother Blvd Bartlett, TN 38133	Catalog-based distribution services provider for building automation systems	First lien senior secured revolving loan		10/30/2020		$ (59)
		First lien senior secured loan	7.30% (Libor + 6.00%/Q)	10/31/2022		$ 69.2
		Common stock			2.71%	$ 2.8
Kinestral Technologies, Inc. 400 East Jamie Court, Suite 201 South San Francisco, CA 94080	Designer of adaptive, dynamic glass for the commercial and residential markets.	First lien senior secured loan	8.91% (Libor + 7.75%/M)	10/1/2018		$ 6.2
		Warrant		4/22/2024	0.66%	$ 0.3(2)
		Warrant		4/7/2025	0.41%	$ (2)
KPS Global LLC 4201 N Beach St Fort Worth, TX 76137	Manufacturer of walk-in cooler and freezer systems	First lien senior secured loan	3.65% (Libor + 2.50%/Q)	4/5/2022		$ 3.0
		First lien senior secured loan	8.54% (Libor + 7.39%/Q)	4/5/2022		$ 16.6
		First lien senior secured loan	8.54% (Libor + 7.39%/Q)	4/5/2022		$ 7.2
La Paloma Generating Company, LLC 1700 Pennsylvania Ave NW, Suite 800 Washington DC, 20006	Natural gas fired, combined cycle plant operator	Second lien senior secured loan		2/20/2020		$
Lakeland Tours, LLC 218 West Water Street, Suite 400 Charlottesville, VA 22902	Educational travel provider	First lien senior secured revolving loan	6.04% (Libor + 4.75%/M)	2/10/2022		$ 1.6(60)
		First lien senior secured loan		2/10/2022		$ (61)
		First lien senior secured loan		2/10/2022		$ (62)
		First lien senior secured loan	5.87% (Libor + 4.75%/Q)	2/10/2022		$ 5.0
		First lien senior secured loan	10.74% (Libor + 9.74%/Q)	2/10/2022		$ 31.7
LBP Intermediate Holdings LLC 1325 S. Cicero Ave. Cicero, IL 60804	Manufacturer of paper and corrugated foodservice packaging	First lien senior secured revolving loan		7/10/2020		$ (63)
		First lien senior secured loan	6.80% (Libor + 5.50%/Q)	7/10/2020		$ 11.9
		First lien senior secured loan	6.80% (Libor + 5.50%/Q)	7/10/2020		$ 5.0
Liaison Acquisition, LLC 311 Arsenal Street, Watertown, MA 02472	Provider of centralized applications services to educational associations	First lien senior secured revolving loan		2/8/2022		$ (64)
		Second lien senior secured loan	10.34% (Libor + 9.25%/Q)	8/8/2023		$ 15.0
LightPoint CLO VII, Ltd.(5)(6) P.O. Box 1093 GT Queensgate House South Church Street George Town, Grand Cayman Cayman	Investment vehicle	Subordinated notes		5/15/2021		$

Islands						
LLSC Holdings Corporation (dba Lawrence Merchandising Services)(4) 3500 Holly Lane. North Suite 10 Plymouth, MN 55447	Marketing services provider	Series A preferred stock			100.00%	$ 20.6
		Common stock			100.00%	$
		Warrant		9/28/2017	100.00%	$ (2)
Lonestar Prospects, Ltd. 4413 Carey Street Fort Worth, TX 76119	Sand based proppant producer and distributor to the oil and natural gas industry	First lien senior secured loan	9.20% (Libor + 8.00%/Q)	3/1/2021		$ 15.1
		First lien senior secured loan	9.20% (Libor + 8.00%/Q)	3/1/2021		$ 75.1
LSQ Funding Group, L.C. and LM LSQ Investors LLC(6) 2600 Lucien Way, Suite 100 Maitland, FL 32751	Asset based lender	Senior subordinated loan	10.50%	6/25/2021		$ 3.0
		Senior subordinated loan	10.50%	6/25/2021		$ 27.0
		Membership units			2.12%	$ 3.8
LTG Acquisition, Inc. 900 Klein Road Plano, TX 75074	Designer and manufacturer of display, lighting and passenger communication systems for mass transportation markets	Class A membership units			5.08%	$ 4.0
MacLean-Fogg Company and MacLean-Fogg Holdings, L.L.C. 1000 Allanson Road Mundelein, IL 60060	Manufacturer and supplier for the power utility and automotive markets worldwide	Senior subordinated loan	10.50% Cash, 3.00% PIK	10/9/2025		$ 101.4
		Preferred units	4.50% Cash, 9.25% PIK		93.58%	$ 74.8

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Massage Envy, LLC and ME Equity LLC 14350 N. 87th Street Suites 200, 205 and 230 Scottsdale, AZ 85260	Franchisor in the massage industry	First lien senior secured revolving loan	7.97% (Libor + 6.75%/Q)	9/26/2020		$ 1.5(65)
		First lien senior secured loan		9/28/2020		$ (66)
		First lien senior secured loan	7.97% (Libor + 6.75%/Q)	9/28/2020		$ 1.0
		First lien senior secured loan	8.00% (Libor + 6.75%/Q)	9/28/2020		$ 0.1
		First lien senior secured loan	8.05% (Libor + 6.75%/Q)	9/26/2020		$ 38.7
		First lien senior secured loan	8.05% (Libor + 6.75%/Q)	9/26/2020		$ 18.8
		Common stock			1.62%	$ 3.8
MC Acquisition Holdings I, LLC 825 East Gate Blvd. Garden City, NY 11530	Healthcare professional provider	Class A units			0.56%	$ 1.1
McKenzie Sports Products, LLC 1910 Saint Luke's Church Road Salisbury, NC 28146	Designer, manufacturer and distributor of hunting-related supplies	First lien senior secured revolving loan		9/18/2020		$ (67)
		First lien senior secured loan	4.98% (Libor + 3.75%/Q)	9/18/2020		$ 0.8
		First lien senior secured loan	5.05% (Libor + 3.75%/Q)	9/18/2020		$ 4.7
		First lien senior secured loan	9.26% (Libor + 8.26%/Q)	9/18/2020		$ 83.7
Microstar Logistics LLC, Microstar Global Asset Management LLC, and MStar Holding Corporation 5299 DTC Blvd., Suite 510 Greenwood Village, CO 80111	Keg management solutions provider	Second lien senior secured loan	8.71% (Libor + 7.50%/Q)	12/14/2018		$ 78.5
		Second lien senior secured loan	8.71% (Libor + 7.50%/Q)	12/14/2018		$ 54.0
		Second lien senior secured loan	8.71% (Libor + 7.50%/Q)	12/14/2018		$ 10.0
		Common stock			3.47%	$ 7.5
Miles 33 (Finance) Limited(4)(5) Miles House Easthampstead Road Bracknell RG12 1NJ, UK	Software provider to the regional media industry and magazines	First lien senior secured loan	6.75% (Libor + 6.50%/Q)	9/28/2018		$ 1.6
		First lien senior secured loan	6.75% (Libor + 6.50%/Q)	9/28/2018		$ 3.9
		Senior subordinated loan	4.75% (Libor + 4.50%/Q)	9/30/2021		$ 16.0
		Preferred stock			100.00%	$
		Preferred stock			69.00%	$
		Common stock			60.00%	$
Ministry Brands, LLC and MB Parent HoldCo, L.P. 14488 Old Stage Rd Lenoir City, Tennessee 37772	Software and payment services provider to faith-based institutions	First lien senior secured revolving loan		12/2/2022		$ (68)
		First lien senior secured loan		12/2/2022		$ (69)
		First lien senior secured loan	6.23% (Libor + 5.00%/Q)	12/2/2022		$ 6.5
		First lien senior secured loan	6.23% (Libor + 5.00%/Q)	12/2/2022		$ 16.7
		Second lien senior secured loan		6/2/2023		$ (70)
		Second lien senior secured loan	10.48% (Libor + 9.25%/Q)	6/2/2023		$ 2.9
		Second lien senior secured loan	10.48% (Libor + 9.25%/Q)	6/2/2023		$ 9.2
		Second lien senior secured loan	10.48% (Libor + 9.25%/Q)	6/2/2023		$ 16.6

		Second lien senior secured loan	10.48% (Libor + 9.25%/Q)	6/2/2023	$	90.0
		Class A units			0.55% $	6.8
Mitchell International, Inc. 9889 Willow Creek Road San Diego, CA 92131	Provider of mission-critical software and solutions to the property and casualty claims industry	Second lien senior secured loan	8.67% (Libor + 7.50%/Q)	10/11/2021	$	17.0
Montgomery Lane, LLC and Montgomery Lane, Ltd.(4)(5)(6) 245 Park Avenue, 43rd Floor New York, NY 10167	Investment company	Common stock			100.00% $	0.6
		Common stock			100.00% $	
Moss Creek Resources, LLC 7850 N. Sam Houston Pkwy. W., Suite 300 Houston, TX 77064	Exploration and production company	Senior subordinated loan	9.50% (Libor + 8.00%/Q)	4/7/2022	$	29.6
Moxie Patriot LLC 50 Patriot Lane Montgomery, PA 17752	Gas turbine power generation facilities operator	First lien senior secured loan	7.05% (Libor + 5.75%/Q)	12/21/2020	$	31.9
MPH Energy Holdings, LP 225 S. Main Street Rutland, VT 05701	Operator of municipal recycling facilities	Limited partnership interest			3.13% $	
MVL Group, Inc.(4) 1061 E. Indiantown Road, Suite 300 Jupiter, FL 33477	Marketing research provider	Senior subordinated loan		7/8/2012	$	0.2
		Common stock			56.10% $	

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MW Dental Holding Corp. 680 Hehli Way PO Box 69 Mondovi, WI 54755	Dental services provider	First lien senior secured revolving loan	9.00% (Libor + 7.50%/Q)	4/12/2018		$	4.0(71)
		First lien senior secured loan	9.00% (Libor + 7.50%/Q)	4/12/2018		$	44.6
		First lien senior secured loan	9.00% (Libor + 7.50%/Q)	4/12/2018		$	47.0
		First lien senior secured loan	9.00% (Libor + 7.50%/Q)	4/12/2018		$	19.4
My Health Direct, Inc. 4322 Harding Pike Nashville, TN 37205	Healthcare scheduling exchange software solution provider	Warrant		9/18/2024	4.85%	$	(2)
NAS, LLC, Nationwide Marketing Group, LLC and Nationwide Administrative Services, Inc. 110 Oakwood Dr., Suite 200 Winston-Salem, NC 27103	Buying and marketing services organization for appliance, furniture and consumer electronics dealers	Second lien senior secured loan	9.80% (Libor + 8.75%/Q)	12/1/2021		$	23.6
NECCO Holdings, Inc.(4) 135 American Legion Highway Revere, MA 02151	Producer and supplier of candy	First lien senior secured revolving loan		11/9/2017		$	4.6(72)
		First lien senior secured loan		11/9/2017		$	1.2
		Common stock			100.00%	$	
NECCO Realty Investments LLC(4) 135 American Legion Highway	Real estate holding company	Membership units			100.00%	$	