

ARES CAPITAL CORP
Form 497
September 14, 2016

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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.

**Filed pursuant to Rule 497
Registration No. 333-212788**

**Subject to Completion
Preliminary Prospectus Supplement dated September 14, 2016**

**PROSPECTUS SUPPLEMENT
(To Prospectus dated September 1, 2016)**

\$

% 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 _____, 2017. 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.

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Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page S-13 of this prospectus supplement and page 23 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 September , 2016 and must be paid by the purchaser if the Notes are delivered after September , 2016.

(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 September , 2016.

BofA Merrill Lynch	Wells Fargo Securities	J.P. Morgan	SunTrust Robinson Humphrey
Barclays	Citigroup	Morgan Stanley	
BMO Capital Markets	Deutsche Bank Securities	Mizuho Securities	RBC Capital Markets
			SMBC Nikko

The date of this prospectus supplement is September , 2016.

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:

the American Capital Acquisition (as defined below);

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 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;

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 U.S., the EU and China;

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

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

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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 acquisitions;

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

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

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"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 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).

Other than as specifically set forth herein or in the accompanying prospectus, information presented with respect to the Company does not reflect the completion of the American Capital Acquisition, and any investment decision you make should be made with the understanding that the American Capital Acquisition may not be completed as scheduled, or at all. See "Pending American Capital Acquisition" in the accompanying prospectus for a description of the terms of the American Capital Acquisition, "Risk Factors Risks Relating to the American Capital Acquisition We may fail to complete the American Capital Acquisition, and if the American Capital Acquisition is completed, the combined company may face additional risks" for a description of certain risks relating to the American Capital Acquisition, "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" in the accompanying prospectus for a description of the risks associated with a failure to complete the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" in the accompanying prospectus for a description of the risks that the combined company may face if the American Capital Acquisition is completed.

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 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, 2016, we were the largest BDC with approximately \$9.2 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.

On May 23, 2016, we entered into a definitive agreement (the "Merger Agreement") under which we have agreed, subject to the satisfaction of certain closing conditions, to acquire American Capital, Ltd., a Delaware corporation ("American Capital"), in a cash and stock transaction, which we refer to as the "American Capital Acquisition." We cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" in the accompanying prospectus for a description of the terms of the American Capital Acquisition, "Risk Factors Risks Relating to the American Capital Acquisition We may fail to complete the American Capital Acquisition, and if the American Capital Acquisition is completed, the combined company may face additional risks" for a description of certain risks relating to the American Capital Acquisition, "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" in the accompanying prospectus for a description of the risks associated with a failure to

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complete the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" in the accompanying prospectus for a description of the risks that the combined company may face if the American Capital Acquisition is completed.

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.

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 June 30, 2016, Ares had approximately 340 investment professionals and approximately 550 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.

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 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 SDLP (as defined below) and the SSLP (as defined below), as "non-qualifying assets" should the Staff ultimately disagree with our position.

Co-Investment Programs

Senior Direct Lending Program

In December 2015, 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, 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"). It is expected that the SDLP will commit and hold individual loans of up to \$300 million. We may directly co-invest with the SDLP to accommodate larger transactions. We will provide capital to the SDLP in the form of subordinated certificates (the "SDLP Certificates"), and Varagon and its clients will provide capital to the SDLP in the form of senior notes,

intermediate funding notes and SDLP Certificates. It is expected that we and a client of Varagon will own 87.5% and 12.5%, respectively, of any outstanding SDLP Certificates.

As of June 30, 2016, we and Varagon have agreed to make capital available to the SDLP of \$2.9 billion in the aggregate, of which no amounts were funded. The SDLP will be capitalized as transactions are completed. 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). As of June 30, 2016, we agreed to make available to the SDLP (subject to the approval of the investment committee of the SDLP as described above) approximately \$591 million, of which no amounts were committed or funded. The SDLP Certificates will 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. See "Recent Developments" and Note 16 to our consolidated financial statements for the three and six months ended June 30, 2016 for more information on the SDLP.

Senior Secured Loan Program

The Company 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 representatives of the Company and 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 the Company and GE continue to operate the SSLP. The Company 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; however, the Company and GE may provide capital to support the SSLP's funding of existing commitments (see below) and other amounts to its 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. Prior to closing the sale to CPPIB, GE had announced its intention to provide the Company and CPPIB the opportunity to work together on the SSLP on a go-forward basis. GECC has also stated that if a mutual agreement between us and CPPIB to partner on the SSLP is not reached, it intends to retain its interest in the SSLP and the SSLP would be wound down in an orderly manner. We have been in dialogue with GE and CPPIB to determine if there is an opportunity to work together; however, to date there has been no agreement in respect of the SSLP as a result of these discussions and there can be no assurance that such discussions will continue or any such agreement will be reached.

As of June 30, 2016, the Company and GE had outstanding amounts funded of approximately \$7.1 billion in aggregate principal amount to the SSLP. As discussed above, we anticipate that no new

investments will be made by the SSLP and that the Company and GE will only provide additional capital to support the SSLP's funding of existing commitments and other amounts to its portfolio companies. As of June 30, 2016, the SSLP had commitments to fund delayed draw loans to certain of its portfolio companies of \$94.5 million, which had been approved by the investment committee of the SSLP as described above. As of June 30, 2016, we had funded approximately \$2.0 billion in aggregate principal amount to the SSLP. Additionally, as of June 30, 2016, 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 \$14.9 million. As of June 30, 2016, the fair value of the SSLP Certificates held by us was \$1.9 billion at fair value (including unrealized depreciation of \$38.7 million), which represented approximately 21% of our total portfolio at fair value. As of June 30, 2016, the SSLP had 32 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" in the accompanying prospectus.

Ivy Hill Asset Management, L.P.

As of June 30, 2016, our portfolio company, IHAM, an SEC-registered investment adviser, managed 16 vehicles and served as the sub-manager/sub-servicer for three other vehicles (such vehicles, the "IHAM Vehicles"). As of June 30, 2016, IHAM had assets under management of approximately \$3.5 billion. As of June 30, 2016, Ares Capital had invested approximately \$171.0 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. See Note 4 to our consolidated financial statements for the year ended December 31, 2015 for more information about IHAM and Note 14 to our consolidated financial statements for the three and six months ended June 30, 2016 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 80 U.S.-based investment professionals as of June 30, 2016 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 12 members comprised of certain of the U.S.-based partners of the Ares Credit Group, certain partners in the Ares Private Equity Group and certain partners in the Ares Strategy and Relationship Management Group.

Recent Developments

From July 1, 2016 through August 31, 2016, we made new investment commitments of approximately \$1,090 million, of which \$928 million were funded. As discussed further below, included in the \$1,090 million of new investment commitments was our initial investment in the SDLP Certificates to make co-investments with Varagon and its clients in first lien senior secured loans through SDLP. Overall, of the total new commitments, 51% were in first lien senior secured loans, 20% were in investments in the SDLP Certificates, 15% were in second lien senior secured loans, 10% were in senior subordinated loans, 3% were in preferred equity securities and 1% were in other equity securities. Of the approximately \$1,090 million of new investment commitments, 86% were floating rate, 10% were fixed rate and 4% were non-interest bearing. The weighted average yield of debt and

other income producing securities funded during the period at amortized cost was 10.5%. 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.

In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. As part of the initial funding, pursuant to a forward sale agreement between us and the SDLP, we sold \$529 million of investment commitments to the SDLP, including \$55 million of unfunded commitments, and recorded no realized gains or losses. Varagon and its clients sold \$503 million of investment commitments to the SDLP, including \$51 million of unfunded commitments. Immediately following these sales to the SDLP, the funded SDLP portfolio totaled \$926 million and was comprised of 10 first lien senior secured loans to U.S. middle-market companies and the unfunded commitments to fund delayed draw loans to certain of its portfolio companies totaled \$106 million. To support the acquisition of the initial funded portfolio by the SDLP, clients of Varagon provided \$704 million of capital to the SDLP in the form of notes and \$28 million in the form of SDLP Certificates, while we provided \$194 million of capital in the form of SDLP Certificates. We and a client of Varagon own 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates. We estimate that the initial yield on our investment in the SDLP Certificates will be at least 13.5%. Following this initial funding, the SDLP will make first lien senior secured loans directly to U.S. middle-market companies.

From July 1, 2016 through August 31, 2016, we exited approximately \$1,120 million of investment commitments. Included in the \$1,120 million commitments exited were \$529 million of investment commitments sold to the SDLP. Of the total investment commitments, 81% were first lien senior secured loans and 19% were second lien senior secured loans. Of the approximately \$1,120 million of exited investment commitments, 98% were floating rate and 2% were fixed rate. The weighted average yield of debt and other income producing securities exited or repaid during the period at amortized cost was 8.4%. On the approximately \$1,120 million of investment commitments exited from July 1, 2016 through August 31, 2016, we recognized total net realized gains of approximately \$20 million.

In addition, as of August 31, 2016, we had an investment backlog and pipeline of approximately \$410 million and \$210 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.

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	September , 2016
Issue Date	September , 2016
Maturity Date	
Interest Payment Dates	and , commencing , 2017
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. As of August 31, 2016, our total consolidated indebtedness was approximately \$4.0 billion principal amount, of which approximately \$1,005.0 million was secured indebtedness at the Ares Capital level, and of which an aggregate of approximately \$463.0 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 \$1,265.0 million revolving credit facility (the "Revolving Credit Facility"), the \$540.0 million revolving funding facility of our consolidated subsidiary, Ares Capital CP Funding LLC (the "Revolving Funding Facility"), and/or the \$400.0 million revolving

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	<p>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 August 31, 2016. See "Capitalization."</p>
Denominations	<p>We will issue the Notes in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.</p>
Optional Redemption	<p>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; <i>provided</i>, 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.</p>
Sinking Fund	<p>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.</p>
Offer to Purchase upon a Change of Control Repurchase Event	<p>If a Change of Control Repurchase Event 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.</p>
Legal Defeasance	<p>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.</p>

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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.
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").

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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 August 31, 2016, we had \$1,005.0 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" in the accompanying prospectus 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

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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 August 31, 2016, we had \$330.0 million aggregate principal amount of outstanding indebtedness under the Revolving Funding Facility, \$108.0 million aggregate principal amount of outstanding indebtedness under the SMBC Funding Facility and \$25.0 million aggregate principal amount of the 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) and the 2020 Notes (as defined below) contain a provision that would require us to offer to purchase the Convertible Unsecured Notes, the 2018 Notes or the 2020 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 or 2020 Notes would constitute an event of default under the indentures for the Convertible Unsecured Notes, the 2018 Notes or the 2020 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 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.

RISKS RELATING TO THE AMERICAN CAPITAL ACQUISITION

We may fail to complete the American Capital Acquisition, and if the American Capital Acquisition is completed, the combined company may face additional risks.

We may fail to complete the American Capital Acquisition. See "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" in the accompanying prospectus for a description of the risks associated with a failure to complete the American Capital Acquisition. Additionally, the combined company may face risks if we are successful in completing the American Capital Acquisition. See "Risk Factors Risks Relating to the American Capital Acquisition" in the accompanying prospectus for a description of the risks that the combined company may face if the American Capital Acquisition is completed. For example, if the American Capital Acquisition is completed, we will be assuming certain known and currently unknown liabilities and obligations of American Capital, including with respect to litigation and regulatory matters. American Capital and we are aware that a consolidated putative shareholder class action has been filed by stockholders of American Capital challenging the American Capital Acquisition. See "Risk Factors Risks Relating to the American Capital Acquisition Litigation filed against American Capital's board of directors could prevent or delay the completion of the American Capital Acquisition or result in the payment of damages following completion of the American Capital Acquisition" in the accompanying prospectus. American Capital is also involved in various other legal proceedings and regulatory matters. Neither we nor American Capital can predict the eventual outcome of these proceedings and matters and the ultimate outcome of such proceedings and matters could, upon consummation of the American Capital Acquisition, be material to the results of operations, cash flows or financial condition of the combined company. It is possible that third parties could try to seek to impose liability against the combined company in connection with such proceedings and matters.

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 \$ payable by us.

We expect to use the net proceeds of this offering to repay outstanding indebtedness under the Revolving Credit Facility (\$1,005.0 million aggregate principal amount outstanding as of August 31, 2016), the Revolving Funding Facility (\$330.0 million aggregate principal amount outstanding as of August 31, 2016) and/or the SMBC Funding Facility (\$108.0 million aggregate principal amount outstanding as of August 31, 2016).

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 August 31, 2016, one-, two-, three- and six-month LIBOR was 0.52%, 0.66%, 0.84% and 1.24%, respectively. For \$1,195.0 million of the total Revolving Credit Facility capacity, the expiration date is May 4, 2021 and for the remaining \$70.0 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 applicable spreads ranging from 2.25% to 2.50% and 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 facility. The Revolving Funding Facility is scheduled to expire on May 14, 2019 (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).

Affiliates of certain of the underwriters are lenders under the Revolving Credit Facility or the Revolving 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.

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 August 31, 2016, were approximately \$410 million and \$210 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.

CAPITALIZATION

The following table sets forth our actual capitalization at June 30, 2016. 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 June 30, 2016 (dollar amounts in thousands)
Cash and cash equivalents	\$ 125,926
Debt(1)	
Revolving Credit Facility	\$ 1,165,000
Revolving Funding Facility	53,000
SMBC Funding Facility	122,000
SBA Debentures	25,000
2017 Convertible Notes	162,500
2018 Convertible Notes	270,000
2019 Convertible Notes	300,000
2018 Notes	750,000
2020 Notes	600,000
October 2022 Notes	182,500
2047 Notes	229,557
Total Debt	3,859,557
Stockholders' Equity	
Common stock, par value \$0.001 per share, 500,000,000 common shares authorized, and 313,954,008 common shares issued and outstanding	314
Capital in excess of par value	5,312,800
Accumulated overdistributed net investment income	(21,655)
Accumulated net realized gains on investments, foreign currency transactions, extinguishment of debt and other assets	4,961
Net unrealized gain on investments, foreign currency and other transactions	(78,379)
Total stockholders' equity	5,218,041
Total capitalization	\$ 9,077,598

(1)

The above table reflects the principal amount of indebtedness outstanding as of June 30, 2016. As of August 31, 2016, indebtedness under the Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility were \$1,005.0 million, \$330.0 million and \$108.0 million, respectively. The net proceeds from the sale of the Notes are expected to be used to pay down outstanding indebtedness under the Revolving Funding Facility, the Revolving Credit 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."

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 September , 2016 at an annual rate of % payable semi-annually on and of each year, beginning on , 2017;

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 September _____, 2016 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 _____, 2017.

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 are authorized or obligated by law or executive order to close.

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 August 31, 2016, our total consolidated indebtedness was approximately \$4.0 billion aggregate principal amount outstanding, of which approximately \$1,005.0 million was secured indebtedness at the Ares Capital level, and of which an aggregate of approximately \$463.0 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 \$ billion aggregate principal amount outstanding as of August 31, 2016. 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, (3) J.P. Morgan Securities LLC and (4) a Primary Treasury Dealer (as defined below) 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

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laws and regulations are applicable in connection with the repurchase of the Notes as a result of a 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 and our 2020 Notes contain a provision that would require us to offer to purchase the Convertible Unsecured Notes, the 2018 Notes or the 2020 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 or 2020 Notes would constitute an event of default under the indentures for the Convertible Unsecured Notes, the 2018 Notes or the 2020 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" in the accompanying prospectus 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 \$75 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

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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 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 federal income tax purposes as a result of such defeasance and will be subject to 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 federal income tax purposes as a result of such covenant defeasance and will be subject to 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.

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.

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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 depository for the Global Notes and a successor depository is not appointed within 90 days;

DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depository 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.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of the material U.S. federal income tax considerations (and, in the case of a non-U.S. Holder (as defined below), the material U.S. federal estate tax consequences) 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 Code, Treasury Regulations, 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 income Medicare contribution tax. 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).

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.

Taxation of Note Holders

Taxation of U.S. Holders. 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.

If a Note is issued with original issue discount ("OID"), a U.S. Holder must accrue such OID into income on a constant yield to maturity basis whether or not the U.S. Holder receives cash payments. A Note will have been issued with OID if its stated redemption price exceeds its issue price by as much as 0.25% multiplied by the number of complete years to maturity. The OID will be the amount by which the stated redemption price at maturity exceeds the issue price. The stated redemption price at maturity is the sum of all payments due on a Note other than payments of stated interest.

Upon the sale, exchange, redemption or retirement 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. 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 non-U.S. Holder provides a statement on an IRS Form W-8BEN, W-8BEN-E or other applicable form signed under penalties of perjury that includes its 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 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), 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 or retirement of a

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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.

A Note that is held by an individual who, at the time of such individual's death, is not a citizen or resident of the United States, for U.S. federal estate tax purposes, generally will not be subject to the U.S. federal estate tax, unless, at the time of death, (i) such individual directly or indirectly, actually or constructively, owns ten percent or more of the total combined voting power of all classes of our stock entitled to vote within the meaning of Section 871(h)(3) of the Code and the Treasury Regulations thereunder or (ii) such individual's interest in the Notes is effectively connected with the individual's conduct of a U.S. trade or business.

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 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 (generally by providing an IRS Form W-8BEN-E) 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). 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.

Under the applicable Treasury Regulations, withholding under FATCA generally applies to payments of interest on the Notes from their 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

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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, J.P. Morgan 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.

<u>Underwriter</u>	Principal Amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$
Wells Fargo Securities, LLC	
J.P. Morgan Securities LLC	
SunTrust Robinson Humphrey, Inc.	
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
Morgan Stanley & Co. LLC	
BMO Capital Markets Corp.	
Deutsche Bank Securities Inc.	
Mizuho Securities USA Inc.	
RBC Capital Markets, 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	% \$	

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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 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

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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.

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,

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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.

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 and the Revolving Funding Facility) and may also be lenders to private investment funds managed by IHAM. Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is the documentation agent under our Revolving Credit Facility. 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, J.P. Morgan Securities LLC and SunTrust Robinson Humphrey, Inc. were joint bookrunners and joint lead arrangers for our Revolving Credit Facility. Sumitomo Mitsui Banking Corporation, an affiliate of SMBC Nikko Securities America, Inc., 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. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC also served as financial advisors to us in connection with the American Capital Acquisition, for which they are expected to receive 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, J.P. Morgan Securities LLC SunTrust Robinson Humphrey, Inc., Barclays Capital Inc., Morgan Stanley & Co. LLC, BMO Capital Markets Corp., Deutsche Bank Securities Inc., Mizuho Securities USA Inc. and RBC Capital Markets, LLC, are lenders under the Revolving Credit Facility, an affiliate of Wells Fargo Securities, LLC is a lender under the Revolving Funding Facility and 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.

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 J.P. Morgan

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Securities LLC is 383 Madison Avenue, New York, New York 10179. The principal business address of SunTrust Robinson Humphrey, Inc. is 3333 Peachtree Road NE, Atlanta, Georgia 30326.

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.

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 companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (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, Sutherland Asbill & Brennan 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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PROSPECTUS

\$1,000,000,000

Debt Securities

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.

Investing in our debt securities involves risks that are described in the "Risk Factors" section beginning on page 23 of this prospectus, including the risk of leverage.

We may offer, from time to time, in one or more offerings or series, up to \$1,000,000,000 of our debt securities. Our debt securities may be offered at prices and on terms to be described in one or more supplements to this prospectus. This prospectus and the accompanying prospectus supplement concisely provide important information about us that you should know before investing in our debt 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 September 1, 2016.

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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 \$1,000,000,000 of our debt securities on terms to be determined at the time of the offering. Our debt 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 debt securities that we may offer. Each time we use this prospectus to offer our debt 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).

Other than as specifically set forth herein or in any accompanying prospectus supplement, information presented with respect to the Company does not reflect the completion of the American Capital Acquisition (as defined below), and any investment decision you make should be made with the understanding that the American Capital Acquisition may not be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a description of the terms of the American Capital Acquisition, "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" for a description of the risks that the combined company may face if the American Capital Acquisition is completed.

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 March 31, 2016, we were the largest BDC with approximately \$9.4 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.

As discussed in "American Capital Acquisition" below, on May 23, 2016, we entered into a definitive agreement (the "Merger Agreement") under which we have agreed, subject to the satisfaction of certain closing conditions, to acquire American Capital, Ltd., a Delaware corporation ("American Capital"), in a cash and stock transaction, which we refer to as the "American Capital Acquisition." We cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a description of the terms of the American Capital Acquisition, "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" for a description of the risks that the combined company may face if the American Capital Acquisition is completed.

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,

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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.

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

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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, 2016, Ares had approximately 340 investment professionals and approximately 525 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 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 SDLP (as defined below) and the SSLP (as defined below), as "non-qualifying assets" should the Staff ultimately disagree with our position.

Co-Investment Programs

Senior Direct Lending Program

In December 2015, 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, 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"). It is expected that the SDLP will commit and hold individual loans of up to \$300 million. We may directly co-invest with the SDLP to accommodate larger transactions. We will provide capital to the SDLP in the form of subordinated certificates (the "SDLP Certificates"), and Varagon and its clients will provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. It is expected that we and a client of Varagon will own 87.5% and 12.5%, respectively, of any outstanding SDLP Certificates.

As of June 30, 2016, we and Varagon have agreed to make capital available to the SDLP of \$2.9 billion in the aggregate, of which no amounts were funded. The SDLP will be capitalized as transactions are completed. 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

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and Varagon (with approval from a representative of each required). As of June 30, 2016, we agreed to make available to the SDLP (subject to the approval of the investment committee of the SDLP as described above) approximately \$591 million, of which no amounts were committed or funded. The SDLP Certificates will 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. See "Recent Developments" and Note 16 to our consolidated financial statements for the three and six months ended June 30, 2016 for more information on the SDLP.

Senior Secured Loan Program

The Company 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 representatives of the Company and 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 the Company and GE continue to operate the SSLP. The Company 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; however, the Company and GE may provide capital to support the SSLP's funding of existing commitments (see below) and other amounts to its 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. Prior to closing the sale to CPPIB, GE had announced its intention to provide the Company and CPPIB the opportunity to work together on the SSLP on a go-forward basis. GECC has also stated that if a mutual agreement between us and CPPIB to partner on the SSLP is not reached, it intends to retain its interest in the SSLP and the SSLP would be wound down in an orderly manner. We have been in dialogue with GE and CPPIB to determine if there is an opportunity to work together; however, to date there has been no agreement in respect of the SSLP as a result of these discussions and there can be no assurance that such discussions will continue or any such agreement will be reached. In addition to discussions with CPPIB and GECC, we are also exploring other options with respect to the SSLP's portfolio, although there can be no assurance that we will pursue any of them.

As of June 30, 2016, the Company and GE had outstanding amounts funded of approximately \$7.1 billion in aggregate principal amount to the SSLP. As discussed above, we anticipate that no new investments will be made by the SSLP and that the Company and GE will only provide additional capital to support the SSLP's funding of existing commitments and other amounts to its portfolio companies. As of June 30, 2016, the SSLP had commitments to fund delayed draw loans to certain of its portfolio companies of \$94.5 million, which had been approved by the investment committee of the

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SSLP as described above. As of June 30, 2016, we had funded approximately \$2.0 billion in aggregate principal amount to the SSLP. Additionally, as of June 30, 2016, 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 \$14.9 million. As of June 30, 2016, the fair value of the SSLP Certificates held by us was \$1.9 billion at fair value (including unrealized depreciation of \$38.7 million), which represented approximately 21% of our total portfolio at fair value. As of June 30, 2016, the SSLP had 32 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."

Ivy Hill Asset Management, L.P.

As of June 30, 2016, our portfolio company, IHAM, an SEC-registered investment adviser, managed 16 vehicles and served as the sub-manager/sub-servicer for three other vehicles (such vehicles, the "IHAM Vehicles"). As of June 30, 2016, IHAM had assets under management of approximately \$3.5 billion. As of June 30, 2016, Ares Capital had invested approximately \$171.0 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. See Note 4 to our consolidated financial statements for the year ended December 31, 2015 for more information about IHAM and Note 14 to our consolidated financial statements for the three and six months ended June 30, 2016 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 80 U.S.-based investment professionals as of March 31, 2016 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 12 members comprised of certain of the U.S.-based partners of the Ares Credit Group and certain partners in the Ares Private Equity 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 that the disruption and volatility in the credit markets between 2008 and 2009 reduced capital available to certain specialty finance companies and other capital providers,

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causing a reduction in competition. 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. These market conditions may continue to 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.

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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 one of the largest BDCs 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, 2016, Ares oversaw a portfolio of investments in approximately 1,000 companies, approximately 495 structured assets and approximately 155 properties across over 50 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 15 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;

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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, 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 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. Certain types of co-investment transactions would only be permitted pursuant to an exemptive order from the SEC, for which we have applied. Any such order will be subject to certain terms and conditions. Further there is no assurance that this application for exemptive relief will be granted by the SEC.

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%.

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. To that end, we are evaluating (and expect to continue to evaluate in the future) a number of 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 May 23, 2016 we entered into a definitive agreement to acquire American Capital in a cash and stock transaction. See "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, 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. In connection with evaluating potential strategic acquisition and investment transactions, we have, and may in the future, incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

INDEBTEDNESS

As of June 30, 2016, we had approximately \$3.9 billion in aggregate principal amount of total outstanding indebtedness, approximately \$2.5 billion aggregate principal amount of which was unsecured indebtedness of Ares Capital, approximately \$1.2 billion aggregate principal amount of which was secured indebtedness at the Ares Capital level and approximately \$0.2 billion aggregate principal amount of which was secured indebtedness of our consolidated subsidiaries.

For more information on the Company's debt, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Financial Condition, Liquidity and Capital Resources."

AMERICAN CAPITAL ACQUISITION

On May 23, 2016, we entered into a definitive agreement to acquire American Capital in a cash and stock transaction. American Capital is an internally managed closed-end, non-diversified

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management investment company that has elected to be regulated as a BDC under the Investment Company Act.

If the American Capital Acquisition is completed, American Capital will become a subsidiary of ARCC and American Capital Asset Management, LLC, a wholly owned portfolio company of American Capital ("ACAM"), will merge with and into ARCC's portfolio company IHAM, with IHAM remaining as the surviving entity in such merger.

Simplified Structure Before the Completion of the American Capital Acquisition

Simplified Structure Following the Completion of the American Capital Acquisition

*
Immediately following the Mergers, American Capital will convert into a Delaware limited liability company and withdraw its election as a BDC.

If the American Capital Acquisition is completed, the diversification of our investment portfolio is expected to increase by both issuer and industry, with our largest investment (our investment in subordinated certificates of the SSLP) declining from approximately 21% of our total investment portfolio at fair value as of June 30, 2016 to approximately 16% of the combined company's total investment portfolio at fair value on a pro forma basis as of June 30, 2016. Pro forma for the American Capital Acquisition, no other single portfolio company investment

would represent greater than 5% of the combined company's total investment portfolio at fair value as of June 30, 2016.

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The following table presents the asset mix of investments and number of portfolio companies for Ares Capital as of June 30, 2016 and pro forma for the combined company as of June 30, 2016:

	Actual Ares Capital	Pro Forma Ares Capital Combined
First Lien Senior Secured Loans	29%	26%
Second Lien Senior Secured Loans	31%	31%
SSLP Subordinated Certificates	21%	16%
Senior Subordinated Debt	8%	9%
Collateralized Loan Obligations (CLOs)	0%	3%
Preferred Equity	4%	4%
Other Equity	7%	11%

	Actual Ares Capital	Pro Forma Ares Capital Combined
Number of Portfolio Companies	214	331

The following table presents the industrial composition of our portfolio at fair value as of June 30, 2016 and the combined company's portfolio at fair value on a pro forma basis as of June 30, 2016:

Industry	Actual Ares Capital	Pro Forma Ares Capital Combined
Investment Funds and Vehicles	21.7%	20.2%
Healthcare Services	12.5%	11.4%
Other Services	10.0%	7.8%
Consumer Products	8.0%	7.7%
Business Services	6.7%	11.9%
Power Generation	6.7%	5.0%
Manufacturing	5.3%	4.4%
Financial Services	4.2%	7.4%
Restaurants and Food Services	4.2%	3.1%
Education	3.5%	3.1%
Oil and Gas	2.9%	2.1%
Containers and Packaging	2.8%	2.8%
Automotive Services	2.5%	2.5%
Food and Beverage	2.5%	2.3%
Commerical Real Estate Finance	1.1%	1.2%
Other	5.4%	7.1%
Total	100.0%	100.0%

As of June 30, 2016, we had (i) total assets of approximately \$9.2 billion, (ii) total liabilities of approximately \$4.0 billion and (iii) a net asset value per share of \$16.62. Assuming the American Capital Acquisition was completed as of June 30, 2016, the combined company would have on a pro forma basis as of June 30, 2016 (i) total assets of more than \$12.3 billion, (ii) total liabilities of more than \$5.4 billion, and (iii) a net asset value per share of \$16.25. The information presented in this paragraph and the immediately preceding paragraphs is provided for illustrative purposes only and does not necessarily indicate what the future assets, liabilities, net asset value or asset mix of the combined company will be following the American Capital Acquisition. This pro forma information does not include adjustments to reflect any cost savings or other operational efficiencies that may be realized as a result of the American Capital Acquisition or any future restructuring or integration expenses related

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to the American Capital Acquisition. Additionally, this pro forma information does not include any estimated net increase (decrease) in stockholders' equity resulting from operations or other asset sales and repayments that are not already reflected that may occur between June 30, 2016 and the completion of the American Capital Acquisition. The foregoing information should be read in conjunction with the Unaudited Pro Forma Condensed Consolidated Financial Statements and the corresponding notes included elsewhere in this prospectus.

While there can be no assurances as to the exact timing, or that the American Capital Acquisition will be completed at all, we expect to complete the American Capital Acquisition as early as the fourth quarter of 2016. The completion of the American Capital Acquisition is subject to certain conditions, including, among others, American Capital stockholder approval, Ares Capital stockholder approval, required regulatory approvals, receipt of certain third party consents and other customary closing conditions.

We cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a more detailed description of the terms of the American Capital Acquisition, "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" for a description of the risks that the combined company may face if the American Capital Acquisition is completed.

In connection with the American Capital Acquisition, we entered into an agreement with our investment adviser, dated May 23, 2016, pursuant to which our investment adviser will (i) provide approximately \$275 million of cash consideration payable to American Capital stockholders in accordance with the terms and conditions set forth in the Merger Agreement at closing and (ii) waive, for each of the first ten calendar quarters beginning with the first full calendar quarter after the closing of the American Capital Acquisition, 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.

RECENT DEVELOPMENTS

From July 1, 2016 through July 27, 2016, we made new investment commitments of approximately \$469 million, of which \$343 million were funded. As discussed further below, included in the \$469 million of new investment commitments was our \$217 million initial investment commitment in the SDLP Certificates, of which \$194 million was funded, to make co-investments with Varagon and its clients in first lien senior secured loans through the SDLP. Overall, of the total new commitments, 46% were in investments in the SDLP Certificates, 21% were in first lien senior secured loans, 19% were in senior subordinated loans, 13% were in second lien senior secured loans and 1% were in other equity securities. Of the approximately \$469 million of new investment commitments, 80% were floating rate, 19% were fixed rate and 1% were non-interest bearing. The weighted average yield of debt and other income producing securities funded during the period at amortized cost was 11.7%. 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.

In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. As part of the initial funding, pursuant to a forward sale agreement between us and the SDLP, we sold \$529 million of investment commitments to the SDLP, including \$55 million of unfunded commitments, and recorded no realized gains or losses. Varagon and its clients sold \$503 million of investment commitments to the SDLP, including \$51 million of unfunded commitments. Immediately following these sales to the SDLP, the funded SDLP portfolio totaled \$926 million and was comprised of 10 first lien senior secured loans to U.S. middle-market companies and the unfunded commitments to fund delayed draw loans to certain of its portfolio companies totaled \$106 million. To support the acquisition

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of the initial funded portfolio by the SDLP, clients of Varagon provided \$704 million of capital to the SDLP in the form of notes and \$28 million in the form of SDLP Certificates, while we provided \$194 million of capital in the form of SDLP Certificates. We and a client of Varagon own 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates. We estimate that the initial yield on our investment in the SDLP Certificates will be at least 13.5%. Following this initial funding, the SDLP will make first lien senior secured loans directly to U.S. middle-market companies.

From July 1, 2016 through July 27, 2016, we exited approximately \$752 million of investment commitments. Included in the \$752 million commitments exited were \$529 million of investment commitments sold to the SDLP. Of the total investment commitments, 73% were first lien senior secured loans, 26% were second lien senior secured loans and 1% were senior subordinated loans. Of the approximately \$752 million of exited investment commitments, 99% 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 8.1%. On the approximately \$752 million of investment commitments exited from July 1, 2016 through July 27, 2016, we recognized total net realized gains of approximately \$9 million.

In addition, as of July 27, 2016, we had an investment backlog and pipeline of approximately \$555 million and \$525 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.

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 debt securities. In addition, see "Risk Factors" beginning on page 23 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 debt 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 the European Union (EU) 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.

Our ability to grow depends on our ability to raise 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.

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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.

Our portfolio companies may be highly leveraged.

Our credit ratings may not reflect all risks of an investment in our debt securities.

We may fail to complete the American Capital Acquisition.

Completion of the American Capital Acquisition will cause immediate dilution to our stockholders' voting interests in us and may cause immediate dilution to the net asset value per share of our common stock.

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.

Termination of the Merger Agreement could negatively impact us and, under certain circumstances, the Company and American Capital are obligated to pay each other a termination fee upon termination of the Merger Agreement.

OUR CORPORATE INFORMATION

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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 \$1,000,000,000 of our debt securities on terms to be determined at the time of the offering. We will offer our debt securities at prices and on terms to be set forth in one or more supplements to this prospectus.

We may offer our debt securities directly to one or more purchasers, 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 debt 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 debt securities through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our debt securities.

Set forth below is additional information regarding offerings of our debt securities:

Use of proceeds	Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds from the sale of our debt 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."
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.
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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SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA OF ARES CAPITAL

The following selected financial and other data as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 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, 2016 and June 30, 2015 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, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. 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, 2016 and June 30, 2015 and
As of and For the Years Ended December 31, 2015, 2014, 2013, 2012 and 2011
(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,				
	2016 (Unaudited)	2015 (Unaudited)	2015	2014	2013	2012	2011
Total Investment Income	\$ 493.3	\$ 502.7	\$ 1,025.4	\$ 989.0	\$ 881.7	\$ 748.0	\$ 634.5
Total Expenses	266.1	266.4	499.8	532.9	437.2	387.9	344.6
Net Investment Income Before Income Taxes	227.2	236.3	525.6	456.1	444.5	360.1	289.9
Income Tax Expense, Including Excise Tax	9.2	6.1	17.8	18.3	14.1	11.2	7.5
Net Investment Income	218.0	230.2	507.8	437.8	430.4	348.9	282.4
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies, Extinguishment of Debt and Other Assets	71.0	16.9	(129.1)	153.2	58.1	159.3	37.1
Net Increase in Stockholders' Equity Resulting from Operations	\$ 289.0	\$ 247.1	\$ 378.7	\$ 591.0	\$ 488.5	\$ 508.2	\$ 319.5

Per Share Data:

Net Increase in Stockholder's Equity Resulting from Operations:

Basic	\$ 0.92	\$ 0.79	\$ 1.20	\$ 1.94	\$ 1.83	\$ 2.21	\$ 1.56
Diluted	\$ 0.92	\$ 0.79	\$ 1.20	\$ 1.94	\$ 1.83	\$ 2.21	\$ 1.56
Cash Dividends Declared and Payable(1)	\$ 0.76	\$ 0.81	\$ 1.57	\$ 1.57	\$ 1.57	\$ 1.60	\$ 1.41
Net Asset Value	\$ 16.62	\$ 16.80	\$ 16.46	\$ 16.82	\$ 16.46	\$ 16.04	\$ 15.34
Total Assets(2)	\$ 9,207.6	\$ 9,088.6	\$ 9,506.8	\$ 9,454.3	\$ 8,093.7	\$ 6,360.6	\$ 5,359.7
Total Debt (Carrying Value)(2)	\$ 3,785.4	\$ 3,546.0	\$ 4,113.9	\$ 3,881.0	\$ 2,938.5	\$ 2,155.3	\$ 2,045.9
Total Debt (Principal Amount)	\$ 3,859.6	\$ 3,648.6	\$ 4,196.6	\$ 3,999.3	\$ 3,078.8	\$ 2,293.8	\$ 2,170.5
Total Stockholders' Equity	\$ 5,218.0	\$ 5,282.4	\$ 5,173.3	\$ 5,283.7	\$ 4,904.4	\$ 3,988.3	\$ 3,147.3
Other Data:							
Number of Portfolio Companies at Period End(3)	214	207	218	205	193	152	141
Principal Amount of Investments Purchased	\$ 1,016.0	\$ 1,395.4	\$ 3,905.0	\$ 4,534.3	\$ 3,493.2	\$ 3,161.6	\$ 3,239.0
Principal Amount of Investments Sold and Repayments	\$ 1,203.4	\$ 1,830.6	\$ 3,651.3	\$ 3,212.8	\$ 1,801.4	\$ 2,482.9	\$ 2,468.2
Total Return Based on Market Value(4)	5.0%	10.6%	1.3%	(3.3)%	10.5%	23.6%	2.3%
Total Return Based on Net Asset Value(5)	5.5%	4.7%	7.2%	11.8%	11.4%	14.3%	10.5%
Weighted Average Yield of Debt and Other Income Producing Securities at Fair Value(6):	9.9%	10.6%	10.3%	10.1%	10.4%	11.3%	12.0%
Weighted Average Yield of Debt and Other Income Producing Securities at Amortized Cost(6):	9.8%	10.6%	10.1%	10.1%	10.4%	11.4%	12.1%

(1) Includes an additional dividend of \$0.05 per share paid in the six months ended June 30, 2015, 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,

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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)

For the six months ended June 30, 2016, the total return based on market value equaled the increase 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 six months ended June 30, 2015, the total return based on market value equaled the increase

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of the ending market value at June 30, 2015 of \$16.46 per share from the ending market value at December 31, 2014 of \$15.61 per share plus the declared and payable dividends of \$0.81 per share for the six months ended June 30, 2015, divided by the market value at December 31, 2014. 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. For the year ended December 31, 2011, the total return based on market value equaled the decrease of the ending market value at December 31, 2011 of \$15.45 per share from the ending market value at December 31, 2010 of \$16.48 per share plus the declared and payable dividends of \$1.41 per share for the year ended December 31, 2011, divided by the market value at December 31, 2010. 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.

(5)

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 six months ended June 30, 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 \$0.81 per share for the six months ended June 30, 2015, 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 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. For the year ended December 31, 2011, 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 \$1.41 per share for the year ended December 31, 2011 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. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(6)

"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) total accruing debt and other income producing securities at amortized cost or at fair value as applicable.

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

	2016		
		Q2	Q1
Total investment income	\$	245,262	\$ 248,050
Net investment income before net realized and unrealized gains and income based fees and capital gains incentive fees	\$	144,614	\$ 145,614
Income based fees and capital gains incentive fees	\$	39,350	\$ 32,884
Net investment income before net realized and unrealized gains	\$	105,264	\$ 112,730
Net realized and unrealized gains	\$	52,136	\$ 18,811
Net increase in stockholders' equity resulting from operations	\$	157,400	\$ 131,541
Basic and diluted earnings per common share	\$	0.50	\$ 0.42
Net asset value per share as of the end of the quarter	\$	16.62	\$ 16.50

	2015			
	Q4	Q3	Q2	Q1
Total investment income	\$ 261,676	\$ 260,948	\$ 249,479	\$ 253,247
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees	\$ 150,782	\$ 159,691	\$ 145,134	\$ 146,822
Income based fees and capital gains incentive fees	\$ 3,679	\$ 29,214	\$ 36,631	\$ 25,145
Net investment income before net realized and unrealized gains (losses)	\$ 147,103	\$ 130,477	\$ 108,503	\$ 121,677
Net realized and unrealized gains (losses)	\$ (132,390)	\$ (13,618)	\$ 38,019	\$ (21,101)
Net increase in stockholders' equity resulting from operations	\$ 14,713	\$ 116,859	\$ 146,522	\$ 100,576
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

	2014			
	Q4	Q3	Q2	Q1
Total investment income	\$ 270,917	\$ 253,396	\$ 224,927	\$ 239,719
Net investment income before net realized and unrealized gains and income based fees and capital gains incentive fees	\$ 166,532	\$ 149,722	\$ 127,699	\$ 141,589
Income based fees and capital gains incentive fees	\$ 38,347	\$ 44,432	\$ 35,708	\$ 29,253
Net investment income before net realized and unrealized gains	\$ 128,185	\$ 105,290	\$ 91,991	\$ 112,336
Net realized and unrealized gains	\$ 25,202	\$ 72,449	\$ 50,840	\$ 4,656
Net increase in stockholders' equity resulting from operations	\$ 153,387	\$ 177,739	\$ 142,831	\$ 116,992
Basic and diluted earnings per common share	\$ 0.49	\$ 0.57	\$ 0.48	\$ 0.39
Net asset value per share as of the end of the quarter	\$ 16.82	\$ 16.71	\$ 16.52	\$ 16.42

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UNAUDITED SELECTED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following tables set forth unaudited pro forma condensed consolidated financial data for the Company and American Capital as a combined company after giving effect to the merger of Orion Acquisition Sub, Inc. ("Acquisition Sub"), a wholly owned subsidiary of the Company, with and into American Capital, with American Capital remaining as the surviving entity in such merger as a wholly owned subsidiary of the Company (the "Merger") and the merger of ACAM with and into IHAM, with IHAM remaining as the surviving entity in such merger (the "ACAM Merger" and together with the Merger, the "Mergers"). The information as of June 30, 2016 is presented as if the Mergers had been completed on June 30, 2016 and after giving effect to the Mortgage Manager Sale (as defined below) and certain other transactions that occurred or are expected to occur subsequent to June 30, 2016 (collectively, the "Other Pro Forma Transactions"). The unaudited pro forma condensed consolidated financial data for the six months ended June 30, 2016 and for the year ended December 31, 2015 are presented as if the Mergers and the Other Pro Forma Transactions had been completed on December 31, 2014. Such unaudited pro forma condensed consolidated financial data is based on the historical financial statements of the Company and American Capital from publicly available information and certain assumptions and adjustments as discussed in Note 3 of the accompanying notes to the pro forma condensed consolidated financial statements in the section entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements." In the opinion of management, adjustments necessary to reflect the direct effect of these transactions have been made. The merger of Acquisition Sub with and into American Capital will be accounted for under the acquisition method of accounting as provided by ASC 805-50, *Business Combinations-Related Issues*.

The unaudited pro forma condensed consolidated financial data should be read together with the respective historical audited and unaudited consolidated financial statements and related notes of American Capital and the Company included in this prospectus. The unaudited pro forma condensed consolidated financial data are presented for illustrative purposes only and do not necessarily indicate what the future operating results or financial position of the combined company will be following completion of the Mergers. The unaudited pro forma condensed consolidated financial data does not include adjustments to reflect any cost savings or other operational efficiencies that may be realized as a result of the Mergers or any future restructuring or integration expenses related to the Mergers. Additionally, the unaudited pro forma condensed consolidated financial data does not include any estimated net increase (decrease) in stockholders' equity resulting from operations or other asset sales and repayments that are not already reflected that may occur between June 30, 2016 and the completion of the Mergers.

We and American Capital cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a description of the terms of the American Capital Acquisition and "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition.

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(dollar amounts in millions)

	Pro Forma Ares Capital	
	For the Six Months Ended June 30, 2016	For the Year Ended December 31, 2015
Total Investment Income	\$ 734	\$ 1,580
Total Expenses	360	755
Net Investment Income Before Taxes	374	825
Income Tax Expense, Including Excise Tax	9	18
Net Investment Income	365	807
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies and Extinguishment of Debt	48	(352)
Net Increase in Stockholders' Equity Resulting from Operations	\$ 413	\$ 455

	Actual		Pro Forma	
	Ares Capital		Ares Capital	
	As of June 30, 2016		As of June 30, 2016	
Total Assets	\$	9,208	\$	12,384
Total Debt (at Carrying Value)	\$	3,785	\$	5,086
Stockholders' Equity	\$	5,218	\$	6,904

Table of Contents**UNAUDITED PRO FORMA PER SHARE DATA**

The following selected unaudited consolidated pro forma per share information for the six months ended June 30, 2016 and for the year ended December 31, 2015 is presented as if the Mergers and the Other Pro Forma Transactions had been completed on December 31, 2014. The unaudited pro forma consolidated net asset value per common share outstanding reflects the Mergers and the Other Pro Forma Transactions as if they had been completed on June 30, 2016.

Such unaudited pro forma consolidated per share information is based on the historical financial statements of the Company and American Capital from publicly available information and certain assumptions and adjustments as discussed in the section entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements." This unaudited pro forma consolidated per share information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of the Company or American Capital would have been had the Mergers and the Other Pro Forma Transactions been completed at the beginning of the periods or on the dates indicated, nor are they necessarily indicative of any future operating results or financial position of the combined company following the completion of the Mergers. The following should be read in connection with the section entitled "Unaudited Pro Forma Condensed Consolidated Financial Statements" and other information included in or incorporated by reference into this prospectus.

We and American Capital cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a description of the terms of the American Capital Acquisition, "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition.

	As of and For the Six Months Ended June 30, 2016				For the Year Ended December 31, 2015			
	Pro forma		Per		Pro forma		Per	
	Ares Capital	American Capital	Ares Capital	American Capital(3)	Ares Capital	American Capital	Ares Capital	American Capital(3)
Net Increase (Decrease) in Stockholders' Equity Resulting from Operations:								
Basic	\$ 0.92	\$ 0.12	\$ 0.97	\$ 0.47	\$ 1.20	\$ (0.70)	\$ 1.07	\$ 0.52
Diluted	\$ 0.92	\$ 0.11	\$ 0.97	\$ 0.47	\$ 1.20	\$ (0.70)	\$ 1.07	\$ 0.52
Cash Dividends Declared(1)	\$ 0.76	\$	\$ 0.76	\$ 0.37	\$ 1.57	\$	\$ 1.57	\$ 0.76
Net Asset Value per Share(2)	\$ 16.62	\$ 20.77	\$ 16.24	\$ 7.85				

- (1) The cash dividends declared per share represent the actual dividends declared per share for the period presented. The pro forma consolidated cash dividends declared are the dividends per share as declared by the Company.
- (2) The pro forma consolidated net asset value per share is computed by dividing the pro forma consolidated net assets as of June 30, 2016 by the pro forma consolidated number of shares outstanding.
- (3) The American Capital equivalent pro forma per share amount is calculated by multiplying the pro forma consolidated Ares Capital per share amounts by the common stock exchange ratio of 0.483.

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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 debt 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 trading price, if any, of our debt 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, beginning in the latter half of 2015 and continuing into 2016, economic uncertainty and market volatility in China and geopolitical unrest in the Middle East, combined with continued volatility of oil prices, among other factors, have caused disruption in the capital markets, including the markets in which we participate. In addition, 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 continue 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 12, 2016, 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 12, 2017.

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

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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 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 the E.U. could have a significant adverse effect on our business, financial condition and results of operations.

Due to federal budget deficit concerns, 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 and 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.

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these nations to continue to service their sovereign debt obligations. While the financial stability of many of such countries has improved significantly, risks resulting from any future debt crisis in Europe or any similar crisis could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European financial institutions. In July and August 2015, Greece reached agreements with its international creditors for bailouts that provide aid in exchange for austerity terms that had previously been rejected by Greek voters. 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. In June 2016, British voters passed a referendum to exit the E.U. leading to heightened volatility in global markets and foreign currencies. 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.

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In October 2014, the Federal Reserve announced that it was concluding its bond-buying program, or quantitative easing, which was designed to stimulate the economy and expand the Federal Reserve's holdings of long-term securities, suggesting that key economic indicators, such as the unemployment rate, had showed signs of improvement since the inception of the program. It is unclear what effect, if any, the conclusion of the Federal Reserve's bond-buying program will have on the value of our investments. Additionally, in December 2015, the Federal Reserve raised the federal funds rate. These developments, along with the United States government's credit and deficit concerns, the European sovereign debt crisis and the economic slowdown in China, could cause interest rates and borrowing costs to rise, 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

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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.

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 or 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 become 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 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 the Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility (each as defined below and together, the "Facilities"), obtain other lines of credit or issue senior securities at all or on terms acceptable to us.

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, 2016, our asset coverage calculated in accordance with the Investment Company Act was 234%. 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.

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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 12, 2016, 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 12, 2017.

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 our 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 have 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, 2016, we had approximately \$1,340.0 million of outstanding borrowings under the Facilities, approximately \$25.0 million in aggregate principal amount outstanding of the SBA-guaranteed debentures (the "SBA Debentures"), approximately \$732.5 million in aggregate principal amount outstanding of the 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes (each as defined below and together, the "Convertible Unsecured Notes") and approximately \$1,762.1 million in aggregate principal amount outstanding of the 2018 Notes, the 2020 Notes, the October 2022 Notes and the 2047 Notes (each as defined below and together, the "Unsecured Notes"). In order for us to cover our annual interest payments on our outstanding indebtedness at June 30, 2016, we must achieve annual returns on our June 30, 2016 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, 2016 was 3.9%. We intends 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." Our ability to service its debt depends largely on its financial performance and is subject to prevailing

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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.

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

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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.

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

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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

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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.

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 minimum of 55% (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. 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.

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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.

Our investment portfolio includes our investment in the SSLP, which as of June 30, 2016, represented approximately 21% of our total portfolio at fair value. In addition, for the six months ended June 30, 2016, approximately 26% of our total investment income was earned from our investment in the SSLP. The income earned from the SSLP is derived from the interest and fee income earned by the SSLP from its investments in first lien senior secured loans of middle market companies. We provide capital to the SSLP in the form of SSLP Certificates, which had a 10.2% yield at fair value as of June 30, 2016 and are junior in right of payment to the senior notes held by GE in the SSLP. 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." Our return on and repayment of our investment in the SSLP Certificates depends on the performance of the loans in the SSLP's portfolio in the aggregate. Accordingly, any material degradation in the performance of the loans in the SSLP's portfolio in the aggregate would have a negative effect on the yield on our SSLP Certificates and could ultimately result in the loss of some or all of our investment in the SSLP Certificates.

As discussed in this prospectus, GE sold its U.S. Sponsor Finance business, through which GE had participated with us in the SSLP, to CPPIB. While GECC has announced its intention to continue to operate the SSLP and to provide us and CPPIB the opportunity to work together on the SSLP on a go-forward basis, it has also stated that if a mutual agreement between us and CPPIB to partner on the SSLP is not reached, it intends to retain its interest in the SSLP and the SSLP would be wound down in an orderly manner. We notified the SSLP on June 9, 2015 of our election to terminate, effective 90 days thereafter, our obligation to present senior secured lending investment opportunities to the SSLP prior to pursuing such opportunities for ourselves. We do not anticipate that we will make any investments in the SSLP 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. As a result of these events, we expect that the aggregate SSLP portfolio will decline over time as loans in the program are repaid or exited, and as a result the portion of our earnings attributable to our investment in the SSLP will decline over time as well.

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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 have significant responsibilities for other Ares funds. For example, Mr. Bennett Rosenthal is required to devote a substantial majority of his business time to the affairs of the Ares Private Equity Group. Similarly, although the professional staff of our investment adviser will devote as much time to the management of the Company 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 the Company, 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 the business of the Company but will instead be allocated between the business of the Company 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 investment opportunities 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.

We have from time to time sold assets to IHAM and the IHAM Vehicles 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 vehicles managed by one or more of our controlled affiliates. 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

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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.

In connection with the American Capital Acquisition, our investment adviser has agreed to waive, for each of the first ten calendar quarters beginning with the first full calendar quarter after the closing of the American Capital Acquisition, the lesser of (1) \$10 million of the income based fees and (2) 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.

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 the Company 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 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

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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 the investment and tax objectives of the Company and 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 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

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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 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.

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

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adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person 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 person 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 the Company, 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, 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 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.

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, 2016, AVF LP held approximately \$74.8 million in assets and accounted for approximately 0.87% of our total assets. AVF LP obtains leverage by issuing the SBA Debentures. As of June 30, 2016, AVF LP had approximately \$25 million in aggregate principal amount of the SBA Debentures outstanding.

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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.

We may fail to complete the American Capital Acquisition.

While there can be no assurances as to the exact timing, or that the American Capital Acquisition will be completed at all, we expect to complete the American Capital Acquisition as early as the fourth quarter of 2016. The completion of the American Capital Acquisition is subject to certain conditions, including, among others, American Capital stockholder approval, our stockholder approval, required regulatory approvals, receipt of certain third party consents and other customary closing conditions. We intend to complete the American Capital Acquisition as soon as possible; however, we cannot assure you that the conditions required to complete the American Capital Acquisition will be satisfied or waived on the anticipated schedule, or at all. If the American Capital Acquisition is not completed, we will have incurred substantial expenses for which no ultimate benefit will have been received. See "Risk Factors Risks Relating to the American Capital Acquisition If the American Capital Acquisition does not close, we won't benefit from the expenses incurred in its pursuit." In addition, the Merger Agreement provides that, in connection with the termination of the Merger Agreement under specified circumstances, American Capital or the Company may be required to pay the other party a termination fee of \$140 million. See "Risk Factors Risks Relating to the American Capital Acquisition Under certain circumstances, American Capital and the Company are obligated to pay each other a termination fee upon termination of the Merger Agreement." See "Pending American Capital Acquisition" for a description of the terms of the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" for a description of the risks that the combined company may face if the American Capital Acquisition is completed. Any investment decision you make should be made with the understanding that the completion of the American Capital Acquisition may not happen as scheduled, or at all.

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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 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 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.

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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;

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.

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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 our portfolio companies' 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;

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

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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.

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

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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 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, 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.

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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.

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

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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.

RISKS RELATING TO OFFERINGS PURSUANT TO THIS PROSPECTUS

There is a risk 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 that do not pay current dividends, it could reduce the amount available for distribution.

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.

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.

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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 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.

RISKS RELATING TO THE AMERICAN CAPITAL ACQUISITION

Completion of the American Capital Acquisition will cause immediate dilution to our stockholders' voting interests in us and may cause immediate dilution to the net asset value per share of our common stock.

Upon completion of the American Capital Acquisition, each share of American Capital Common Stock issued and outstanding immediately prior to the effective time of the American Capital Acquisition will be converted into the right to receive, in accordance with the Merger Agreement, certain cash consideration as well as stock consideration from us at the exchange ratio of 0.483 shares of common stock, par value \$0.001 per share, of our common stock (the "Exchange Ratio"). The Exchange Ratio of 0.483 of a share of our common stock for each share of American Capital Common Stock was fixed on May 23, 2016, the date of the signing of the Merger Agreement, and is not subject to adjustment based on changes in the trading price of our or American Capital Common Stock before the closing of the American Capital Acquisition. Based on the number of shares of American Capital Common Stock outstanding on the date of the Merger Agreement, this would result in approximately 110.8 million of our shares being exchanged for approximately 229.3 million outstanding American Capital shares, subject to adjustment in certain limited circumstances. If the American Capital Acquisition is completed, based on the number of our common shares issued and outstanding on the date hereof, our stockholders will own approximately 74% of the combined company's outstanding common stock and American Capital stockholders will own approximately 26% of the combined company's outstanding common stock. Consequently, our stockholders should expect to exercise less influence over the management and policies of the combined company following the American Capital Acquisition than they currently exercise over our management and policies.

Any change in the market price of our common stock prior to completion of the American Capital Acquisition will affect the value of the stock portion of the American Capital Acquisition consideration that holders of American Capital Common Stock will receive upon completion of the American Capital Acquisition. The conversion of shares of American Capital Common Stock into shares of our common stock may result in the issuance of shares of our common stock at a price below our net asset value per share, which would result in dilution to the net asset value per share of our common stock.

We cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a description of the terms of the American

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Capital Acquisition and "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition."

We may be unable to realize the benefits anticipated by the American Capital Acquisition and subsequent combination, including estimated cost savings and synergies, or it may take longer than anticipated to achieve such benefits.

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 investment portfolio or business. There can be no assurance that American Capital's investment portfolio or business can be operated profitably or integrated successfully into ours in a timely fashion or at all. The dedication of management resources to such integration may detract attention from the day-to-day business of the Company and there can be no assurance that there will not be substantial costs associated with the transition process or 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 the financial results of the combined company.

In connection with the American Capital Acquisition, our investment adviser has agreed to (1) provide approximately \$275 million of cash consideration, or \$1.20 per share of American Capital Common Stock, payable to American Capital stockholders in accordance with the terms and conditions set forth in the Merger Agreement at the effective time of the Mergers and (2) waive, for each of the first ten calendar quarters beginning with the first full calendar quarter after the closing of the American Capital Acquisition, 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 the investment advisory and management agreement.

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.

American Capital's and our inability to obtain consents with respect to certain certain investment funds managed by ACAM and its subsidiaries representing at least 75% of the aggregate assets under management of such funds as of March 31, 2016 could delay or prevent the completion of the American Capital Acquisition.

Under the Merger Agreement, American Capital's and our obligation to complete the American Capital Acquisition is subject to the prior receipt of consents required to be obtained from certain investment funds managed by ACAM, with respect to aggregate assets under management of such consenting funds representing at least 75% of the aggregate assets under management of all such funds as of March 31, 2016 and approvals and consents required to be obtained from other third parties. Although American Capital and we expect that all such approvals and consents will be obtained and remain in effect and all conditions related to such consents will be satisfied, if they are not, the closing of the American Capital Acquisition could be significantly delayed or the American Capital Acquisition may not occur at all.

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The American Capital Acquisition may trigger certain "change of control" provisions and other restrictions in contracts of American Capital, the Company or their affiliates and the failure to obtain any required consents or waivers could adversely impact the combined company.

Certain agreements of American Capital and the Company or their affiliates, including with respect to certain funds managed by ACAM and its affiliates, will or may require the consent or waiver of one or more counter-parties in connection with the American Capital Acquisition. The failure to obtain any such consent or waiver may permit such counter-parties to terminate, or otherwise increase their rights or the combined company's obligations under, any such agreement because the American Capital Acquisition may violate an anti-assignment, change of control or other provision relating to any of such transactions. If this happens, we may have to seek to replace such an agreement with a new agreement or seek an amendment to such agreement. American Capital and the Company cannot assure you that we will be able to replace or amend any such agreement on comparable terms or at all.

If any such agreement is material, the failure to obtain consents, amendments or waivers under, or to replace on similar terms or at all, any of these agreements could adversely affect the financial performance or results of operations of the combined company following the American Capital Acquisition, including preventing the Company from operating a material part of American Capital's business.

In addition, the completion of the American Capital Acquisition may violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event that, with or without notice or lapse of time or both, would constitute a default) under, or result in the termination, cancellation, acceleration or other change of any right or obligation (including any payment obligation) under agreements of American Capital or the Company. Any such violation, conflict, breach, loss, default or other effect could, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, assets or business of the combined company following completion of the American Capital Acquisition.

Litigation filed against American Capital's board of directors could prevent or delay the completion of the American Capital Acquisition or result in the payment of damages following completion of the American Capital Acquisition.

American Capital and we are aware that a consolidated putative shareholder class action has been filed by stockholders of American Capital challenging the American Capital Acquisition. The action asserts claims against the members of American Capital's board of directors alleging that the Merger Agreement is the product of a flawed sales process and that American Capital's directors breached their fiduciary duties by facilitating the acquisition of American Capital by the Company for inadequate consideration and agreeing to lock up the American Capital Acquisition with deal protection devices that preclude other bidders from making a successful competing offer for American Capital. The action demands, among other things, the enjoining of a shareholder vote on the merger and the rescinding of the American Capital Acquisition or any part thereof that has already been implemented. In the event that the proposed American Capital Acquisition is completed, the complaint seeks to recover compensatory damages for all losses resulting from the alleged breaches of fiduciary duty. This legal proceeding could delay or prevent the American Capital Acquisition from becoming effective within the agreed upon timeframe or at all, and, if the American Capital Acquisition is completed, may be material to the results of operations, cash flows or financial condition of the combined company. It is possible that third parties could try to seek to impose liability against the combined company in connection with this matter or other potential legal proceedings.

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Termination of the Merger Agreement could negatively impact us.

If the Merger Agreement is terminated, there may be various consequences, including:

our business may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the American Capital Acquisition, without realizing any of the anticipated benefits of completing the American Capital Acquisition;

the market price of our common stock might decline to the extent that the market price prior to termination reflects a market assumption that the American Capital Acquisition will be completed; and

the payment of any reverse termination fee, if required under the circumstances, could adversely affect our financial condition and liquidity.

Under certain circumstances, American Capital and the Company are obligated to pay each other a termination fee upon termination of the Merger Agreement.

No assurance can be given that the American Capital Acquisition will be completed. The Merger Agreement provides for the payment by American Capital to us of a termination fee of \$140 million if the Merger Agreement is terminated by American Capital or us under certain circumstances. If American Capital stockholders do not adopt the Merger Agreement and the Merger Agreement is terminated, American Capital will be required to reimburse us for our expenses up to \$15 million, which amount will reduce, on a dollar for dollar basis, any termination fee that becomes payable by American Capital to us. In addition, the Merger Agreement provides for a payment by us to American Capital of a reverse termination fee of \$140 million under certain other circumstances. If the issuance of the shares of our common stock to be issued pursuant to the Merger Agreement (including, if applicable, at a price below its then current net asset value per share) does not receive required stockholder and other Investment Company Act approvals, if any, and the Merger Agreement is terminated, we will be required to reimburse American Capital for its expenses up to \$15 million, which amount will reduce, on a dollar for dollar basis, any termination fee that becomes payable by us to American Capital.

The market price of our common stock after the completion of the American Capital Acquisition may be affected by factors different from those affecting American Capital Common Stock or our common stock currently.

Our business differs from that of American Capital in some respects and, accordingly, the results of operations of the combined company and the market price of our common stock after the completion of the American Capital Acquisition may be affected by factors different from those currently affecting our results of operations or American Capital's results of operations prior to the completion of the American Capital Acquisition.

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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:

the American Capital Acquisition;

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 recover unrealized losses;

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

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 U.S., the EU and China;

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

Middle East turmoil and the potential for fluctuating 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 acquisitions;

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

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.

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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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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under the Merger Agreement, subject to the completion of the Mergers, American Capital stockholders will receive approximately \$1.47 billion in cash from us, or \$6.41 per share, plus 0.483 shares of Ares Capital common stock for each share of American Capital common stock, resulting in approximately 111.0 million shares of Ares Capital common stock issued in exchange for approximately 229.9 million shares of American Capital common stock. The purchase price is approximately \$3.2 billion in total cash and stock consideration from us which is based upon a closing price of \$15.14 per share of Ares Capital common stock as of July 31, 2016 and an implied value per share of American Capital common stock of \$13.72. Additionally as part of the total merger consideration received by American Capital stockholders, Ares Capital Management will provide approximately \$275 million of cash, or \$1.20 per fully diluted share, to American Capital stockholders at closing. Separately, upon completion of the Mergers, each share of American Capital common stock will also be entitled to receive \$2.45 per share in cash (representing an aggregate amount of approximately \$563 million), which amount represents the per share cash consideration to be paid to American Capital as a result of the completion of the Mortgage Manager Sale, which was completed on July 1, 2016. The unaudited pro forma condensed consolidated financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of both American Capital and the Company, which are included elsewhere in this prospectus. See "Index to Financial Statements."

The following unaudited pro forma condensed consolidated financial information and explanatory notes illustrate the effect of the Mergers on our financial position and results of operations based upon our and American Capital's respective historical financial positions and results of operations under the acquisition method of accounting with the Company treated as the acquirer.

In accordance with GAAP, the acquired assets and assumed liabilities of American Capital will be recorded by us at their estimated fair values as of the effective time. The unaudited pro forma condensed consolidated financial information of the Company and American Capital reflects the unaudited pro forma condensed consolidated balance sheet as of June 30, 2016 and the unaudited pro forma condensed consolidated income statements for the six months ended June 30, 2016 and the year ended December 31, 2015. The unaudited pro forma condensed consolidated balance sheet as of June 30, 2016 assumes the Mergers and the Other Pro Forma Transactions had been completed on June 30, 2016. The unaudited pro forma condensed consolidated statements of income for the six months ended June 30, 2016 and the year ended December 31, 2015 assumes the Mergers and the Other Pro Forma Transactions had been completed on December 31, 2014.

The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and does not necessarily indicate the results of operations or the combined financial position that would have resulted had the Mergers and the Other Pro Forma Transactions been completed at the beginning of the applicable period presented, nor the impact of potential expense efficiencies of the Mergers, certain potential asset dispositions and other factors. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed consolidated financial information, the allocation of the pro forma purchase price reflected in the unaudited pro forma condensed consolidated financial information involves estimates, is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the Mergers and the Other Pro Forma Transactions. Additionally, the unaudited pro forma condensed consolidated financial data does not include any estimated net increase (decrease) in stockholders' equity resulting from operations or other asset sales and repayments that are not already reflected that may occur between June 30, 2016 and the completion of the Mergers.

We cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a description of the terms of the American Capital Acquisition and "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition.

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Ares Capital Corporation and Subsidiaries
Pro Forma Condensed Consolidated Balance Sheet
As of June 30, 2016
Unaudited
(in millions, except share and per share data)

	Actual Ares Capital	Adjusted American Capital(A)	Pro Forma Adjustments	Pro Forma Ares Capital Combined
Assets and Liabilities Data:				
Investments, at fair value	\$ 8,900	\$ 3,291	\$ (181) (B)	\$ 12,010
Cash and cash equivalents	126	896	(724) (B)	87
			(1,474) (C)	
			1,263 (D)	
Other assets	182	345	(245) (B)	287
			5 (D)	
Total assets	\$ 9,208	\$ 4,532	\$ (1,356)	\$ 12,384
Debt	\$ 3,785	\$	\$ 1,301 (D)	\$ 5,086
Other liabilities	205	124	71 (B)	394
			(6) (D)	
Total liabilities	3,990	124	1,366	5,480
Stockholders' equity	5,218	4,408	(1,221) (B)	6,904
			(1,474) (C)	
			(27) (D)	
Total liabilities and stockholders' equity	\$ 9,208	\$ 4,532	\$ (1,356)	\$ 12,384
Total shares outstanding	313,954,008	216,066,309	111,053,353	425,007,361
Net assets per share	\$ 16.62	\$ 20.40		\$ 16.24

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

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Ares Capital Corporation and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
For the Six Months Ended June 30, 2016
Unaudited
(in millions, except share and per share data)

	Actual Ares Capital	Actual American Capital	Pro Forma Adjustments	Pro Forma Ares Capital Combined
Performance Data:				
Interest and dividend income	\$ 448	\$ 270	\$ (57) (E)	\$ 661
Fees and other income	45	34	(6) (E)	73
Total investment income	493	304	(63)	734
Interest and credit facility fees	96	30	(21) (F)	122
			17 (F)	
Base management fees	69	4	24 (G)	97
Income based fees	58		(4) (H)	54
Capital gains incentive fees	14		(H)	14
Other expenses	29	105	(61) (I)	73(L)
Total expenses	266	139	(45)	360
Net investment income before taxes	227	165	(18)	374
Income taxes	9	45	(45) (J)	9
Net investment income	218	120	27	365
Net realized gains	58	103	(16) (J)	145
Net unrealized gains (losses)	13	(197)	139 (E)	(97)
			(52) (J)	
Net realized and unrealized gains (losses)	71	(94)	71	48
Net increase in stockholders' equity	\$ 289	\$ 26	\$ 98	\$ 413
Weighted average shares outstanding	314,123,517	225,817,418	111,053,353 (K)	425,176,870
Earnings per share	\$ 0.92	\$ 0.12		\$ 0.97

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

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Ares Capital Corporation and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 31, 2015
Unaudited
(in millions, except share and per share data)

	Actual Ares Capital	Actual American Capital	Pro Forma Adjustments	Pro Forma Ares Capital Combined
Performance Data:				
Interest and dividend income	\$ 891	\$ 607	\$ (108) (E)	\$ 1,390
Fees and other income	134	64	(8) (E)	190
Total investment income	1,025	671	(116)	1,580
Interest and credit facility fees	227	79	(43) (F)	297
			34 (F)	
Base management fees	134	13	76 (G)	223
Income based fees	121		(15) (H)	106
Capital gains incentive fees	(27)		(H)	(27)
Other expenses	44	201	(89) (I)	156(L)
Total expenses	499	293	(37)	755
Net investment income before taxes	526	378	(79)	825
Income taxes	18	125	(125) (J)	18
Net investment income	508	253	46	807
Net realized gains (losses)	128	(627)	(64) (J)	(563)
Net unrealized gains (losses)	(246)	187	162 (E)	221
			118 (J)	
Net realized and unrealized losses	(118)	(440)	216	(342)
Loss on extinguishment of debt	(10)			(10)
Net increase (decrease) in stockholders' equity	\$ 380	\$ (187)	\$ 262	\$ 455
Weighted average shares outstanding	314,375,099	267,192,057	111,053,353 (K)	425,428,452
Earnings (loss) per share	\$ 1.20	\$ (0.70)		\$ 1.07

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

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Ares Capital Corporation and Subsidiaries

Pro Forma Schedule of Investments
Unaudited
As of June 30, 2016
(Dollar Amounts in Millions)

Company	Business Description	Investment	Ares Capital Cost	Ares Capital Fair Value	American Capital Cost	American Capital Fair Value	Pro Forma Ares Capital Cost	Pro Forma Ares Capital Fair Value
Investment Funds and Vehicles								
ACAS CLO 2007-1, Ltd.	Investment company	Secured notes (due 4/21)			\$ 8.4	\$ 8.3	\$ 8.4	\$ 8.3
	Investment company	Subordinated notes (due 4/21)			12.7	11.3	12.7	11.3
ACAS Wachovia Investments, L.P.(4)	Investment partnership	Partnership interest			1.8	0.4	1.8	0.4
Apidos CLO XVIII, Ltd.	Investment company	Subordinated notes (due 7/26)			31.7	20.4	31.7	20.4
Apidos CLO XXI	Investment company	Subordinated notes (due 6/27)			10.7	9.5	10.7	9.5
Ares IIR/IVR CLO Ltd.	Investment company	Subordinated notes (due 4/21)			11.1	3.4	11.1	3.4
Babson CLO Ltd. 2006-II	Investment company	Income notes (due 10/20)			2.7		2.7	
Babson CLO Ltd. 2013-II	Investment company	Income notes (due 1/25)			3.6	2.9	3.6	2.9
Babson CLO Ltd. 2014-I	Investment company	Subordinated notes (due 7/25)			6.0	4.0	6.0	4.0
Babson CLO Ltd. 2014-II	Investment company	Subordinated notes (due 9/26)			19.2	8.9	19.2	8.9
Blue Hill CLO, Ltd.	Investment company	Subordinated notes (due 1/26)			17.1	7.8	17.1	7.8
Blue Wolf Capital Fund II, L.P.	Investment partnership	Limited partnership interest			9.0	8.6	9.0	8.6
Carlyle Global Market Strategies CLO 2013-3, Ltd.	Investment company	Subordinated notes (due 7/25)			3.3	2.9	3.3	2.9
Carlyle Global Market Strategies CLO 2015-3, Ltd.	Investment company	Subordinated notes (due 7/28)			23.8	21.3	23.8	21.3
Cent CDO 12 Limited	Investment company	Income notes (due 11/20)			14.2	26.8	14.2	26.8
Cent CLO 22 Limited	Investment company	Subordinated notes (due 11/26)			35.5	16.8	35.5	16.8
Cent CLO 24 Limited	Investment company	Subordinated notes (due 10/26)			23.9	18.3	23.9	18.3
Centurion CDO 8 Limited	Investment company	Subordinated notes (due 3/17)			0.2		0.2	

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CoLTs 2005-1 Ltd.	Investment company	Preference shares (360 shares, due 12/16)	1.7	0.1	1.7	0.1
CoLTs 2005-2 Ltd.	Investment company	Preference shares (34,170,000 shares, due 12/18)	11.0	0.6	11.0	0.6
Covestia Capital Partners, LP	Investment partnership	Limited partnership interest	\$ 0.5	\$ 1.9	0.5	1.9
CREST Exeter Street Solar 2004-1	Investment company	Preferred securities (3,500,000 shares, due 6/39)	3.2		3.2	
Dryden 40 Senior Loan Fund	Investment company	Subordinated notes (due 8/28)	8.1	7.1	8.1	7.1
Eaton Vance CDO X plc	Investment company	Secured subordinated notes (due 2/27)	11.1	5.0	11.1	5.0
European Capital Private Debt LP(4)	Investment partnership	Partnership interest	97.7	102.2	97.7	102.2
European Capital UK SME Debt LP(4)	Investment partnership	Partnership interest	11.5	11.4	11.5	11.4
Flagship CLO V	Investment company	Deferrable notes (due 9/19)	1.5	1.7	1.5	1.7
		Subordinated securities (15,000 shares, due 9/19)	7.0	0.6	7.0	0.6
GoldenTree Loan Opportunities VII, Limited	Investment company	Subordinated notes (due 4/25)	29.6	21.4	29.6	21.4

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Halcyon Loan Advisors Funding 2014-1 Ltd.	Investment company	Subordinated notes (due 2/26)			0.9	0.4	0.9	0.4
Halcyon Loan Advisors Funding 2015-2, Ltd.	Investment company	Subordinated notes (due 7/27)			18.5	15.2	18.5	15.2
HCI Equity, LLC(4)	Investment company	Member interest		0.1				0.1
Herbert Park B.V.	Investment company	Subordinated notes (due 10/26)			25.4	18.7	25.4	18.7
Imperial Capital Private Opportunities, LP	Investment partnership	Limited partnership interest	4.1	15.4			4.1	15.4
LightPoint CLO IV, LTD	Investment company	Income notes (due 4/18)			3.6		3.6	
LightPoint CLO VII, Ltd.	Investment company	Subordinated notes (due 5/21)			2.5	1.4	2.5	1.4
Madison Park Funding XII, Ltd.	Investment company	Subordinated notes (due 7/26)			8.1	6.7	8.1	6.7
Madison Park Funding XIII, Ltd.	Investment company	Subordinated notes (due 1/25)			24.2	19.2	24.2	19.2
Montgomery Lane, LLC(4)	Holding company for RMBS securities	Common membership units (100 units)				3.8		3.8
NYLIM Flatiron CLO 2006-1 LTD.	Investment company	Subordinated securities (10,000 shares, due 8/20)			4.4	2.7	4.4	2.7
Och Ziff Loan Management XIII, Ltd.	Investment company	Subordinated notes (due 7/27)			13.1	12.0	13.1	12.0
Octagon Investment Partners XIX, Ltd.	Investment company	Subordinated notes (due 4/26)			17.7	13.2	17.7	13.2
Octagon Investment Partners XVIII, Ltd.	Investment company	Subordinated notes (due 12/24)			12.0	8.3	12.0	8.3
OHA Credit Partners XI, Ltd.	Investment company	Subordinated notes (due 10/28)			30.4	27.3	30.4	27.3
Partnership Capital Growth Fund I, L.P.	Investment partnership	Limited partnership interest		0.4				0.4
Partnership Capital Growth Investors III, L.P.	Investment partnership	Limited partnership interest	2.5	2.7			2.5	2.7
PCG-Ares Sidecar Investment II, L.P.	Investment partnership	Limited partnership interest	6.6	10.3			6.6	10.3
PCG-Ares Sidecar Investment, L.P.	Investment partnership	Limited partnership interest	2.2	1.6			2.2	1.6
Piper Jaffray Merchant Banking Fund I, L.P.	Investment partnership	Limited partnership interest	1.6	1.8			1.6	1.8
Qualium I	Investment company/partnership	Common stock (249,414 shares)			5.3	5.0	5.3	5.0
Sapphire Valley CDO I, Ltd.	Investment company	Subordinated notes (due 12/22)			18.7	10.0	18.7	10.0

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Senior Secured Loan Fund LLC(4)	Co-investment vehicle	Subordinated certificates (due 12/24) Member interest (87.5% interest)	1,938.4	1,899.8		1,938.4	1,899.8	
THL Credit Wind River 2014-2 CLO Ltd.	Investment company	Income notes (due 7/26)			9.6	8.2	9.6	8.2
Vitesse CLO, Ltd.	Investment company	Preferred securities (20,000,000 shares, due 8/20)			11.9		11.9	
Voya CLO 2014-4, Ltd.	Investment company	Subordinated notes (due 10/26)			22.3	16.5	22.3	16.5
VSC Investors LLC	Investment company	Membership interest	0.3	1.1			0.3	1.1
Total			1,956.2	1,935.1	645.9	490.3	2,602.1	2,425.4
Business Services								
2329497 Ontario Inc.	Outsourced data center infrastructure and related services provider	Junior secured loan (10.5%, due 6/19)	43.0	29.5			43.0	29.5

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Accruent, LLC and Athena Parent, Inc.	Real estate and facilities management software provider	Junior secured loan (10.8%, due 11/22)	42.5	42.5			42.5	42.5
		Common stock (3,000 shares)	3.0	3.0			3.0	3.0
BeyondTrust Software, Inc.	Provider of privileged account management and vulnerability management software solutions	Senior secured loan (8.0%, due 9/19)			29.6	28.7	29.6	28.7
Blue Topco GmbH(4)	Web sheet and sheet fed printing facilities	Senior secured loan (5.0%, due 6/19)(2)			2.4	2.3	2.4	2.3
		Senior subordinated loan (due 6/19)(3)			7.1	8.2	7.1	8.2
BluePay Processing, LLC	Technology-enabled payment processing solutions provider	Junior secured loan (9.5%, due 8/22)			32.8	32.8	32.8	32.8
Brandtone Holdings Limited	Mobile communications and marketing services provider	Senior secured loan (9.5%, due 11/18)	4.7	4.6			4.7	4.6
		Senior secured loan (9.5%, due 1/19)	3.1	3.0			3.1	3.0
		Warrant to purchase up to 184,003 units of Series Three participating convertible preferred shares						
CallMiner, Inc.	Provider of cloud-based conversational analytics solutions	Junior secured loan (10.5%, due 5/18)	2.8	2.8			2.8	2.8
		Junior secured loan (10.5%, due 9/18)	1.6	1.6			1.6	1.6
		Warrant to purchase up to 2,350,636 shares of Series 1 preferred stock						
Cast & Crew Payroll, LLC	Payroll and accounting services provider to the entertainment industry	Junior secured loan (8.8%, due 8/23)			35.7	33.8	35.7	33.8
CIBT Holdings, Inc. and CIBT Investment Holdings, LLC	Expedited travel document processing services	Class A shares (2,500 shares)	2.5	5.5			2.5	5.5
CMW Parent LLC (fka Black Arrow, Inc.)	Multiplatform media firm	Series A units (32 units)						
Columbo TopCo Limited(4)	Outsourced compliance consulting and software provider	Common stock (745,352 shares)			1.0		1.0	
		Redeemable preferred stock (34,028,135 shares)			71.9	43.0	71.9	43.0
Command Alkon, Incorporated and CA Note Issuer, LLC	Software solutions provider to the ready-mix concrete industry	Junior secured loan (9.3%, due 8/20)	10.0	10.0			10.0	10.0
		Junior secured loan (9.3%, due 8/20)	11.5	11.5			11.5	11.5
		Junior secured loan (9.3%, due 8/20)	26.5	26.5			26.5	26.5

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		Senior subordinated loan (14.0%, due 8/21)(2)	21.8	21.8	21.8	21.8
Compusearch Software Systems, Inc.	E-procurement and contract management solutions for the Federal marketplace	Junior secured loan (9.8%, due 11/21)		51.0	51.0	51.0

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Compuware Parent, LLC	Web and mobile cloud performance testing and monitoring services provider	Class A-1 common stock (4,132 units)	2.3	2.1			2.3	2.1
		Class B-1 common stock (4,132 units)	0.5	0.4			0.5	0.4
		Class C-1 common stock (4,132 units)	0.3	0.3			0.3	0.3
		Class A-2 common stock (4,132 units)						
		Class B-2 common stock (4,132 units)						
		Class C-2 common stock (4,132 units)						
Convergent Technologies, LLC	Service-based integrator of Electronic Security, Fire Alarm & Life Safety, Healthcare Technologies, Communications and Building Automation	Junior secured loan (9.0%, due 12/17-12/20)			94.0	94.0	94.0	94.0
Datapipe, Inc.	Provider of outsourced IT solutions	Junior secured loan (8.5%, due 9/19)			29.2	29.0	29.2	29.0
Directworks, Inc. and Co-Exprise Holdings, Inc.	Provider of cloud-based software solutions for direct materials sourcing and supplier management for manufacturers	Senior secured loan (10.3%, due 4/18)	1.9	2.0			1.9	2.0
		Warrant to purchase up to 1,875,000 shares of Series 1 preferred stock						
DTI Holdco, Inc. and OPE DTI Holdings, Inc.	Provider of legal process outsourcing and managed services	Senior secured loan (5.8%, due 8/20)	1.0	1.0			1.0	1.0
		Class A common stock (7,500 shares)	7.5	3.6			7.5	3.6
		Class B common stock (7,500 shares)		3.6				3.6
Electronic Warfare Associates, Inc.	Provider of electronic warfare, cyber security and advanced commercial test tools systems	Warrant to purchase 863,887 shares of common stock			0.8	0.9	0.8	0.9
		Senior secured loan (12.0%, due 2/19)			15.0	15.3	15.0	15.3
EN Engineering, L.L.C.	National utility services firm providing engineering and consulting services to natural gas, electric power and other energy and industrial end markets	Senior secured loan (7.0%, due 6/21)						
		Senior secured loan (8.5%, due 6/21)	4.6	4.6			4.6	4.6
		Senior secured loan (7.0%, due 6/21)	22.1	22.3			22.1	22.3

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Faction Holdings, Inc. and The Faction Group LLC (fka PeakColo Holdings, Inc.)	Wholesaler of cloud-based software applications and services	Senior secured loan (9.8%, due 12/19)	3.0	3.0	3.0	3.0
		Senior secured loan (9.8%, due 5/19)	3.8	3.9	3.8	3.9
		Warrant to purchase up to 1,481 shares of Series A preferred stock		0.1		0.1
		Warrant to purchase up to 2,037 shares of Series A preferred stock	0.1	0.1	0.1	0.1

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Company	Business Description	Investment	Ares Capital Cost	Ares Capital Fair Value	American Capital Cost	American Capital Fair Value	Pro Forma Ares Capital Cost	Pro Forma Ares Capital Fair Value
Financière Tarmac S.A.S.(4)	Provider of health & safety services for multi-unit residential buildings	Common stock (4,987,267 shares)			23.2	6.8	23.2	6.8
		Redeemable preferred stock (31,303,601 shares)			32.3	34.7	32.3	34.7
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						
Flexera Software LLC	Provider of software used to deploy and track the usage of software applications	Junior secured loan (8.0%, due 4/21)			5.0	4.8	5.0	4.8
GTCR Valor Companies, Inc.	Provider of public relations software	Junior secured loan (10.5%, due 6/24)			97.3	97.3	97.3	97.3
Holding Saint Augustine S.A.S.(4)	Provider of outsourced services to industrial customers	Senior secured loan (due 9/19)			4.4		4.4	
Hyland Software, Inc.	Provider of ECM software, serving small and medium size organizations	Junior secured loan (8.3%, due 7/23)			10.0	9.7	10.0	9.7
iControl Networks, Inc. and uControl Acquisition, LLC	Software and services company for the connected home market	Junior secured loan (9.5%, due 3/19)	19.7	20.1			19.7	20.1
		Warrant to purchase up to 385,616 shares of Series D preferred stock						
IfByPhone Inc.	Voice-based marketing automation software provider	Warrant to purchase up to 124,300 shares of Series C preferred stock	0.1	0.1			0.1	0.1
Infogix Parent Corporation	Provides data integrity, analytics, and visibility solutions	Senior secured loan (7.8%, due 12/21)			88.4	88.2	88.4	88.2
		Redeemable preferred stock (2,475 shares)			2.6	2.6	2.6	2.6
Inmar, Inc.	Provides technology-driven logistics management solutions in the consumer goods and healthcare markets	Junior secured loan (8.0%, due 1/22)			19.8	18.5	19.8	18.5
Interactions Corporation	Developer of a speech recognition software based customer interaction system	Junior secured loan (9.9%, due 7/19)	2.2	2.5			2.2	2.5
		Junior secured loan (9.9%, due 7/19)	22.2	22.5			22.2	22.5
		Warrant to purchase up to 68,187 shares of Series G-3 convertible preferred stock	0.3	0.3			0.3	0.3

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iParadigms, LLC	Provider of anti-plagiarism software to the education industry	Junior secured loan (8.3%, due 7/22)			39.3	35.7	39.3	35.7
iPipeline, Inc., Internet Pipeline, Inc. and iPipeline Holdings, Inc.	Provider of SaaS-based software solutions to the insurance and financial services industry	Senior secured loan (8.3%, due 8/22)	11.9	11.9			11.9	11.9
		Senior secured loan (8.3%, due 8/22)	44.7	44.7			44.7	44.7
		Senior secured loan (8.3%, due 8/22)	14.9	14.9			14.9	14.9
		Preferred stock (1,485 shares)	1.5	2.5			1.5	2.5
		Common stock (647,542 shares)						

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Iron Bow Technologies, LLC	Provider of information technology solutions	Junior secured loan (13.2%, due 2/21)(2)			15.2	15.2	15.2	15.2
IronPlanet, Inc.	Online auction platform provider for used heavy equipment	Warrant to purchase to up to 133,333 shares of Series C preferred stock	0.2	0.2			0.2	0.2
ISS Compressors Industries, Inc., ISS Valves Industries, Inc., ISS Motors Industries, Inc., ISS Machining Industries, Inc., and ISS Specialty Services Industries, Inc.	Provider of repairs, refurbishments and services to the broader industrial end user markets	Senior secured loan (7.0%, due 6/18)	32.6	32.6			32.6	32.6
		Senior secured loan (7.0%, due 6/18)	6.2	6.2			6.2	6.2
Itel Laboratories, Inc.	Data services provider for building materials to property insurance industry	Preferred units (1,798,391 units)	1.0	1.1			1.0	1.1
Landslide Holdings, Inc.	Software for IT departments and systems management	Junior secured loan (8.3%, due 2/21)			9.0	8.8	9.0	8.8
LLSC Holdings Corporation(4)	Provider of in-store marketing services to retailers and marketers of consumer products	Convertible preferred stock (9,000 shares)			10.8	17.7	10.8	17.7
Market Track Holdings, LLC	Business media consulting services company	Preferred stock (1,685 shares)	2.2	2.5			2.2	2.5
		Common stock (16,251 shares)	2.2	2.7			2.2	2.7
Maximus Holdings, LLC	Provider of software simulation tools and related services	Warrant to purchase up to 1,050,013 shares of common stock						
Miles 33 Limited(4)	Supplier of computer software to the publishing sector	Senior secured loan (5.3%, due 12/17-9/18)(2)			6.8	6.8	6.8	6.8
		Senior subordinated loan (due 9/21)(3)			13.0	13.0	13.0	13.0
		Redeemable preferred stock			1.2		1.2	
Ministry Brands, LLC and MB Parent Holdings, LLC	Software and payment services provider to faith-based institutions	Senior secured loan (10.8%, due 11/21)	48.6	48.9			48.6	48.9
		Senior secured loan (10.8%, due 11/21)	25.0	25.0			25.0	25.0
		Class A common units (2,130,772 units)	2.1	2.4			2.1	2.4
Mitchell International, Inc.	Provider of information services and technology solutions for the automobile insurance claims industry	Junior secured loan (8.5%, due 10/21)			16.9	15.8	16.9	15.8
MVL Group, Inc.(4)			0.2	0.2			0.2	0.2

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	Marketing research provider	Senior subordinated loan (due 7/12)(3) Common stock (560,716 shares)					
NAS, LLC, Nationwide Marketing Group, LLC and Nationwide Administrative Services, Inc.	Buying and marketing services organization for appliance, furniture and consumer electronics dealers	Junior secured loan (9.8%, due 12/21)	24.1	22.7		24.1	22.7
Novetta Solutions, LLC	A provider of threat and fraud analytics software and solutions	Senior secured loan (6.0%, due 10/22)			12.8	12.5	12.8
		Junior secured loan (9.5%, due 10/23)			30.7	29.1	30.7
Park Place Technologies, LLC	Provider of third party maintenance services to the server and storage markets.	Junior secured loan (10.0%, due 12/22)			41.5	41.5	41.5

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
PayNearMe, Inc.	Electronic cash payment system provider	Senior secured loan (9.5%, due 9/19)	9.6	9.9			9.6	9.9
		Common stock (100 shares) Warrant to purchase up to 195,726 shares of Series E preferred stock	0.2	0.2			0.2	0.2
PHL Investors, Inc., and PHL Holding Co.(4)	Mortgage services	Class A common stock (576 shares)	3.8				3.8	
Poplicus Incorporated	Business intelligence and market analytics platform for companies that sell to the public sector	Senior secured loan (due 7/19)(3)	4.7	2.5			4.7	2.5
		Warrant to purchase up to 2,402,991 shares of Series C preferred stock	0.1				0.1	
PowerPlan, Inc. and Project Torque Ultimate Parent Corporation	Fixed asset financial management software provider	Junior secured loan (10.8%, due 2/23)	29.8	30.0			29.8	30.0
		Junior secured loan (10.8%, due 2/23)	49.6	50.0			49.6	50.0
		Class A common stock (1,980 shares)	2.0				2.0	
		Class B common stock (989,011 shares)		3.0				3.0
Powersport Auctioneer Holdings, LLC	Powersport vehicle auction operator	Common units (1,972 units)	1.0	1.4			1.0	1.4
Project Silverback Holdings Corp.	Management software solution offering	Common stock (308,224 shares)				0.4		0.4
		Convertible preferred stock (743 shares)			0.9	0.9	0.9	0.9
		Senior secured loan (6.5%, due 7/20)			23.7	23.9	23.7	23.9
R2 Acquisition Corp.	Marketing services	Common stock (250,000 shares)	0.3	0.3			0.3	0.3
Rocket Fuel Inc.	Provider of open and integrated software for digital marketing optimization	Common stock (11,405 units)						
Sonian Inc.	Cloud-based email archiving platform	Senior secured loan (9.0%, due 9/19)	7.3	7.5			7.3	7.5
		Warrant to purchase up to 169,045 shares of Series C preferred stock	0.1	0.1			0.1	0.1
Systems Maintenance Services Holding, Inc.	Provides multi-vendor maintenance solutions for IT original equipment manufacturers	Junior secured loan (9.3%, due 10/20)			34.8	34.8	34.8	34.8
Talari Networks, Inc.	Networking equipment provider	Senior secured loan (9.8%, due 12/18)	5.9	6.0			5.9	6.0
		Warrant to purchase up to 421,052 shares of Series D-1 preferred stock	0.1	0.1			0.1	0.1

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TestAmerica Environmental Services, LLC(4)	Operator of environmental testing laboratories	Senior subordinated loan (12.5%, due 6/18)(2)	16.9	43.3	16.9	43.3
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC(4)	Healthcare compliance advisory services	Senior subordinated loan (due 3/17)(3)	2.7	1.4	2.7	1.4
		Class A units (14,293,110 units)	12.8		12.8	

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
TraceLink, Inc.	Supply chain management software provider for the pharmaceutical industry	Senior secured revolving loan (7.5%, due 12/16)	4.4	4.4			4.4	4.4
		Senior secured loan (8.5%, due 1/19)	4.4	4.5			4.4	4.5
		Warrant to purchase up to 283,353 shares of Series A-2 preferred stock	0.1	1.0			0.1	1.0
Tyden Cayman Holdings Corp.	Manufacturer and provider of cargo security and product identification and traceability solutions	Common stock (5,521,203 shares)			5.5	4.3	5.5	4.3
		Convertible preferred stock (46,276 shares)			0.1	0.1	0.1	0.1
Velocity Holdings Corp.	Hosted enterprise resource planning application management services provider	Common units (1,713,546 units)	4.5	3.2			4.5	3.2
W3 Co.	Provider of integrated safety and compliance solutions to companies operating in hazardous environments	Junior secured loan (due 9/20)(3)			8.8	3.9	8.8	3.9
WorldPay Group PLC	Payment processing company	C2 shares (73,974 shares)						
Total			625.4	598.8	941.4	909.3	1,566.8	1,508.1
Financial Services								
AllBridge Financial, LLC(4)	Asset management services	Equity interests		0.5				0.5
American Capital Asset Management, LLC(4)	Asset management services	Senior subordinated loan (5.0%, due 9/16)			35.0	35.0	35.0	35.0(8)
		Common membership interest (100% interest)			586.6	955.2	586.6	955.2(8)
AmWINS Group, LLC	Wholesale insurance broker	Junior secured loan (9.5%, due 9/20)			45.1	46.1	45.1	46.1
Callidus Capital Corporation(4)	Asset management services	Common stock (100 shares)	3.0	1.7			3.0	1.7
Ciena Capital LLC(4)	Real estate and small business loan servicer	Senior secured revolving loan (6.0%, due 12/16)	14.0	14.0			14.0	14.0
		Senior secured loan (12.0%, due 12/16)	0.3	0.3			0.3	0.3
		Senior secured loan (12.0%, due 12/16)	0.5	0.5			0.5	0.5
		Senior secured loan (12.0%, due 12/16)	1.3	1.3			1.3	1.3
		Equity interests	35.0	14.9			35.0	14.9
Commercial Credit Group, Inc.	Commercial equipment finance and leasing company	Senior subordinated loan (12.8%, due 5/18)	28.0	28.0			28.0	28.0

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FAMS Acquisition, Inc.(4)	Provider of outsourced receivables management services	Senior subordinated loan (14.0%, due 1/16)(2)	12.9	11.9	12.9	11.9
		Senior subordinated loan (due 1/16)(3)	14.4	12.8	14.4	12.8
Gordian Acquisition Corp.	Financial services firm	Common stock (526 shares)				
Imperial Capital Group LLC	Investment services	Class A common units (32,369 units)	7.9	11.7	7.9	11.7
		2006 Class B common units (10,605 units)				
		2007 Class B common units (1,323 units)				
Ivy Hill Asset Management, L.P.(4)	Asset management services	Member interest (100.00% interest)	171.0	231.2	171.0	231.2(8)

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma Ares Capital	
			Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Javlin Three LLC, Javlin Four LLC, and Javlin Five LLC	Asset-backed financial services company	Senior secured revolving loan (10.5%, due 6/17)	38.8	38.8			38.8	38.8
LSQ Funding Group, L.C. and LM LSQ Investors LLC	Asset based lender	Senior subordinated loan (10.5%, due 6/21)	30.0	30.0			30.0	30.0
		Membership units (3,275,000 units)	3.3	3.3			3.3	3.3
The Gordian Group, Inc.	Financial services firm	Senior secured loan (5.7%, due 7/19)			41.1	40.3	41.1	40.3
Total			333.1	376.2	735.1	1,101.3	1,068.2	1,477.5
Healthcare Services								
Absolute Dental Management LLC and ADM Equity, LLC	Dental services provider	Senior secured loan (9.3%, due 1/22)	18.8	18.8			18.8	18.8
		Senior secured loan (9.3%, due 1/22)	5.0	5.0			5.0	5.0
		Class A preferred units (4,000,000 units)	4.0	3.3			4.0	3.3
		Class A common units (4,000,000 units)						
ADCS Billings Intermediate Holdings, LLC	Dermatology practice	Senior secured loan (6.8%, due 5/22)	8.6	8.6			8.6	8.6
		Senior secured loan (6.8%, due 5/22)	22.5	22.5			22.5	22.5
Alcami Holdings LLC(4)	Chemistry outsourcing partner to the pharmaceutical and biotechnology industries	Senior secured loan (6.5%, due 3/17-10/20)			109.3	110.1	109.3	110.1
		Senior subordinated loan (13.2%, due 10/20)(2)			144.3	147.6	144.3	147.6
		Redeemable preferred stock (84,936 shares)			61.1		61.1	
Alegeus Technologies Holdings Corp.	Benefits administration and transaction processing provider	Preferred stock (2,997 shares)	3.1	1.9			3.1	1.9
		Common stock (3 shares)						
Argon Medical Devices, Inc.	Manufacturer and marketer of single-use specialty medical devices	Junior secured loan (10.5%, due 6/22)	8.8	9.0			8.8	9.0
AwarePoint Corporation	Healthcare technology platform developer	Senior secured loan (10.5%, due 6/18)	8.5	8.8			8.5	8.8
		Warrant to purchase up to 3,213,367 shares of Series 1 preferred stock		0.6				0.6
CCS Intermediate Holdings, LLC and CCS Group Holdings, LLC	Correctional facility healthcare operator	Senior secured revolving loan (5.0%, due 7/19)	3.8	3.2			3.8	3.2
		Senior secured revolving loan (6.5%, due 7/19)	1.7	1.4			1.7	1.4
		Senior secured loan (5.0%, due 7/21)	6.6	5.6			6.6	5.6
			134.0	108.0			134.0	108.0

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		Junior secured loan (9.4%, due 7/22)				
		Class A units (601,937 units)	0.4			0.4
Correctional Medical Group Companies, Inc.	Correctional facility healthcare operator	Senior secured loan (9.6%, due 9/21)	3.1	3.1	3.1	3.1
		Senior secured loan (9.6%, due 9/21)	4.1	4.1	4.1	4.1
		Senior secured loan (9.6%, due 9/21)	44.7	44.7	44.7	44.7
DCA Investment Holding, LLC	Multi-branded dental practice management	Senior secured revolving loan (7.8%, due 7/21)	3.4	3.4	3.4	3.4
		Senior secured loan (6.3%, due 7/21)	18.9	18.6	18.9	18.6

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
DNAexus, Inc.	Bioinformatics company	Senior secured loan (9.3%, due 10/18)	10.1	10.3			10.1	10.3
		Warrant to purchase up to 909,092 units of Series C preferred stock		0.3				0.3
Gentle Communications, LLC	Dental services provider	Senior secured loan (7.5%, due 5/22)	43.5	43.5			43.5	43.5
Global Healthcare Exchange, LLC and GHX Ultimate Parent Corp.	On-demand supply chain automation solutions provider	Class A common stock (2,991 shares)	3.0	3.0			3.0	3.0
		Class B common stock (980 shares)		5.4				5.4
Greenphire, Inc. and RCMF III CIV XXIX, L.P	Software provider for clinical trial management	Senior secured loan (9.0%, due 12/18)	4.0	4.0			4.0	4.0
		Limited partnership interest	1.0	1.0			1.0	1.0
HALT Medical, Inc.(4)	Patented disposable needle used to remove uterine fibroids	Senior secured loan (due 6/16)(3)			74.0	36.1	74.0	36.1
INC Research Mezzanine Co-Invest, LLC	Pharmaceutical and biotechnology consulting services	Common units (1,410,000 units)		1.6				1.6
Intermedix Corporation	Revenue cycle management provider to the emergency healthcare industry	Junior secured loan (9.3%, due 6/20)	112.0	107.5			112.0	107.5
LM Acquisition Holdings, LLC	Developer and manufacturer of medical equipment	Class A units (426 units)	0.7	1.8			0.7	1.8
MC Acquisition Holdings I, LLC	Healthcare professional provider	Class A units (1,338,314 shares)	1.3	1.3			1.3	1.3
MW Dental Holding Corp.	Dental services provider	Senior secured revolving loan (8.5%, due 4/18)	2.0	2.0			2.0	2.0
		Senior secured loan (8.5%, due 4/18)	50.1	50.1			50.1	50.1
		Senior secured loan (8.5%, due 4/18)	47.5	47.5			47.5	47.5
		Senior secured loan (8.5%, due 4/18)	19.6	19.6			19.6	19.6
My Health Direct, Inc.	Healthcare scheduling exchange software solution provider	Senior secured loan (10.8%, due 1/18)	1.9	1.9			1.9	1.9
		Warrant to purchase up to 4,548 shares of Series D preferred stock						
New Trident Holdcorp, Inc.	Outsourced mobile diagnostic healthcare service provider	Junior secured loan (10.3%, due 7/20)	79.0	76.8			79.0	76.8
NMSC Holdings, Inc. and ASP NAPA Holdings, LLC	Anesthesia management services provider	Junior secured loan (11.0%, due 10/23)	74.3	74.3			74.3	74.3
		Class A units (25,277 units)	2.5	2.5			2.5	2.5

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Nodality, Inc.	Biotechnology company	Senior secured loan (due 7/16)(3)	2.4	2.6	2.4	2.6
		Senior secured loan (due 7/16)(3)	9.7	0.7	9.7	0.7
		Common stock (3,736,255 shares)				

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
OmniSYS Acquisition Corporation, OmniSYS, LLC, and OSYS Holdings, LLC	Provider of technology-enabled solutions to pharmacies	Senior secured loan (8.5%, due 11/18)	10.5	10.5			10.5	10.5
		Senior secured loan (8.5%, due 11/18)	5.9	5.9			5.9	5.9
		Limited liability company membership interest (1.57%)	1.0	0.7			1.0	0.7
Patterson Medical Supply, Inc.	Distributor of rehabilitation supplies and equipment	Junior secured loan (8.8%, due 8/23)	18.8	19.0			18.8	19.0
PerfectServe, Inc.	Communications software platform provider for hospitals and physician practices	Senior secured loan (9.0%, due 3/20)	8.7	9.0			8.7	9.0
		Senior secured loan (9.0%, due 6/20)	2.0	2.0			2.0	2.0
		Senior secured loan (9.0%, due 6/21)	2.0	2.0			2.0	2.0
		Warrant to purchase up to 28,428 shares of Series C preferred stock	0.2	0.2			0.2	0.2
		Warrant to purchase up to 34,113 shares of Series C preferred stock		0.3				0.3
PhyMED Management LLC	Provider of anesthesia services	Junior secured loan (9.8%, due 5/21)	46.6	44.9			46.6	44.9
Precyse Acquisition Corp.	Provider of healthcare information management technology and services	Junior secured loan (10.8%, due 4/23)	9.6	10.0			9.6	10.0
Respicardia, Inc.	Developer of implantable therapies to improve cardiovascular health	Warrant to purchase up to 99,094 shares of Series C preferred stock						
Sarnova HC, LLC, Tri-Anim Health Services, Inc., and BEMS Holdings, LLC	Distributor of emergency medical service and respiratory products	Junior secured loan (10.5%, due 7/22)	54.0	54.0			54.0	54.0
Transaction Data Systems, Inc.	Pharmacy management software provider	Junior secured loan (10.0%, due 6/22)	27.5	27.5			27.5	27.5
U.S. Anesthesia Partners, Inc.	Anesthesiology service provider	Junior secured loan (10.3%, due 9/20)	23.5	23.5			23.5	23.5
		Junior secured loan (10.3%, due 9/20)	50.0	50.0			50.0	50.0
Urgent Cares of America Holdings I, LLC and FastMed Holdings I, LLC	Operator of urgent care clinics	Senior secured loan (7.0%, due 12/22)	13.9	13.1			13.9	13.1
		Senior secured loan (7.0%, due 12/22)	54.5	51.2			54.5	51.2
		Preferred units (7,696,613 units)	7.7	8.3			7.7	8.3
		Series A common units (2,000,000 units)	2.0	0.9			2.0	0.9
		Series C common units (1,026,866 units)		0.4				0.4

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VistaPharm, Inc. and Vertice Pharma UK Parent Limited	Manufacturer and distributor of generic pharmaceutical products	Senior secured loan (6.7%, due 12/21)	5.1	5.1		5.1	5.1
		Preferred shares (40,662 shares)	0.4	0.4		0.4	0.4
Young Innovations, Inc.	Dental supplies and equipment manufacturer	Junior secured loan (9.0%, due 7/19)	45.0	45.0		45.0	45.0
Total			1,153.1	1,112.6	388.7	293.8	1,541.8
Other Services							
American Residential Services L.L.C.	Heating, ventilation and air conditioning services provider	Junior secured loan (8.5%, due 12/21)	49.6	50.0		49.6	50.0

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Fair Value
Community Education Centers, Inc. and CEC Parent Holdings LLC(4)	Offender re-entry and in-prison treatment services provider	Senior secured loan (6.3%, due 12/17)	13.6	13.6			13.6	13.6
		Senior secured loan (7.8%, due 12/17)	0.7	0.7			0.7	0.7
		Junior secured loan (15.6%, due 6/18)	21.9	21.9			21.9	21.9
		Class A senior preferred units (7,846 units)	9.4	10.5			9.4	10.5
		Class A junior preferred units (26,154 units) Class A common units (134 units)	20.2	21.8			20.2	21.8
Competitor Group, Inc., Calera XVI, LLC and Champion Parent Corporation(4)	Endurance sports media and event operator	Senior secured revolving loan (5.0%, due 11/18)	4.5	4.2			4.5	4.2
		Senior secured loan (5.0%, due 11/18)	38.0	35.8			38.0	35.8
		Preferred shares (18,875 shares)	16.0				16.0	
		Membership units (2,522,512 units)	2.5				2.5	
		Common shares (114,000 shares)						
Crown Health Care Laundry Services, Inc. and Crown Laundry Holdings, LLC(5)	Provider of outsourced healthcare linen management solutions	Senior secured revolving loan (7.3%, due 3/19)	2.0	2.0			2.0	2.0
		Senior secured loan (7.3%, due 3/19)	18.3	18.3			18.3	18.3
		Class A preferred units (2,475,000 units)	2.5	3.2			2.5	3.2
		Class B common units (275,000 units)	0.3	0.4			0.3	0.4
Dwyer Acquisition Parent, Inc. and TDG Group Holding Company	Operator of multiple franchise concepts primarily related to home maintenance or repairs	Senior subordinated loan (11.0%, due 2/20)	31.5	31.5			31.5	31.5
		Senior subordinated loan (11.0%, due 2/20)	52.7	52.7			52.7	52.7
		Common stock (32,843 shares)	3.4	4.8			3.4	4.8
Hard 8 Games, LLC(4)	Develops disruptive gaming technology for casino applications	Senior secured loan (7.2%, due 12/16)(2)			63.3	63.3	63.3	63.3
		Membership units (2 units)			24.0	23.1	24.0	23.1
Massage Envy, LLC	Franchisor in the massage industry	Senior secured loan (8.5%, due 9/18)	7.8	7.8			7.8	7.8
		Senior secured loan (8.5%, due 9/18)	45.2	45.2			45.2	45.2
		Senior secured loan (8.5%, due 9/18)	18.9	18.9			18.9	18.9
		Common stock (3,000,000 shares)	3.0	5.6			3.0	5.6
McKenzie Sports Products, LLC	Designer, manufacturer and distributor of hunting-related supplies	Senior secured loan (4.8%, due 9/20)	2.0	1.9			2.0	1.9

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		Senior secured loan (6.8%, due 9/20)	5.5	5.4	5.5	5.4
		Senior secured loan (6.8%, due 9/20)	39.5	38.7	39.5	38.7
		Senior secured loan (6.8%, due 9/20)	45.0	44.1	45.0	44.1
OpenSky Project, Inc. and OSP Holdings, Inc.	Social commerce platform operator	Senior secured loan (10.0%, due 9/17)	1.5	1.5	1.5	1.5
		Warrant to purchase up to 159,496 shares of Series D preferred stock				

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Fair Value
Osmose Utility Services, Inc. and Osmose Holdings, Inc.	Provider of structural integrity management services to transmission and distribution infrastructure	Junior secured loan (8.8%, due 8/23)	24.6	24.3	33.7	33.6	58.3	57.9
SocialFlow, Inc.	Social media optimization platform provider	Senior secured loan (9.5%, due 8/19) Warrant to purchase up to 215,331 shares of Series C preferred stock	3.9	4.0			3.9	4.0
Spin HoldCo Inc.	Laundry service and equipment provider	Junior secured loan (8.0%, due 5/20)	140.0	135.8			140.0	135.8
Surface Dive, Inc.	SCUBA diver training and certification provider	Junior secured loan (9.0%, due 1/22)	37.4	37.4			37.4	37.4
		Junior secured loan (10.3%, due 1/22)	87.9	88.2			87.9	88.2
Towne Holdings, Inc.	Provider of contracted hospitality services and parking systems	Senior secured loan (6.8%, due 5/22)	56.3	56.3			56.3	56.3
		Senior secured loan (6.8%, due 5/22)	9.0	9.0			9.0	9.0
TWH Water Treatment Industries, Inc., TWH Filtration Industries, Inc. and TWH Infrastructure Industries, Inc.	Wastewater infrastructure repair, treatment and filtration holding company	Senior secured loan (10.3%, due 10/19)	5.4	5.4			5.4	5.4
		Senior secured loan (10.3%, due 10/19)	36.4	36.4			36.4	36.4
U.S. Security Associates Holdings, Inc	Security guard service provider	Junior secured loan (11.0%, due 7/18)	25.0	25.0			25.0	25.0
WASH Multifamily Acquisition Inc. and Coinamatic Canada Inc.	Laundry service and equipment provider	Junior secured loan (8.0%, due 5/23)	3.7	3.6			3.7	3.6
		Junior secured loan (8.0%, due 5/23)	20.9	20.6			20.9	20.6
Total			906.0	886.5	121.0	120.0	1,027.0	1,006.5
Consumer Products								
Bellotto Holdings Limited(4)	Provider of made-to-measure blinds	Common stock (2,697,010 shares)			86.0	115.2	86.0	115.2
		Redeemable preferred stock (7,300,610 shares)			39.5	41.2	39.5	41.2
BRG Sports, Inc.	Designer, manufacturer and licensor of branded sporting goods, reconditioning services and collectibles	Common units (6,566,655 units)			0.7		0.7	
		Redeemable preferred stock (2,009 shares)			2.5	3.0	2.5	3.0
Delsey Holding S.A.S.	Designs, markets and distributes high-quality innovative travel luggage	Senior subordinated loan (13.5%, due 7/21)(2)			1.5	1.1	1.5	1.1

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		Senior subordinated loan (13.5%, due 7/21)(2)	8.0	6.6	8.0	6.6
Feradyne Outdoors, LLC and Bowhunter Holdings, LLC	Provider of branded archery and bowhunting accessories	Senior secured loan (4.0%, due 3/19)	4.5	4.2	4.5	4.2
		Senior secured loan (4.0%, due 3/19)	6.7	6.3	6.7	6.3
		Senior secured loan (6.6%, due 3/19)	9.5	8.7	9.5	8.7
		Senior secured loan (6.6%, due 3/19)	50.1	46.1	50.1	46.1
		Common units (300 units)	3.7	1.8	3.7	1.8
FXI Holdings, Inc.	Producer of flexible polyurethane foam	Common stock (3,163 shares)			0.6	0.6

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Group Montana, Inc.(4)	Leading designer, manufacturer and distributor of western-style accessories	Common stock (100% interest)			12.6	1.6	12.6	1.6
		Convertible preferred stock (4,000 shares)			6.8	7.1	6.8	7.1
		Senior secured loan (6.3%, due 1/17)			5.0	5.0	5.0	5.0
Implus Footcare, LLC	Provider of footwear and other accessories	Senior secured loan (8.8%, due 4/21)	17.2	17.2			17.2	17.2
Indra Holdings Corp.	Designer, marketer, and distributor of rain and cold weather products	Junior secured loan (8.5%, due 11/21)	79.1	64.0			79.1	64.0
Matrixx Initiatives, Inc. and Wonder Holdings Acquisition Corp.	Developer and marketer of OTC healthcare products	Warrant to purchase up to 1,120 shares of preferred stock		1.4				1.4
		Warrant to purchase up to 1,654,678 shares of common stock		0.8				0.8
Oak Parent, Inc.	Manufacturer of athletic apparel	Senior secured loan (7.6%, due 4/18)	2.4	2.4			2.4	2.4
		Senior secured loan (7.6%, due 4/18)	7.7	7.7			7.7	7.7
		Senior secured loan (9.5%, due 4/18)						
		Senior secured loan (9.5%, due 4/18)						
Plantation Products, LLC, Seed Holdings, Inc. and Flora Parent, Inc.	Provider of branded lawn and garden products	Junior secured loan (9.5%, due 6/21)	2.0	2.0			2.0	2.0
		Junior secured loan (9.5%, due 6/21)	53.8	54.0			53.8	54.0
		Junior secured loan (9.5%, due 6/21)	10.0	10.0			10.0	10.0
		Common stock (30,000 shares)	3.0	4.6			3.0	4.6
RD Holdco Inc.(4)	Manufacturer of steam cleaning carpet care machines rented to consumers	Common stock (458,596 shares)			23.6	26.3	23.6	26.3
		Warrant to purchase 56,372 shares of common stock			2.9		2.9	
		Junior secured loan (11.3%, due 12/18)			15.6	16.7	15.6	16.7
SHO Holding I Corporation	Manufacturer and distributor of slip resistant footwear	Junior secured loan (9.5%, due 4/23)	97.7	99.0			97.7	99.0
Shock Doctor, Inc. and Shock Doctor Holdings, LLC(5)	Developer, marketer and distributor of sports protection equipment and accessories	Junior secured loan (11.5%, due 10/21)	35.4	35.4			35.4	35.4
		Junior secured loan (11.5%, due 10/21)	54.0	54.0			54.0	54.0
		Class A preferred units (50,000 units)	5.0	4.8			5.0	4.8

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		Class C preferred units (50,000 units)	5.0	4.8	5.0	4.8
The Hygenic Corporation	Designer, manufacturer and marketer of branded wellness products	Junior secured loan (9.8%, due 4/21)	70.0	71.4	70.0	71.4

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
The Step2 Company, LLC(4)	Toy manufacturer	Junior secured loan (10.0%, due 9/19)	27.5	27.6			27.5	27.6
		Junior secured loan (due 9/19)(3)	30.3	28.1			30.3	28.1
		Common units (1,116,879 units)						
		Class B common units (126,278,000 units)						
		Warrant to purchase up to 3,157,895 units						
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	Junior secured loan (9.8%, due 12/22)	55.1	55.6			55.1	55.6
		Junior secured loan (9.8%, due 12/22)	91.0	91.7			91.0	91.7
		Common stock (3,353,370 shares)	3.4	4.6			3.4	4.6
		Common stock (3,353,371 shares)	4.1	5.7			4.1	5.7
Total			728.2	713.9	204.7	224.4	932.9	938.3
Power Generation								
Alphabet Energy, Inc.	Technology developer to convert waste-heat into electricity	Senior secured loan (14.5%, due 8/17)(2)	3.7	4.0			3.7	4.0
		Series 1B preferred stock (12,976 shares)	0.3				0.3	
		Warrant to purchase up to 125,000 shares of Series 2 preferred stock	0.1				0.1	
Bicent (California) Holdings LLC	Gas turbine power generation facilities operator	Senior subordinated loan (8.3%, due 2/21)	49.5	49.5			49.5	49.5
Brush Power, LLC	Gas turbine power generation facilities operator	Senior secured loan (6.3%, due 8/20)	44.6	44.6			44.6	44.6
		Senior secured loan (7.8%, due 8/20)	0.1	0.1			0.1	0.1
		Senior secured loan (6.3%, due 8/20)	2.3	2.3			2.3	2.3
		Senior secured loan (7.8%, due 8/20)						
		Senior secured loan (6.3%, due 8/20)	9.7	9.7			9.7	9.7
		Senior secured loan (7.8%, due 8/20)						
CEI Kings Mountain Investor, LP	Gas turbine power generation facilities operator	Senior subordinated loan (11.0%, due 3/17)(2)	30.8	30.9			30.8	30.9
CPV Maryland Holding Company II, LLC	Gas turbine power generation facilities operator	Senior subordinated loan (10.0%, due 12/20)	44.5	42.7			44.5	42.7
		Warrant to purchase up to 4 units of common stock						

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DESRI VI Management Holdings, LLC	Wind power generation facility operator	Senior subordinated loan (9.8%, due 12/21)	25.0	25.0	25.0	25.0
		Non Controlling Units (10 units)	1.5	2.2	1.5	2.2
Green Energy Partners, Stonewall LLC and Panda Stonewall Intermediate Holdings II LLC	Gas turbine power generation facilities operator	Senior secured loan (6.5%, due 11/21)	24.8	24.0	24.8	24.0
		Senior subordinated loan (13.3%, due 12/21)(2)	19.0	18.4	19.0	18.4
		Senior subordinated loan (13.3%, due 12/21)(2)	88.8	86.2	88.8	86.2

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Fair Value
Joule Unlimited Technologies, Inc. and Stichting Joule Global Foundation	Renewable fuel and chemical production developer	Senior secured loan (13.0%, due 10/18)(2) Common stock (11,195,168 shares) Warrant to purchase up to 32,051 shares of Series C-2 preferred stock	9.0	7.9			9.0	7.9
La Paloma Generating Company, LLC	Natural gas fired, combined cycle plant operator	Junior secured loan (due 2/20)(3)	9.0	1.9			9.0	1.9
Moxie Liberty LLC	Gas turbine power generation facilities operator	Senior secured loan (7.5%, due 8/20)	34.7	34.5			34.7	34.5
Moxie Patriot LLC	Gas turbine power generation facilities operator	Senior secured loan (6.8%, due 12/20)	34.7	34.0			34.7	34.0
Panda Power Annex Fund Hummel Holdings II LLC	Gas turbine power generation facilities operator	Senior subordinated loan (13.0%, due 10/16)(2)	113.5	114.1			113.5	114.1
Panda Temple Power II, LLC	Gas turbine power generation facilities operator	Senior secured loan (7.3%, due 4/19)	19.8	18.1			19.8	18.1
Panda Temple Power, LLC	Gas turbine power generation facilities operator	Senior secured loan (7.3%, due 3/22)	23.6	22.0			23.6	22.0
PERC Holdings 1 LLC	Operator of recycled energy, combined heat and power, and energy efficiency facilities	Class B common units (21,653,543 units)	21.7	24.6			21.7	24.6
Total			610.7	596.7			610.7	596.7
Manufacturing								
Chariot Acquisition, LLC	Distributor and designer of aftermarket golf cart parts and accessories	Senior secured loan (7.3%, due 9/21)	55.6	55.6	29.5	29.5	85.1	85.1
Component Hardware Group, Inc.	Commercial equipment	Senior secured revolving loan (5.5%, due 7/19) Senior secured loan (5.5%, due 7/19)	2.2	2.2			2.2	2.2
Harvey Tool Company, LLC and Harvey Tool Holding, LLC	Cutting tool provider to the metalworking industry	Senior subordinated loan (11.0%, due 9/20)(2)	28.0	28.0			28.0	28.0
		Class A membership units (750 units)	0.9	1.5			0.9	1.5
HCV1 S.A.S(4)	R&D designer of in-line inspection devices for product quality control	Common stock (14,569,412 shares)			25.6		25.6	
		Senior secured loan (13.8%, due 2/20)(2)			3.6	3.4	3.6	3.4

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Ioxus, Inc	Energy storage devices	Senior secured loan (12.0%, due 6/18)(2)	10.1	9.8	10.1	9.8
		Warrant to purchase up to 1,210,235 shares of Series BB preferred stock		0.2		0.2
		Warrant to purchase up to 3,038,730 shares of common stock				
KPS Global LLC	Walk-in cooler and freezer systems	Senior secured loan (9.7%, due 12/20)	36.5	36.5	36.5	36.5
MacLean-Fogg Company and MacLean-Fogg Holdings, L.L.C.	Manufacturer and supplier for the power utility and automotive markets worldwide	Senior subordinated loan (13.5%, due 10/25)(2)	98.4	98.4	98.4	98.4
		Preferred units (70,183 units)(2)	72.1	72.1	72.1	72.1

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Niagara Fiber Intermediate Corp.	Insoluble fiber filler products	Senior secured revolving loan (due 5/18)(3)	1.8	1.4			1.8	1.4
		Senior secured loan (due 5/18)(3)	1.4	1.1			1.4	1.1
		Senior secured loan (due 5/18)(3)	13.4	10.5			13.4	10.5
Nordco Inc.	Railroad maintenance-of-way machinery	Senior secured revolving loan (8.8%, due 8/20)	3.8	3.5			3.8	3.5
		Senior secured loan (7.3%, due 8/20)	70.1	65.2			70.1	65.2
Pelican Products, Inc.	Flashlights	Junior secured loan (9.3%, due 4/21)	40.0	37.2			40.0	37.2
Saw Mill PCG Partners LLC	Metal precision engineered components	Common units (1,000 units)	1.0				1.0	
SI Holdings, Inc.	Elastomeric parts, mid-sized composite structures, and composite tooling	Common stock (1,500 shares)	1.5	2.0			1.5	2.0
TPTM Merger Corp.	Time temperature indicator products	Senior secured revolving loan (7.5%, due 9/18)	1.3	1.3			1.3	1.3
		Senior secured loan (9.7%, due 9/18)	22.0	22.0			22.0	22.0
		Senior secured loan (9.7%, due 9/18)	10.0	10.0			10.0	10.0
		Senior secured loan (9.7%, due 9/18)	2.0	2.0			2.0	2.0
WP CPP Holdings, LLC	Precision engineered castings	Junior secured loan (8.8%, due 4/21)			19.6	17.8	19.6	17.8
Zodiac Marine and Pool S.A.	Boat equipment and marine products manufacturer	Senior subordinated loan (due 9/17)(3)			38.8	3.1	38.8	3.1
		Junior secured loan (due 3/17)(3)			25.2	7.9	25.2	7.9
Total			480.1	468.5	142.3	61.7	622.4	530.2
Restaurants and Food Services								
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.	Restaurant owner and operator	Senior secured loan (9.3%, due 12/18)	28.6	26.6			28.6	26.6
		Senior secured loan (9.3%, due 12/18)	10.9	10.2			10.9	10.2
		Promissory note (\$23,652 par due 12/2023)	13.8	11.4			13.8	11.4
		Warrant to purchase up to 23,750 units of Series D common stock						
Benihana, Inc.	Restaurant owner and operator	Senior secured revolving loan (7.8%, due 7/18)	1.1	1.1			1.1	1.1
		Senior secured loan (6.8%, due 1/19)	4.8	4.6			4.8	4.6

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DineInFresh, Inc.	Meal-delivery provider	Senior secured loan (9.8%, due 7/18) Warrant to purchase up to 143,079 shares of Series A preferred stock	6.2	6.3	6.2	6.3
Garden Fresh Restaurant Corp.	Restaurant owner and operator	Senior secured loan (10.5%, due 7/18)	40.1	40.1	40.1	40.1
Global Franchise Group, LLC and GFG Intermediate Holding, Inc.	Worldwide franchisor of quick service restaurants	Senior secured loan (10.5%, due 12/19)	60.8	60.8	60.8	60.8

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Fair Value
Heritage Food Service Group, Inc. and WCI-HFG Holdings, LLC	Distributor of repair and replacement parts for commercial kitchen equipment	Junior secured loan (9.5%, due 10/22)	31.6	31.3			31.6	31.3
		Preferred units (3,000,000 units)	3.0	2.9			3.0	2.9
Orion Foods, LLC(4)	Convenience food service retailer	Senior secured loan (due 9/15)(3)	1.4	0.8			1.4	0.8
		Junior secured loan (due 9/15)(3)						
		Preferred units (10,000 units)						
		Class A common units (25,001 units)						
		Class B common units (1,122,452 units)						
OTG Management, LLC	Airport restaurant operator	Senior secured revolving loan (8.8%, due 12/17)	8.0	8.0			8.0	8.0
		Senior secured loan (8.8%, due 12/17)	60.1	60.1			60.1	60.1
		Senior secured loan (8.8%, due 12/17)	14.3	14.3			14.3	14.3
		Senior secured loan (8.8%, due 12/17)	24.7	24.7			24.7	24.7
		Common units (3,000,000 units)	3.0	11.9			3.0	11.9
		Warrant to purchase up to 7.73% of common units	0.1	23.8			0.1	23.8
Restaurant Holding Company, LLC	Fast food restaurant operator	Senior secured loan (8.8%, due 2/19)	35.4	35.2			35.4	35.2
Total			347.9	374.1			347.9	374.1
Education								
Campus Management Corp. and Campus Management Acquisition Corp.(5)	Education software developer	Preferred stock (485,159 shares)	10.5	11.2			10.5	11.2
Infilaw Holding, LLC	Operator of for-profit law schools	Senior secured loan (11.5%, due 1/17)(2)	2.5	2.5			2.5	2.5
		Series A preferred units (124,890 units)(2)	125.5	111.7			125.5	111.7
		Series B preferred units (1.96 units)	9.2	2.2			9.2	2.2
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.	Private school operator	Senior secured loan (10.5%, due 12/18)(2)	1.8	1.8			1.8	1.8
		Senior preferred series A-1 shares (163,902 shares)	119.4	75.5			119.4	75.5
		Series B preferred stock (1,750,000 shares)	5.0				5.0	
		Series C preferred stock (2,512,586 shares)	0.7				0.7	
		Common stock (20 shares)						
Lakeland Tours, LLC	Educational travel provider	Senior secured revolving loan (5.8%, due 2/22)	7.6	7.6			7.6	7.6
		Senior secured loan (5.8%, due 2/22)	5.0	5.1			5.0	5.1

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		Senior secured loan (10.5%, due 2/22)	31.3	31.7	31.3	31.7
OnCourse Learning Corporation	Provider of state and federally mandated education and training solutions	Senior secured loan (8.5%, due 2/19)		19.3	19.3	19.3
PIH Corporation	Franchisor of education-based early childhood centers	Senior secured revolving loan (7.0%, due 12/18)	0.6	0.6	0.6	0.6

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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Primrose Holding Corporation(5)	Franchisor of education-based early childhood centers	Common stock (7,227 shares)				10.5		10.5
R3 Education, Inc. and EIC Acquisitions Corp.	Medical school operator	Preferred stock (1,977 shares)	0.5	0.5			0.5	0.5
		Common membership interest (15.76% interest)	15.8	31.0			15.8	31.0
		Warrant to purchase up to 27,890 shares						
Regent Education, Inc.	Provider of software solutions designed to optimize the financial aid and enrollment processes	Senior secured loan (12.0%, due 1/18)(2)	3.8	3.9			3.8	3.9
		Warrant to purchase up to 987,771 shares of Series CC preferred stock		0.1				0.1
Severin Acquisition, LLC	Provider of student information system software solutions to the K-12 education market	Senior secured revolving loan (5.5%, due 7/21)	1.4	1.3			1.4	1.3
		Junior secured loan (9.8%, due 7/22)	4.1	4.0	29.4	30.2	33.5	34.2
		Junior secured loan (10.3%, due 7/22)	3.2	3.2			3.2	3.2
		Junior secured loan (9.8%, due 7/22)	14.7	14.6			14.7	14.6
WCI-Quantum Holdings, Inc.	Distributor of instructional products, services and resources	Series A preferred stock (1,272 shares)	1.0	1.1			1.0	1.1
Total			363.6	309.6	48.7	60.0	412.3	369.6
Containers and Packaging								
Charter NEX US Holdings, Inc.	Producer of high-performance specialty films used in flexible packaging	Junior secured loan (9.3%, due 2/23)	11.7	11.7			11.7	11.7
GS Pretium Holdings, Inc.	Manufacturer and supplier of high performance plastic containers	Common stock (500,000 shares)	0.5	0.4			0.5	0.4
ICSH, Inc.	Industrial container manufacturer, reconditioner and servicer	Senior secured revolving loan (6.8%, due 12/18)	1.0	1.0			1.0	1.0
		Junior secured loan (10.2%, due 12/19)	66.0	66.0			66.0	66.0
Industrial Container Services, LLC	Industrial container manufacturer, reconditioner and servicer	Senior secured loan (6.8%, due 12/18)			49.6	49.6	49.6	49.6
		Junior secured loan (10.2%, due 12/19)			9.9	9.9	9.9	9.9
LBP Intermediate Holdings LLC	Manufacturer of paper and corrugated	Senior secured loan (6.5%, due 7/20)	24.2	24.5			24.2	24.5

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foodservice packaging						
Microstar Logistics LLC, Microstar Global Asset Management LLC, and MStar Holding Corporation	Keg management solutions provider	Junior secured loan (8.5%, due 12/18)	78.5	78.5	78.5	78.5
		Junior secured loan (8.5%, due 12/18)	54.0	54.0	54.0	54.0
		Junior secured loan (8.5%, due 12/18)	10.0	10.0	10.0	10.0
		Common stock (50,000 shares)	4.0	7.4	4.0	7.4
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			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Ranpak Corp.	Manufacturer of paper-based protective packaging systems and materials	Junior secured loan (8.3%, due 10/22)			25.0	22.4	25.0	22.4
Total			249.9	253.5	84.5	81.9	334.4	335.4
Oil and Gas								
EXPL Pipeline Holdings LLC(4)	Common-carrier pipeline system that transports petroleum products	Common membership units (100,000 units)			60.6	25.2	60.6	25.2
		Senior secured loan (8.1%, due 1/17)			39.7	39.7	39.7	39.7
Lonestar Prospects, Ltd.	Sand proppant producer and distributor to the oil and natural gas industry	Senior secured loan (8.5%, due 9/18)(2)	24.5	24.0			24.5	24.0
		Senior secured loan (8.5%, due 9/18)(2)	47.9	46.9			47.9	46.9
Petroflow Energy Corporation(5)	Oil and gas exploration and production company	Senior secured loan (3.0%, due 6/19)	16.2	14.7			16.2	14.7
		Junior secured loan (due 12/19)(3)	21.9	3.3			21.9	3.3
		Common units (202,000 units)	11.1				11.1	
Primexx Energy Corporation	Privately-held oil and gas exploration and production company	Junior secured loan (10.0%, due 1/20)	124.6	128.8			124.6	128.8
UL Holding Co., LLC and Universal Lubricants, LLC(5)	Manufacturer and distributor of re-refined oil products	Junior secured loan (10.0%, due 5/20)(2)	1.9	7.1			1.9	7.1
		Junior secured loan (10.0%, due 5/20)(2)	8.3	30.0			8.3	30.0
		Junior secured loan (10.0%, due 5/20)(2)	0.9	3.5			0.9	3.5
		Class A common units (533,351 units)	5.0				5.0	
		Class B-5 common units (272,834 units)	2.5				2.5	
		Class C common units (758,546 units)						
		Warrant to purchase up to 719,044 shares of Class A units						
		Warrant to purchase up to 28,663 shares of Class B-1 units						
		Warrant to purchase up to 57,325 shares of Class B-2 units						
		Warrant to purchase up to 29,645 shares of Class B-3 units						
		Warrant to purchase up to 80,371 shares of Class B-5 units						
	Warrant to purchase up to 59,655 shares of Class B-6 units							

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Warrant to purchase up to 1,046,713 shares of Class C units								
Total			264.8	258.3	100.3	64.9	365.1	323.2
Automotive Services								
AEP Holdings, Inc. and Arrowhead Holdco Company	Distributor of non-discretionary, mission-critical aftermarket replacement parts	Senior secured loan (7.3%, due 8/21)	45.3	45.3			45.3	45.3
		Senior secured loan (8.8%, due 8/21)	0.7	0.7			0.7	0.7
		Senior secured loan (8.3%, due 8/21)	10.0	10.0			10.0	10.0
		Senior secured loan (9.8%, due 8/21)						
		Common stock (2,832 shares)	2.8	2.8			2.8	2.8

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma Ares Capital	
			Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
American Driveline Systems, Inc.(4)	Franchisor of automotive transmission repair centers	Common stock (289,215 shares)			18.2		18.2	
		Senior subordinated loan (11.0%, due 3/21)(2)			45.0	40.7	45.0	40.7
		Redeemable preferred stock (7,121 shares)			83.5		83.5	
CH Hold Corp.	Collision repair company	Senior secured revolving loan (6.3%, due 11/19)	0.8	0.8			0.8	0.8
		Senior secured revolving loan (7.8%, due 11/19)	0.7	0.7			0.7	0.7
ChargePoint, Inc.	Developer and operator of electric vehicle charging stations	Senior secured loan (9.8%, due 7/19)	9.8	10.0			9.8	10.0
		Senior secured loan (9.8%, due 1/19)	9.6	10.0			9.6	10.0
		Warrant to purchase up to 404,563 shares of Series E preferred stock	0.3	1.4			0.3	1.4
Dent Wizard International Corporation and DWH Equity Investors, L.P.	Automotive reconditioning services	Junior secured loan (10.3%, due 10/20)	50.0	50.0			50.0	50.0
		Class A Common Stock (10,000 shares)	0.3	0.5			0.3	0.5
		Class B Common Stock (20,000 shares)	0.7	1.0			0.7	1.0
Eckler Industries, Inc.	Restoration parts and accessories provider for classic automobiles	Senior secured revolving loan (8.5%, due 7/17)	2.0	1.9			2.0	1.9
		Senior secured loan (7.3%, due 7/17)	7.0	6.5			7.0	6.5
		Senior secured loan (7.3%, due 7/17)	26.3	24.7			26.3	24.7
		Series A preferred stock (1,800 shares)	1.8				1.8	
		Common stock (20,000 shares)	0.2				0.2	
EcoMotors, Inc.	Engine developer	Senior secured loan (11.0%, due 3/18)	11.0	11.5			11.0	11.5
		Warrant to purchase up to 321,888 shares of Series C preferred stock				0.3		0.3
		Warrant to purchase up to 70,000 shares of Series C preferred stock				0.1		0.1
Simpson Performance Products, Inc.	Provider of motorsports safety equipment	Senior secured loan (9.8%, due 2/20)	24.5	24.5			24.5	24.5
SK SPV IV, LLC	Collision repair site operators	Series A common stock (12,500 units)	0.6	3.1			0.6	3.1
		Series B common stock (12,500 units)	0.6	3.1			0.6	3.1
TA THI Buyer, Inc. and TA THI Parent, Inc.	Collision repair company	Series A Preferred stock (50,000 shares)	5.0	13.4			5.0	13.4
					2.5	4.9	2.5	4.9

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	Convertible preferred stock (25,000 shares)					
	Junior secured loan (9.8%, due 1/21)	41.0	42.2	41.0	42.2	
Total		210.0	222.3	190.2	87.8	400.2
						310.1

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Food and Beverage								
American Seafoods Group LLC and American Seafoods Partners LLC	Harvester and processor of seafood	Senior secured revolving loan (7.5%, due 8/21)	3.3	3.3			3.3	3.3
		Senior secured loan (6.0%, due 8/21)	19.2	19.5			19.2	19.5
		Junior secured loan (10.0%, due 2/22)	55.0	55.0			55.0	55.0
		Class A units (77,922 units)	0.1	0.1			0.1	0.1
		Warrant to purchase up to 7,422,078 Class A units	7.4	7.9			7.4	7.9
Eagle Family Foods Group LLC	Manufacturer and producer of milk products	Senior secured loan (10.1%, due 12/21)	4.8	4.8			4.8	4.8
		Senior secured loan (10.1%, due 12/21)	49.6	50.0			49.6	50.0
FPI Holding Corporation(4)	Distributor of stone fruits, grapes, persimmons, pomegranates and Asian pears	Senior secured loan (due 7/16)(3)			0.4		0.4	
GF Parent LLC	Producer of low-acid, aseptic food and beverage products	Class A Preferred Units (2,940 units)	2.9	1.4			2.9	1.4
		Class A Common Units (60,000 units)	0.1				0.1	
Kettle Cuisine, LLC	Manufacturer of fresh refrigerated and frozen food products	Junior secured loan (10.8%, due 2/22)	28.5	28.5			28.5	28.5
KeyImpact Holdings, Inc. and JWC/KI Holdings, LLC	Foodservice sales and marketing agency	Senior secured loan (7.1%, due 11/21)	46.0	46.0			46.0	46.0
		Membership units (5,000 units)	5.0	6.0			5.0	6.0
NECCO Holdings, Inc.(4)	Confectioner	Common stock (860,189 shares)			0.1		0.1	
		Senior secured loan (due 11/17)(3)			11.7	8.4	11.7	8.4
		Junior secured loan (due 11/17)(3)			2.7		2.7	
Teasdale Foods, Inc.	Provider of store brand and branded bean and hominy products	Junior secured loan (10.8%, due 10/21)			52.8	51.7	52.8	51.7
Total			221.9	222.5	67.7	60.1	289.6	282.6
Environmental Services								
MPH Energy Holdings, LP	Operator of municipal recycling facilities	Limited partnership interest						
RE Community Holdings, LP and Pegasus Community Energy, LLC	Operator of municipal recycling facilities	Preferred stock (1,000 shares)	8.8				8.8	
Soil Safe Acquisition Corp.(4)	Provider of environmental services for lightly contaminated	Common stock (810 shares)			9.0	11.6	9.0	11.6

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	soil						
		Senior secured loan (8.0%, due 1/18-12/18)	19.5	19.6	19.5	19.6	
		Senior subordinated loan (16.1%, due 12/19)(2)	78.3	78.4	78.3	78.4	
		Junior secured loan (10.8%, due 7/19)	12.7	12.7	12.7	12.7	
Waste Pro USA, Inc	Waste management services	Junior secured loan (8.5%, due 10/20)	16.5	16.5	16.5	16.5	
		Junior secured loan (8.5%, due 10/20)	59.8	59.8	59.8	59.8	
Total			85.1	76.3	119.5	122.3	204.6

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Company	Business Description	Investment	Ares Capital Cost	Ares Capital Fair Value	American Capital Cost	American Capital Fair Value	Pro Forma Ares Capital Cost	Pro Forma Ares Capital Fair Value
Commercial Real Estate Finance								
10th Street, LLC and New 10th Street, LLC(4)	Real estate holding company	Senior secured loan (13.0%, due 11/19)(2)	25.4	25.4			25.4	25.4
		Senior subordinated loan (13.0%, due 11/19)(2)	27.4	27.4			27.4	27.4
		Member interest (10.00% interest)	0.6	44.5			0.6	44.5
		Option (25,000 units)						
ACAS Real Estate Holdings Corporation(4)	Real estate holding company	Common stock (100% interest)			4.5	9.4	4.5	9.4
Crescent Hotels & Resorts, LLC and affiliates(4)	Hotel operator	Senior subordinated loan (15.0%, due 9/11)		3.1				3.1
		Common equity interest						
NECCO Realty Investments, LLC(4)	Confectionery production facility	Common membership units (7,450 units)			4.9		4.9	
		Senior secured loan (due 12/17)(3)			32.8	24.9	32.8	24.9
Parmenter Woodland Park Plaza, LLC	Commercial real estate loan	Senior secured loan (5.4%, due 9/18)			17.5	15.3	17.5	15.3
Total			53.4	100.4	59.7	49.6	113.1	150.0
Aerospace and Defense								
Cadence Aerospace, LLC	Aerospace precision components manufacturer	Senior secured loan (7.0%, due 5/18)	4.0	4.1			4.0	4.1
		Senior secured loan (8.3%, due 5/18)						
		Junior secured loan (10.5%, due 5/19)	79.7	77.3			79.7	77.3
CAMP International Holding Company	Provider of subscription-based maintenance tracking information services to the corporate aviation market	Junior secured loan (8.3%, due 11/19)			15.0	14.7	15.0	14.7
Jazz Acquisition, Inc.	Manufacturer and distributor of components for the commercial aerospace, business, military and general aviation markets	Junior secured loan (7.8%, due 6/22)			24.9	19.3	24.9	19.3
Photonis Technologies S.A.S.	Services photo sensor technology needs for Industry & Science, Medical Imaging and Night Vision	Senior secured loan (8.5%, due 9/19)			28.5	29.1	28.5	29.1
Wyle Laboratories, Inc. and Wyle Holdings, Inc.	Provider of specialized engineering, scientific and technical services	Senior preferred stock (775 shares)(2)	0.1	0.1			0.1	0.1
		Common stock (1,885,195 shares)	2.3	2.8			2.3	2.8

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Total			86.1	84.3	68.4	63.1	154.5	147.4
Wholesale Distribution								
CPI Buyer, LLC	Marketer, distributor and manufacturer of products specializing in fluid handling, test and measurement and electrochemistry	Junior secured loan (8.5%, due 8/22)			24.7	23.7	24.7	23.7
Flow Solutions Holdings, Inc.	Distributor of high value fluid handling, filtration and flow control products	Junior secured loan (10.0%, due 10/18)	6.0	5.5			6.0	5.5
		Junior secured loan (10.0%, due 10/18)	29.5	27.1			29.5	27.1

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma Ares Capital	
			Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
Kele Holdco, Inc.	Distributor of peripheral control products used in building automation systems of commercial buildings	Common stock (30,000 shares)			3.0	3.0	3.0	3.0
		Senior secured loan (7.0%, due 10/20-10/22)			70.9	70.9	70.9	70.9
Total			35.5	32.6	98.6	97.6	134.1	130.2
Hotel Services								
Aimbridge Hospitality, LLC	Hotel operator	Senior secured loan (8.3%, due 10/18)	2.8	2.9			2.8	2.9
		Senior secured loan (8.3%, due 10/18)	3.3	3.3			3.3	3.3
		Senior secured loan (8.3%, due 10/18)	14.8	15.0			14.8	15.0
Castle Management Borrower LLC	Hotel operator	Senior secured loan (5.5%, due 9/20)	5.7	5.7			5.7	5.7
		Junior secured loan (11.0%, due 3/21)	10.0	10.0			10.0	10.0
		Junior secured loan (11.0%, due 3/21)	55.0	55.0			55.0	55.0
Total			91.6	91.9			91.6	91.9
Telecommunications								
Adaptive Mobile Security Limited	Developer of security software for mobile communications networks	Senior secured loan (10.0%, due 7/18)	2.6	2.7			2.6	2.7
		Senior secured loan (10.0%, due 10/18)	0.7	0.7			0.7	0.7
American Broadband Communications, LLC, American Broadband Holding Company, and Cameron Holdings of NC, Inc.	Broadband communication services	Warrant to purchase up to 208 shares		7.2				7.2
		Warrant to purchase up to 200 shares		6.9				6.9
Iotum Global Holdings, Inc.	Conference calling provider	Senior secured loan (10.0%, due 5/17)(2)			1.2	1.2	1.2	1.2
LTG Acquisition, Inc.	Manufacturer of display, lighting and passenger communication systems for global mass transportation markets	Common stock (5,000 shares)			5.0	4.8	5.0	4.8
		Junior secured loan (9.0%, due 10/20)			46.0	46.0	46.0	46.0
Startec Equity, LLC(4)	Communication services	Member interest						
Wilcon Holdings LLC	Communications infrastructure provider	Class A common stock (2,000,000 shares)	1.8	3.2			1.8	3.2
Total			5.1	20.7	52.2	52.0	57.3	72.7
Chemicals								

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Genomatica, Inc.	Developer of a biotechnology platform for the production of chemical products	Warrant to purchase 322,422 shares of Series D preferred stock				
K2 Pure Solutions Nocal, L.P.	Chemical Producer	Senior secured loan (7.0%, due 2/21)	14.0	14.0	14.0	14.0
		Senior secured loan (7.0%, due 2/21)	26.0	26.0	26.0	26.0
		Senior secured loan (7.0%, due 2/21)	13.0	13.0	13.0	13.0

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Kinestral Technologies, Inc.	Designer of adaptive, dynamic glass for the commercial and residential markets.	Senior secured loan (8.8%, due 10/18)	9.6	9.7			9.6	9.7
		Warrant to purchase up to 325,000 shares of Series A preferred stock	0.1	0.2			0.1	0.2
		Warrant to purchase up to 131,883 shares of Series B preferred stock						
Liquid Light, Inc.(4)	Developer and licensor of process technology for the conversion of carbon dioxide into major chemicals	Senior secured loan (due 11/17)(3)	2.1	0.2			2.1	0.2
		Warrant to purchase up to 86,009 shares of Series B preferred stock	0.1				0.1	
Total			64.9	63.1			64.9	63.1
Housing-Building Materials								
DiversiTech Corporation	Manufacturer & marketer of parts, supplies, and accessories to HVACR industry	Junior secured loan (9.0%, due 11/22)			9.4	9.4	9.4	9.4
Financière Newglass S.A.S.	Manufacturer and distributor of dual-pane insulated glass for windows	Convertible preferred stock (15,000,000 shares)			18.2	16.1	18.2	16.1
Financière OFIC S.A.S.	Designs, produces, and markets lightweight materials for roofing products	Warrant				2.9		2.9
Hallex Holdings, Inc.(4)	Manufacturer and Distributer of floor covering installation products	Junior secured loan (due 1/18)(3)			15.5	15.5	15.5	15.5
		Common stock (51,853 shares)			9.2	18.9	9.2	18.9
Total					52.3	62.8	52.3	62.8
Retail								
Galls, LLC	Distributes public safety equipment and apparel	Junior secured loan (9.0%, due 6/17-8/21)			37.1	37.1	37.1	37.1
Modacin France S.A.S.	European retailer of women's ready-to-wear clothing	Senior subordinated loan (due 11/19)(3)			11.4		11.4	
Paper Source, Inc. and Pine Holdings, Inc.	Retailer of fine and artisanal paper products	Senior secured revolving loan (8.5%, due 9/18)	0.4	0.4			0.4	0.4
		Senior secured loan (7.3%, due 9/18)	9.7	9.7			9.7	9.7
		Class A Common Stock (36,364 shares)	6.0	7.3			6.0	7.3

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Things Remembered, Inc. and TRM Holdings Corporation	Personalized gifts retailer	Senior secured revolving loan (due 5/17)(3)	4.1	1.4		4.1	1.4
		Senior secured loan (due 5/18)(3)	12.6	4.3		12.6	4.3
Total			32.8	23.1	48.5	37.1	81.3
Health Clubs							
Athletic Club Holdings, Inc.	Premier health club operator	Senior secured loan (9.5%, due 10/20)	41.0	41.0		41.0	41.0

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
CFW Co-Invest, L.P., NCP Curves, L.P. and Curves International Holdings, Inc.	Health club franchisor	Limited partnership interest	4.2				4.2	
		Common stock (1,680 shares)						
		Limited partnership interest	2.2	7.0			2.2	7.0
Total			47.4	48.0			47.4	48.0
Computers and Electronics								
Everspin Technologies, Inc.	Designer and manufacturer of computer memory solutions	Senior secured revolving loan (7.3%, due 6/17)	1.1	1.1			1.1	1.1
		Senior secured loan (8.8%, due 6/19)	7.6	8.0			7.6	8.0
		Warrant to purchase up to 480,000 shares of Series B preferred stock	0.4	0.4			0.4	0.4
Liquid Robotics, Inc.	Ocean data services provider utilizing long duration, autonomous surface vehicles	Senior secured loan (11.0%, due 4/19)	2.9	2.9			2.9	2.9
		Senior secured loan (9.0%, due 5/19)	4.9	5.0			4.9	5.0
		Warrant to purchase up to 30,172 shares of Series E preferred stock						
		Warrant to purchase up to 50,263 shares of Series E preferred stock	0.1	0.1			0.1	0.1
Scanner Holdings Corporation(4)	Developer, manufacturer and distributor of high-speed, high-capacity document image scanners	Common stock (167,387 shares)			0.1		0.1	
		Convertible preferred stock (66,424,135 shares)			8.7	1.4	8.7	1.4
		Senior subordinated loan (14.0%, due 6/22)			16.6	16.6	16.6	16.6
Total			17.0	17.5	25.4	18.0	42.4	35.5
Printing, Publishing and Media								
Batanga, Inc.	Independent digital media company	Senior secured loan (12.0%, due 12/16)	9.9	10.1			9.9	10.1
Earthcolor Group, LLC	Printing management services	Limited liability company interests (9.3%)						
Rebellion Media Group Corp.(4)	Diversified digital media company	Senior secured loan (due 7/16)(3)			5.7	2.4	5.7	2.4
Roark Money Mailer, LLC(5)	Shared mail direct marketing company	Common membership units (6% interest)				1.7		1.7
			1.1	3.8			1.1	3.8

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The Teaching Company, LLC and The Teaching Company Holdings, Inc.	Education publications provider	Preferred stock (10,663 shares)
		Common stock (15,393 shares)

Total	11.0	13.9	5.7	4.1	16.7	18.0
Total Investments before Pro Forma Adjustments	8,980.8	8,900.4	4,200.8	4,062.1	13,181.6	12,962.5
Pro Forma Adjustments:						
Actual exits and repayments of American Capital investments between July 1, 2016 and July 31, 2016(6)			(321.2)	(659.8)	(321.2)	(659.8)
Investments expected to be sold pursuant to contractual agreements as of July 31, 2016(7)			(117.2)	(111.1)	(117.2)	(111.1)

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Company	Business Description	Investment	Ares Capital		American Capital		Pro Forma	
			Cost	Fair Value	Cost	Fair Value	Ares Capital Cost	Ares Capital Fair Value
Estimated Purchase Price								(181.0)
Allocation Adjustment(1)								
Total Investments			\$ 8,980.8	\$ 8,900.4	\$ 3,762.4	\$ 3,291.2	\$ 12,743.2	\$ 12,010.6

-
- (1) Upon consummation of the Merger and in accordance with ASC 805 50, Business Combinations Related Issues, we will be required to allocate the purchase price of American Capital's assets based on our estimate of the fair value of such assets and record such fair value as the cost basis and initial fair value of each such investment in our financial statements. In this regard, our management determined that the fair value ascribed to American Capital's investments should be reduced by approximately \$181 million to reflect the lower fair value as determined by Ares Capital. As a result, such adjustment has been reflected in a single line item entitled "Estimated Purchase Price Allocation Adjustment." However, a final determination of the fair value of American Capital's investments will be made after the Merger is completed and, as a result, the actual amount of this adjustment may vary from the preliminary amount set forth herein. Thus, the information set forth in the columns reflect historical amounts and have not been individually adjusted to reflect the Estimated Purchase Price Allocation Adjustment.
- (2) Has a payment-in-kind (PIK) interest feature.
- (3) Loan is on non-accrual status at June 30, 2016.
- (4) As defined in the Investment Company Act, the combined company "Controls" this portfolio company because it owns 25% or more of its outstanding voting securities and/or the combined company has the power to exercise control over the management or policies of the portfolio company.
- (5) As defined in the Investment Company Act, the combined company is an "Affiliated Person" to this portfolio company because it owns 5% or more of its outstanding voting securities and/or the combined company has the power to exercise control over the management or policies of the portfolio company (including through a management agreement).
- (6) Includes actual exits and repayments of American Capital's investments occurring between July 1, 2016 and July 31, 2016, including the Mortgage Manager Sale.
- (7) Includes investments expected to be sold pursuant to contractual agreements as of July 31, 2016. Ares Capital and American Capital cannot assure you that it will sell all or any portion of these investments.
- (8) In conjunction with the completion of the Mergers, ACAM will merge with and into IHAM, with IHAM remaining as the surviving entity in such merger. Pro forma for the Mergers and the Mortgage Manager Sale, the amortized cost and fair value of IHAM as of June 30, 2016 would be approximately \$592.6 million and \$652.8 million, respectively.

Table of Contents**1. Basis of Pro Forma Presentation**

The unaudited pro forma condensed consolidated financial information related to the Mergers is included as of and for the six months ended June 30, 2016 and for the year ended December 31, 2015. On May 23, 2016, we and American Capital entered into the Merger Agreement. For the purposes of the pro forma condensed consolidated financial statements, the purchase price is approximately \$3.2 billion in total cash and stock consideration which is based upon a price of \$15.14 per share of Ares Capital common stock as of July 31, 2016 and an implied value per share of American Capital common stock of \$13.72. The pro forma adjustments included herein reflect the conversion of American Capital common stock into Ares Capital common stock using an exchange ratio of 0.483 of a share of Ares Capital common stock, for each of the approximately 229.9 million shares of American Capital common stock outstanding as of July 31, 2016. Each share of American Capital common stock issued and outstanding immediately prior to the effective time of the Mergers will also be entitled to (1) \$6.41 per share in cash from Ares Capital, (2) \$1.20 per share in cash (representing an aggregate amount of approximately \$275) from Ares Capital Management, acting solely on its own behalf and (3) certain Ares Capital dividend make-up amounts, if applicable. Separately, upon completion of the Mergers, each share of American Capital common stock will also be entitled to receive \$2.45 per share in cash, which amount represents the per share cash consideration to be paid to American Capital as a result of the completion of the Mortgage Manager Sale, which occurred on July 1, 2016.

The merger of Acquisition Sub with and into American Capital will be accounted for as an asset acquisition of American Capital by Ares Capital 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 us is allocated to the assets acquired and liabilities assumed based on their relative fair values as of the date of acquisition and will not give rise to goodwill. If the fair value of the net assets acquired exceeds the fair value of the merger consideration paid by us, then we would recognize a deemed contribution from Ares Capital Management in an amount up to approximately \$275. If the fair value of the net assets acquired exceeds the fair value of the merger consideration paid by us and by Ares Capital Management, then we would recognize a purchase accounting gain. Alternatively, if the fair value of the net assets acquired is less than the fair value of the merger consideration paid by us, then we would recognize a purchase accounting loss. As indicated in Note 2 below regarding the preliminary pro forma purchase price allocation calculated as of June 30, 2016, the estimated fair value of the net assets acquired on a pro forma basis exceeds the estimated fair value of the merger consideration paid by us resulting in the recognition of a deemed contribution from Ares Capital Management of approximately \$32, which would be recorded by Ares Capital in the period the Mergers are completed.

Under the Investment Company Act, the regulations pursuant to Article 6 of Regulation S-X and the American Institute of Certified Public Accountants' Audit and Accounting Guide for Investment Companies, we are precluded from consolidating any entity other than another investment company or an operating company which provides substantially all of its services and benefits to us. Our financial statements include its accounts and the accounts of all our consolidated subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

In determining the fair value of the assets to be acquired, we follow ASC 820-10, *Fair Value Measurements*, 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 us 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

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to transact. In accordance with ASC 820-10, we have considered its principal market as the market in which Ares Capital 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 Ares Capital 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, we continue to employ the net asset valuation policy approved by our board of directors that is consistent with ASC 820-10. Consistent with our valuation policy, it evaluates the source of inputs, including any markets in which our investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. Our valuation policy considers the fact that because there is not a readily available market value for most of the investments in our portfolio, the fair value of its investments must typically be determined using unobservable inputs.

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 may realize significantly less than the value at which we have recorded it. As of June 30, 2016, substantially all of the investments held by us and American Capital are Level 3 investments.

The following table presents fair value measurements of investments for the pro forma combined company as of June 30, 2016:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments not measured at net asset value(1)	\$ 11,878	\$ 2	\$ 377	\$ 11,499
Investments measured at net asset value(1)	132			
Total Investments	\$ 12,010			

(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.

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The following table presents changes in investments that use Level 3 inputs between the actual June 30, 2016 amounts and those presented for the pro forma combined company as of June 30, 2016:

	Actual Ares Capital	Actual American Capital	Pro Forma Adjustments	Pro Forma Combined Ares Capital
Actual balance as of June 30, 2016	\$ 8,893	\$ 3,560		\$ 12,453
Estimated purchase price allocation adjustment			(183)	(183)
Actual exits and repayments of American Capital investments between July 1, 2016 and July 31, 2016		(660)		(660)
Investments expected to be sold pursuant to contractual agreements as of July 31, 2016		(111)		(111)
Net transfers in and/or out of Level 3				
Pro Forma Balance as of June 30, 2016	\$ 8,893	\$ 2,789	\$ (183)	\$ 11,499

As of June 30, 2016, the net unrealized depreciation on the investments that use Level 3 inputs for the pro forma combined company was \$86.

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 would be realized based on the valuations currently assigned.

The unaudited pro forma condensed consolidated financial information includes preliminary estimated purchase price allocation adjustments to record the assets and liabilities of American Capital at their respective estimated fair values and represents our estimates based on available information. The pro forma adjustments included herein may be revised as additional information becomes available and as additional analyses are performed. The final allocation of the purchase price will be determined after the Mergers are completed and after completion of a final analysis to determine the estimated fair values of American Capital's assets and liabilities as of the effective time of the Mergers. Accordingly, the final purchase accounting adjustments and integration charges may be materially different from the pro forma adjustments presented in this prospectus. Increases or decreases in the estimated fair values of the net assets and other items of American Capital as compared to the information shown in this prospectus may change the amount of the purchase price recognized as a deemed contribution, income or loss in accordance with ASC 805-50.

The unaudited pro forma condensed consolidated financial information presented in this prospectus is for illustrative purposes only and does not necessarily indicate the results of operations or the combined financial position that would have resulted had the Mergers been completed at the beginning of the applicable period presented, nor the impact of expense efficiencies, asset dispositions, share repurchases and other factors. The unaudited pro forma condensed consolidated financial information is not indicative of the results of operations in future periods or the future financial position of the combined company.

2. Preliminary Purchase Accounting Allocations

The unaudited pro forma condensed consolidated financial information includes the unaudited pro forma condensed consolidated balance sheet as of June 30, 2016 assuming the Mergers and the Other Pro Forma Transactions had been completed on June 30, 2016. The unaudited pro forma condensed consolidated income statements for the six months ended June 30, 2016 and for the year ended December 31, 2015 were prepared assuming the Mergers and the Other Pro Forma Transactions had been completed on December 31, 2014.

The unaudited pro forma condensed consolidated financial information reflects the issuance of approximately 111.0 million shares of Ares Capital common stock pursuant to the Merger Agreement.

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The merger of Acquisition Sub with and into American Capital will be accounted for using the asset acquisition method of accounting; accordingly, the merger consideration paid by us in connection with the Mergers will be allocated to the acquired assets and assumed liabilities of American Capital at their relative fair values estimated by us as of the effective time. The excess fair value of the net assets acquired over the fair value of the merger consideration paid by us is recognized as a deemed contribution from Ares Capital Management in an amount up to approximately \$275. Accordingly, the pro forma purchase price has been allocated to the assets acquired and the liabilities assumed based on our estimate of relative fair values as summarized in the following table:

		Pro Forma American Capital June 30, 2016
Common stock issued	\$	1,681
Cash consideration paid		1,474
Deemed contribution from Ares Capital Management		32
Total purchase price	\$	3,187
Assets acquired:		
Investments	\$	3,110
Cash and cash equivalents		172
Other assets		100
Total assets acquired	\$	3,382
Other liabilities assumed		(195)
Net assets acquired	\$	3,187

3. Preliminary Pro Forma Adjustments

The preliminary pro forma purchase accounting allocation included in the unaudited pro forma condensed consolidated financial information is as follows:

A.

To reflect American Capital's balance sheet as of June 30, 2016, updated for estimated changes subsequent to June 30, 2016:

	Actual American Capital June 30, 2016	Pro Forma Adjustments	Adjusted American Capital June 30, 2016
Investments, at fair value	\$ 4,062	\$ (771)(1)	\$ 3,291
Cash and cash equivalents	914	(18)(1)(2)(3)	896
Other assets	358	(13)	345
Total assets	\$ 5,334	\$ (802)	\$ 4,532
Debt	\$ 784	\$ (784)(2)	\$ 124
Other liabilities	132	(8)	124
Total liabilities	916	(792)	124
Net assets	4,418	(10)(3)	4,408

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Total liabilities and net assets	\$	5,334	\$	(802)	\$	4,532
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- (1) Includes actual exits and repayments of investments occurring between July 1, 2016 and July 31, 2016 of \$660 at fair value (total proceeds of \$658), including the Mortgage Manager Sale. Also includes investments expected to be sold pursuant to contractual agreements as of

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July 31, 2016 of \$111 at fair value (total proceeds of \$112). We and American Capital cannot assure you that American Capital will sell all or any portion of these investments.

- (2) Reflects the use of available cash to repay all outstanding indebtedness as of June 30, 2016.
- (3) Includes proceeds received from 0.3 million stock options exercised from July 1, 2016 through July 31, 2016, totaling \$3.

B. To reflect the acquisition of American Capital by the issuance of approximately 111.0 million shares of Ares Capital common stock. The table below reflects the allocation of the purchase price on the basis of our estimate of the fair value of assets acquired and liabilities assumed:

Components of the purchase price:

	Adjusted American Capital June 30, 2016	Pro Forma Adjustments	Pro Forma June 30, 2016
Common stock issued			\$ 1,681
Cash consideration paid			1,474
Deemed contribution from Ares Capital Management			32
Total purchase price			\$ 3,187
Assets acquired:			
Investments, at fair value	\$ 3,291	\$ (181)(1)	\$ 3,110
Cash and cash equivalents	896	(724)(2)(3)	172
Deferred tax asset	235	(235)(1)	
Other assets	110	(10)(1)	100
Total assets acquired	\$ 4,532	\$ (1,150)	\$ 3,382
Other liabilities assumed	(124)	(71)(1)(2)	(195)
Net assets acquired	\$ 4,408	\$ (1,221)	\$ 3,187

-
- (1) Primarily to reflect the allocation of the purchase price to American Capital's assets and liabilities based on our estimates of fair value. There is no single approach for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process. The adjustment to other liabilities includes an adjustment to record a liability for the estimated loss on future lease payments of \$51.
- (2) In addition to the net effect of the fair value adjustments to American Capital's assets and liabilities, the net assets of American Capital were decreased for various transaction costs expected to be incurred by American Capital of approximately \$182, including \$21 of other liabilities expected to be paid within the 24 months following the completion of the Mergers.
- (3) Pursuant to the Merger Agreement, in connection with the Mortgage Manager Sale, American Capital stockholders will receive a distribution equal to approximately \$563.

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C. The net assets of the pro forma combined company were decreased for the cash consideration paid by us to American Capital stockholders of approximately \$6.41 per fully diluted share, or approximately \$1,474.

D. The pro forma adjustment to cash and cash equivalents primarily reflects draws under our revolving credit facilities with the cash proceeds used to fund the various net cash requirements of Ares Capital related to the Mergers, including certain costs expected to be incurred by Ares Capital related to the Mergers. For the purposes of these unaudited pro forma condensed

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consolidated financial statements, it is assumed that the Revolving Funding Facility (defined below) is amended and upsized from its current committed amount of \$540 to \$1,000 as contemplated by the Debt Commitment Letter (as defined in the Merger Agreement). The net assets of the pro forma combined company were decreased by \$27 to reflect various other costs expected to be incurred by us in connection with the Mergers.

- E. Investment income and any unrealized gains and losses associated with actual exits and repayments of investments occurring between July 1, 2016 and July 31, 2016, including the Mortgage Manager Sale, or expected to be sold pursuant to contractual agreements as of July 31, 2016 were removed from the pro forma condensed consolidated statement of operations for the six months ended June 30, 2016 and for the year ended December 31, 2015.
- F. Reflects the reduction to interest expense associated with the repayment of all outstanding indebtedness of American Capital as of June 30, 2016. Also reflects the interest expense associated with the additional draws under our revolving credit facilities assumed in Note D above.
- G. Base management fees were computed based on 1.5% of average total assets (other than cash and cash equivalents but including assets purchased with borrowed funds) per our investment advisory and management agreement.
- H. Income based and capital gains incentive fees were recomputed based on the formulas described in our investment advisory and management agreement. The additional income based fees prior to the consideration of the fee waiver from Ares Capital Management for the six months ended June 30, 2016 and for the year ended December 31, 2015 were \$16 and \$25, respectively. After applying the fee waiver for such periods, the reduction in the income based fees for the six months ended June 30, 2016 and for the year ended December 31, 2015 were \$4 and \$15, respectively.
- I. Adjustments to other expenses were made to reflect compensation costs for American Capital employees that would have been covered by the base management fees paid to Ares Capital Management and therefore would not be directly incurred by us. Additionally, all American Capital stock option costs were excluded as such costs would not exist at the Company as there is no stock option plan maintained by us. Lastly, any actual costs incurred related to the Mergers and the Other Pro Forma Transactions were also excluded.
- J. Adjustments were made to reflect that American Capital would have been a RIC under the Code and operated in a manner so as to qualify for the tax treatment applicable to RICs. For the periods presented, American Capital was subject to taxation as a corporation under Subchapter C of the Code.
- K. Total shares outstanding as of June 30, 2016 have been adjusted to reflect the following:

Ares Capital shares outstanding as of June 30, 2016	313,954,008
Estimated shares issued in connection with the Mergers reflected as outstanding for the periods presented	111,053,353
Ares Capital adjusted shares outstanding as of June 30, 2016	425,007,361

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Weighted average shares for the six months ended June 30, 2016 and the year ended December 31, 2015 have been adjusted to reflect the following:

	For the Six Months Ended June 30, 2016	For the Year Ended December 31, 2015
Ares Capital weighted average shares outstanding	314,123,517	314,375,099
Estimated shares issued in connection with the Mergers reflected as outstanding for the periods presented	111,053,353	111,053,353
Ares Capital adjusted weighted average shares outstanding	425,176,870	425,428,452

L.

Includes compensation costs for certain American Capital employees that would have been subject to reimbursement by us, pursuant to the administrative agreement with our administrator, Ares Operations, for our allocable share of such compensation. For the six months ended June 30, 2016, includes such compensation costs of \$28. For the year ended December 31, 2015, includes such compensation costs of \$57. These compensation costs as well as other general and administrative expenses do not reflect any potential expense efficiencies of the Mergers.

Table of Contents**USE OF PROCEEDS**

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds from the sale of our debt 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 \$3.9 billion aggregate principal amount outstanding as of June 30, 2016) under (a) the Revolving Credit Facility (as defined below) (\$1,165.0 million outstanding as of June 30, 2016), (b) the Revolving Funding Facility (as defined below) (approximately \$53.0 million outstanding as of June 30, 2016), (c) the SMBC Funding Facility (as defined below) (approximately \$122.0 million outstanding as of June 30, 2016), (d) the 2017 Convertible Notes (approximately \$162.5 million aggregate principal amount outstanding as of June 30, 2016), (e) the 2018 Convertible Notes (approximately \$270.0 million aggregate principal amount outstanding as of June 30, 2016), (f) the 2019 Convertible Notes (approximately \$300.0 million aggregate principal amount outstanding as of June 30, 2016), (g) the 2018 Notes (as defined below) (approximately \$750.0 million aggregate principal amount outstanding as of June 30, 2016), (h) the 2020 Notes (as defined below) (approximately \$600.0 million aggregate principal amount outstanding as of June 30, 2016), (i) the October 2022 Notes (as defined below) (approximately \$182.5 million aggregate principal amount outstanding as of June 30, 2016), and (j) the 2047 Notes (as defined below) (approximately \$229.6 million aggregate principal amount outstanding as of June 30, 2016). In addition, we may also use the net proceeds of an offering to fund our cash portion of the merger consideration for the pending American Capital Acquisition. See "Pending American Capital Acquisition" for more information on the terms of the American Capital Acquisition.

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 June 30, 2016, one-, two-, three- and six-month LIBOR was 0.47%, 0.55%, 0.65% and 0.92%, respectively. For \$1,195.0 million of the total Revolving Credit Facility capacity, the expiration date is May 4, 2021 and for the remaining \$70.0 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 applicable spreads ranging from 2.25% to 2.50% and ranging from 1.25% to 1.50% over "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 facility. The Revolving Funding Facility is scheduled to expire on May 14, 2019 (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) 4.875% in the case of the 2017 Convertible Notes, (b) 4.75% in the case of the 2018 Convertible Notes, (c) 4.375% in the case of the 2019 Convertible Notes, (d) 4.875% in the case of the 2018 Notes, (e) 3.875% in the case of the 2020 Notes, (f) 5.875% in the case of the October 2022 Notes and (g) 6.875% in the case of the 2047 Notes. The 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes mature on March 15, 2017, January 15, 2018 and January 15, 2019, respectively. The 2018 Notes, the 2020 Notes, the October 2022 Notes and the 2047 Notes mature on November 30, 2018, January 15, 2020, October 1, 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.

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We anticipate that substantially all of the net proceeds of an offering of debt securities pursuant to this prospectus and its related prospectus supplement will be used for the above purposes within three 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.

[Table of Contents](#)[Table of Contents](#)**RATIOS OF EARNINGS TO FIXED CHARGES**

For the six months ended June 30, 2016 and years ended December 31, 2015, 2014, 2013, 2012 and 2011, 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, 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	For the Year Ended December 31, 2011
Earnings to Fixed Charges(1)	4.1	2.7(2)	3.8(3)	3.9	4.6(4)	3.7(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 six months ended June 30, 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, 3.7 for the year ended December 31, 2012 and 3.6 for the year ended December 31, 2011.

- (2) Earnings for the year ended December 31, 2015 included a net realized loss on the extinguishment of debt of \$6.6 million.
- (3) Earnings for the year ended December 31, 2014 included a net realized loss on the extinguishment of debt of \$0.1 million.
- (4) Earnings for the year ended December 31, 2012 included a net realized loss on the extinguishment of debt of \$2.7 million.
- (5) Earnings for the year ended December 31, 2011 included a net realized loss on the extinguishment of debt of \$19.3 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," the "Unaudited Selected Pro Forma Condensed Consolidated Financial Data," the "Unaudited Pro Forma Condensed Consolidated Financial Statements" and our and American Capital's financial statements and notes thereto appearing elsewhere in this prospectus or the accompanying prospectus supplement.

We cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Pending American Capital Acquisition" for a description of the terms of the American Capital Acquisition, "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" for a description of the risks that the combined company may face if the American Capital Acquisition is completed.

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, a subsidiary of Ares Management, a publicly traded, leading global alternative asset manager, pursuant to our investment advisory and management agreement. Our administrator, 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.

Since our initial public offering ("IPO") on October 8, 2004 through June 30, 2016, our exited investments resulted in an aggregate cash flow realized internal rate of return to us of approximately 13% (based on original cash invested, net of syndications, of approximately \$13.3 billion and total proceeds from such exited investments of approximately \$16.3 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 70% 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, 2016, our realized gains have exceeded our realized losses by approximately \$537 million (excluding a one-time gain on the acquisition of Allied Capital Corporation ("Allied Capital") and realized gains/losses from the

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extinguishment of debt and from other assets). For this same time period, our average annualized net realized gain rate was approximately 1.1% (excluding a one-time gain on the acquisition of Allied Capital and realized gains/losses from the extinguishment of debt and from 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.

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 regulated investment company, or 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.

In addition, on May 23, 2016, we entered into the Merger Agreement to acquire American Capital, a Delaware corporation, in a cash and stock transaction. As of May 20, 2016, the last full trading day prior to the announcement of the American Capital Acquisition, the transaction had an implied value of approximately \$4.0 billion, or \$17.40 per fully diluted share of American Capital common stock. As of July 27, 2016, the transaction had an implied value of approximately \$4.0 billion, or \$17.43 per fully diluted share of American Capital common stock. See "Pending American Capital Acquisition" for more information on the American Capital Acquisition.

Table of Contents**PORTFOLIO AND INVESTMENT ACTIVITY**

Our investment activity for the six months ended June 30, 2016 and 2015 and for the years ended December 31, 2015, 2014 and 2013 is presented below (information presented herein is at amortized cost unless otherwise indicated).

(dollar amounts in millions)	For the Six Months Ended June 30,		For the Years Ended December 31,		
	2016	2015	2015	2014	2013
New investment commitments(1):					
New portfolio companies	\$ 649.4	\$ 593.5	\$ 2,482.4	\$ 2,283.8	\$ 2,148.5
Existing portfolio companies(2)	361.1	727.0	1,334.2	2,294.8	1,854.4
Total new investment commitments(3)	1,010.5	1,320.5	3,816.6	4,578.6	4,002.9
Less:					
Investment commitments exited(4)	1,243.2	1,906.4	3,816.0	3,539.8	1,840.0
Net investment commitments (exited)	\$ (232.7)	\$ (585.9)	\$ 0.6	\$ 1,038.8	\$ 2,162.9
Principal amount of investments funded:					
First lien senior secured loans	\$ 621.6	\$ 449.9	\$ 2,070.6	\$ 2,642.1	\$ 2,011.1
Second lien senior secured loans	284.8	614.1	1,232.2	1,046.9	602.8
Subordinated certificates of the SSLP(5)	3.0	217.7	228.7	463.6	652.5
Senior subordinated debt	94.3	90.3	257.1	298.8	181.0
Preferred equity securities	5.7	13.9	89.3	13.7	1.8
Other equity securities	6.6	9.5	27.1	69.2	44.0
Total	\$ 1,016.0	\$ 1,395.4	\$ 3,905.0	\$ 4,534.3	\$ 3,493.2
Principal amount of investments sold or repaid:					
First lien senior secured loans	\$ 692.1	\$ 1,408.4	\$ 2,948.6	\$ 2,326.0	\$ 885.8
Second lien senior secured loans	427.6	154.0	194.6	444.3	526.1
Subordinated certificates of the SSLP		162.8	329.7	174.3	145.2
Senior subordinated debt	52.9	80.9	132.6	143.5	201.0
Preferred equity securities	1.9	8.6	11.1	31.2	26.3
Other equity securities	28.8	15.5	32.6	88.7	16.8
Commercial real estate		0.4	2.1	4.8	0.2
Total	\$ 1,203.3	\$ 1,830.6	\$ 3,651.3	\$ 3,212.8	\$ 1,801.4
Number of new investment commitments(6)	30	39	86	115	95
Average new investment commitment amount	\$ 33.7	\$ 33.9	\$ 44.4	\$ 39.8	\$ 42.1
Weighted average term for new investment commitments (in months)	60	75	65	73	74
Percentage of new investment commitments at floating rates	87%	91%	89%	90%	89%
Percentage of new investment commitments at fixed rates	11%	8%	8%	8%	10%
Weighted average yield of debt and other income producing securities(7):					
Funded during the period at amortized cost	9.2%	9.8%	9.0%	9.0%	9.8%
Funded during the period at fair value(8)	9.2%	9.8%	9.0%	9.0%	9.8%
Exited or repaid during the period at amortized cost	8.9%	7.9%	7.9%	8.3%	9.8%
Exited or repaid during the period at fair value(8)	9.0%	7.9%	7.9%	8.3%	9.7%

(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, 2016 and for the year ended December 31, 2015, for more information on our commitments to fund revolving credit facilities or delayed draw loans.

(2)

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Includes investment commitments to the SSLP to make co-investments with GE in first lien senior secured loans of middle market companies of \$0.0 million and \$212.1 million for the six months ended June 30, 2016

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and 2015, respectively, and \$219.4 million, \$494.2 million and \$736.6 million for the years ended December 31, 2015, 2014 and 2013, respectively

- (3) Includes both funded and unfunded commitments. Of these new investment commitments, we funded \$895.5 million and \$1,191.2 million for the six months ended June 30, 2016 and 2015, respectively, and \$3,571.4 million, \$4,112.4 million and \$3,382.7 million for the years ended December 31, 2015, 2014 and 2013, respectively.
- (4) Includes both funded and unfunded commitments. For the six months ended June 30, 2016 and 2015, investment commitments exited included exits of unfunded commitments of \$107.8 million and \$262.0 million, respectively. For the years ended December 31, 2015, 2014 and 2013, investment commitments exited included exits of unfunded commitments of \$263.1 million, \$448.9 million and \$113.2 million, respectively.
- (5) See "Senior Secured Loan Program" below and Note 4 to our consolidated financial statements for the three and six months ended June 30, 2016 and for the year ended December 31, 2015 for more information on the SSLP.
- (6) 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).
- (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.
- (8) Represents fair value for investments in the portfolio as of the most recent prior quarter end, if applicable.

As of June 30, 2016 and December 31, 2015, our investments consisted of the following:

(in millions)	As of			
	June 30, 2016		December 31, 2015	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First lien senior secured loans	\$ 2,612.6	\$ 2,554.1	\$ 2,735.2	\$ 2,638.8
Second lien senior secured loans	2,830.8	2,766.0	2,944.6	2,861.3
Subordinated certificates of the SSLP(1)	1,938.5	1,899.8	1,935.4	1,884.9
Senior subordinated debt	716.7	714.3	663.0	654.1
Preferred equity securities	458.7	372.5	435.1	375.8
Other equity securities	423.5	593.7	434.4	640.5
Commercial real estate				0.1
Total	\$ 8,980.8	\$ 8,900.4	\$ 9,147.7	\$ 9,055.5

-
- (1) The proceeds from these certificates were applied to co-investments with GE to fund first lien senior secured loans to 32 and 41 different borrowers as of June 30, 2016 and December 31, 2015, respectively.

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The weighted average yields at amortized cost and fair value of the following portions of our portfolio as of June 30, 2016 and December 31, 2015 were as follows:

	As of			
	June 30, 2016		December 31, 2015	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt and other income producing securities(1)	9.8%	9.9%	10.1%	10.3%
Total portfolio(2)	8.9%	9.0%	9.1%	9.2%
First lien senior secured loans(2)	8.3%	8.5%	8.2%	8.5%
Second lien senior secured loans(2)	9.8%	10.0%	9.4%	9.7%
Subordinated certificates of the SSLP(2)(3)	10.0%	10.2%	12.0%	12.3%
Senior subordinated debt(2)	12.0%	12.1%	11.6%	11.7%
Income producing equity securities(2)	12.3%	13.2%	11.0%	11.7%

- (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.
- (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.
- (3) 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

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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.

Set forth below is the grade distribution of our portfolio companies as of June 30, 2016 and December 31, 2015:

(dollar amounts in millions)	As of							
	June 30, 2016				December 31, 2015			
	Fair Value	%	Number of Companies	%	Fair Value	%	Number of Companies	%
Grade 1	\$ 109.5	1.2%	11	5.1%	\$ 28.6	0.3%	8	3.7%
Grade 2	524.6	5.9%	14	6.6%	445.6	4.9%	16	7.3%
Grade 3	7,341.0	82.5%	167	78.0%	7,824.5	86.4%	174	79.8%
Grade 4	925.3	10.4%	22	10.3%	756.8	8.4%	20	9.2%
Total	\$ 8,900.4	100.0%	214	100.0%	\$ 9,055.5	100.0%	218	100.0%

As of June 30, 2016 and December 31, 2015, the weighted average grade of the investments in our portfolio at fair value was 3.0 and 3.0, respectively.

As of June 30, 2016, loans on non-accrual status represented 1.3% and 0.7% of the total investments at amortized cost and at fair value, respectively. As of December 31, 2015, loans on non-accrual status represented 2.6% and 1.7% of the total investments at amortized cost and at fair value, respectively.

Senior Direct Lending Program

In December 2015, we established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, 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"). It is expected that the SDLP will commit and hold individual loans of up to \$300 million. We may directly co-invest with the SDLP to accommodate larger transactions. We will provide capital to the SDLP in the form of the SDLP Certificates, and Varagon and its clients will provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. It is expected that we and a client of Varagon will own 87.5% and 12.5%, respectively, of any outstanding SDLP Certificates.

As of June 30, 2016, we and Varagon have agreed to make capital available to the SDLP of \$2.9 billion in the aggregate, of which no amounts were funded. The SDLP will be capitalized as transactions are completed. 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). As of June 30, 2016, we agreed to make available to the SDLP (subject to the approval of the investment committee of the SDLP as described above) approximately \$591 million, of which no amounts were committed or funded. The SDLP Certificates will 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.

During the three months ended December 31, 2015, we entered into an agreement with the SDLP to sell certain of our investments to the SDLP at a mutually agreed upon price on a future date. The value of the agreement with the SDLP will change as the fair value of the identified loans changes and as additional loans are added to such agreement. See "Recent Developments," as well as Note 16

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to our consolidated financial statements for the three and six months ended June 30, 2016 for more information on the SDLP.

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.

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 the Company and GE continue to operate the SSLP. The Company 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; however, the Company and GE may provide capital to support the SSLP's funding of existing commitments (see below) and other amounts to its 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. Prior to closing the sale to CPPIB, GE had announced its intention to provide us and CPPIB the opportunity to work together on the SSLP on a go-forward basis. GECC has also stated that if a mutual agreement between us and CPPIB to partner on the SSLP is not reached, it intends to retain its interest in the SSLP and the SSLP would be wound down in an orderly manner. We have been in dialogue with GE and CPPIB to determine if there is an opportunity to work together; however, to date there has been no agreement in respect of the SSLP as a result of these discussions and there can be no assurance that such discussions will continue or any such agreement will be reached. In addition to discussions with CPPIB and GECC, we are also exploring other options with respect to the SSLP's portfolio, although there can be no assurance that we will pursue any of them.

As of June 30, 2016 and December 31, 2015, the Company and GE had outstanding amounts funded of approximately \$7.1 billion and \$8.5 billion in aggregate principal amount, respectively, to the SSLP. As discussed above, we anticipate that no new investments will be made by the SSLP and that the Company and GE will only provide additional capital to support the SSLP's funding of existing commitments and other amounts to its portfolio companies. As of June 30, 2016 and December 31, 2015, the SSLP had commitments to fund delayed draw loans to certain of its portfolio companies of \$94.5 million and \$198.6 million, respectively, which had been approved by the investment committee of the SSLP as described above.

As of June 30, 2016 and December 31, 2015, we had outstanding amounts funded of approximately \$2.0 billion and \$2.0 billion in aggregate principal amount, respectively, to the SSLP. Additionally, as of June 30, 2016 and December 31, 2015, 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 \$14.9 million and \$32.6 million, respectively. As discussed above, it is not anticipated that we will make new investments through the SSLP.

As of June 30, 2016 and December 31, 2015, the SSLP had total assets of \$7.1 billion and \$8.5 billion, respectively. As of June 30, 2016 and December 31, 2015, GE's investment in the SSLP

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consisted of the Senior Notes of \$4.8 billion and \$6.2 billion, respectively, and SSLP Certificates of \$286.3 million and \$285.8 million, respectively. As of June 30, 2016 and December 31, 2015, the Company and GE owned 87.5% and 12.5%, respectively, of the outstanding SSLP Certificates.

The SSLP Certificates pay a weighted average 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, which may result in a return to the holders of the SSLP Certificates that is greater than the stated coupon. The SSLP Certificates are junior in right of payment to the Senior Notes held by GE. 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 decline.

As of June 30, 2016 and December 31, 2015, the portfolio was comprised of all first lien senior secured loans to U.S. middle-market companies. As of June 30, 2016 and December 31, 2015, none of these loans were on non-accrual status. The portfolio companies in the SSLP are in industries similar to the companies in our portfolio.

Below is a summary of the SSLP's portfolio, followed by a listing of the individual first lien senior secured loans in the SSLP's portfolio as of June 30, 2016 and December 31, 2015:

(dollar amounts in millions)	June 30, 2016	As of December 31, 2015
Total first lien senior secured loans(1)	\$ 6,246.7	\$ 8,138.5
Weighted average yield on first lien senior secured loans(2)	6.8%	6.7%
Number of borrowers in the SSLP	32	41
Largest loan to a single borrower(1)	\$ 341.6	\$ 345.9
Total of five largest loans to borrowers(1)	\$ 1,479.3	\$ 1,579.9

(1) At principal amount.

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

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(dollar amounts in millions)		Maturity	Stated	Principal
Portfolio Company	Business Description	Date	Interest Rate(1)	Amount
ADG, LLC	Dental services provider	9/2019	8.1%	\$ 202.9
AMZ Holding Corp.	Specialty chemicals manufacturer	12/2018	6.8%	221.2
Athletico Management, LLC and Accelerated Holdings, LLC	Provider of outpatient rehabilitation services	12/2020	6.3%	299.6
Breg, Inc.	Designer, manufacturer, and distributor of non-surgical orthopedic products for preventative, post-operative and rehabilitative use	10/2020	6.5%	148.1
Brewer Holdings Corp. and Zywave, Inc.	Provider of software and technology-enabled content and analytical solutions to insurance brokers	3/2021	8.0%	249.5
Connoisseur Media, LLC	Owner and operator of radio stations	6/2019	7.3%	100.8
DFS Holding Company, Inc.	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	2/2022	6.5%	191.6
Drayer Physical Therapy Institute, LLC	Outpatient physical therapy provider	7/2018	8.3%	132.5
DTI Holco, Inc.(2)(4)	Provider of legal process outsourcing and managed services	8/2020	5.8%	289.4
ECI Purchaser Company, LLC	Manufacturer of equipment to safely control pressurized gases	12/2018	6.2%	207.2
Excelligence Learning Corporation	Developer, manufacturer and retailer of educational products	12/2020	6.8%	174.6
Gehl Foods, LLC(4)	Producer of low-acid, aseptic food and beverage products	3/2021	7.5%	156.9
III US Holdings, LLC	Provider of library automation software and systems	6/2018	6.0%	167.4
Implus Footcare, LLC	Provider of footwear and other accessories	4/2021	7.0%	261.4
Intermedix Corporation(3)	Revenue cycle management provider to the emergency healthcare industry	12/2019	5.8%	257.6
Laborie Medical Technologies Corp(4)	Developer and manufacturer of medical equipment	9/2019	7.3%	197.9
Mavis Tire Supply LLC	Auto parts retailer	10/2020	6.3%	241.2
MCH Holdings, Inc.(4)	Healthcare professional provider	1/2020	6.7%	168.5
Oak Parent, Inc.(2)	Manufacturer of athletic apparel	4/2018	7.6%	268.5
Palermo Finance Corporation	Provider of mission-critical integrated public safety software and services to local, state, and federal agencies	11/2020	7.0%	185.0
Penn Detroit Diesel Allison, LLC	Distributor of new equipment and aftermarket parts to the heavy-duty truck industry	10/2019	7.0%	60.9
Pretium Packaging, L.L.C(4)	Manufacturer and supplier of high performance plastic containers	6/2020	6.3%	216.0
Restaurant Technologies, Inc.	Provider of bulk cooking oil management services to the restaurant and fast food service industries	10/2021	6.8%	227.7
Sanders Industries Holdings, Inc.(4)	Elastomeric parts, mid-sized composite structures, and composite tooling	5/2020	6.5%	76.1
Singer Sewing Company	Manufacturer of consumer sewing machines	6/2017	7.3%	185.5
Square Brands International, LLC	Franchisor and operator of specialty battery and light bulb retail stores	6/2021	6.7%	198.5
STATS Acquisition, LLC	Sports technology, data and content company	6/2020	8.5%	101.9
TA THI Buyer, Inc. and TA THI Parent, Inc.(4)	Collision repair company	7/2020	6.5%	341.6
The Linen Group	Provider of outsourced commercial linen and laundry services	8/2019	8.0%	95.7

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(dollar amounts in millions)		Maturity	Stated	Principal
Portfolio Company	Business Description	Date	Interest Rate(1)	Amount
U.S. Anesthesia Partners, Inc.(3)	Anesthesiology service provider	12/2019	6.0%	260.1
WCI-Quantum Holdings, Inc.(4)	Distributor of instructional products, services and resources	10/2020	5.8%	80.7
Woodstream Group, Inc.	Pet products manufacturer	5/2022	7.3%	280.2
				\$ 6,246.7

-
- (1) Represents the weighted average annual stated interest rate as of June 30, 2016. All interest rates are payable in cash.
- (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.

Table of Contents**SSLP Loan Portfolio as of December 31, 2015**

(dollar amounts in millions)		Maturity Date	Stated Interest Rate(1)	Principal Amount	Fair Value(2)
Portfolio Company	Business Description				
ADG, LLC	Dental services provider	9/2019	8.1%	\$ 204.5	\$ 204.5
AMZ Holding Corp.	Specialty chemicals manufacturer	12/2018	6.8%	225.3	220.8
Athletico Management, LLC and Accelerated Holdings, LLC	Provider of outpatient rehabilitation services	12/2020	6.3%	307.0	307.0
Breg, Inc.	Designer, manufacturer, and distributor of non-surgical orthopedic products for preventative, post-operative and rehabilitative use	10/2020	6.3%	148.9	142.9
Brewer Holdings Corp. and Zywave, Inc.	Provider of software and technology-enabled content and analytical solutions to insurance brokers	3/2021	8.0%	257.3	257.3
Cambridge International, Inc.	Manufacturer of custom designed and engineered metal products	4/2018	8.0%	79.5	79.5
CH Hold Corp.	Collision repair company	11/2019	5.5%	345.9	342.4
CIBT Holdings, Inc.(3)(5)	Expedited travel document processing services	12/2018	6.8%	209.0	209.0
Connoisseur Media, LLC	Owner and operator of radio stations	6/2019	7.3%	117.9	114.4
CWD, LLC	Supplier of automotive aftermarket brake parts	6/2016	7.0%	121.3	121.3
DFS Holding Company, Inc.	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	2/2022	6.5%	192.5	190.6
Drayer Physical Therapy Institute, LLC	Outpatient physical therapy provider	7/2018	8.0%	133.2	131.9
DTI Holdco, Inc.(3)(5)	Provider of legal process outsourcing and managed services	8/2020	5.8%	297.2	288.3
ECI Purchaser Company, LLC	Manufacturer of equipment to safely control pressurized gases	12/2019	6.0%	227.4	220.6
Excelligence Learning Corporation	Developer, manufacturer and retailer of educational products	12/2020	6.8%	179.1	177.3
Gehl Foods, LLC(5)	Producer of low-acid, aseptic food and beverage products	3/2021	7.5%	159.2	157.6
Gentle Communications, LLC	Dental services provider	6/2020	6.5%	83.9	82.3
III US Holdings, LLC	Provider of library automation software and systems	6/2018	6.0%	204.0	204.0
Implus Footcare, LLC	Provider of footwear and other accessories	4/2021	7.0%	262.7	257.4
Intermedix Corporation(4)	Revenue cycle management provider to the emergency healthcare industry	12/2019	5.8%	261.0	258.4
ISS Compressors Industries, Inc.	Provider of repairs, refurbishments and services to the broader industrial end user markets	6/2018	6.5%	172.8	172.8
Laborie Medical Technologies Corp(5)	Developer and manufacturer of medical equipment	9/2019	7.3%	198.9	196.9
Mavis Tire Supply LLC	Auto parts retailer	10/2020	6.3%	242.4	242.4
MCH Holdings, Inc.(5)	Healthcare professional provider	1/2020	6.3%	173.8	173.8
MWI Holdings, Inc.(3)	Engineered springs, fasteners, and other precision components	3/2019	7.4%	254.9	254.9
Oak Parent, Inc.(3)	Manufacturer of athletic apparel	4/2018	7.6%	285.0	285.0
Palermo Finance Corporation	Provider of mission-critical integrated public safety software and services to local, state, and federal agencies	11/2020	7.0%	188.1	188.1
Penn Detroit Diesel Allison, LLC	Distributor of new equipment and aftermarket parts to the heavy-duty truck industry	10/2019	7.3%	70.9	70.9
Pretium Packaging, L.L.C(5)	Manufacturer and supplier of high performance plastic containers	6/2020	6.3%	217.1	212.7
Restaurant Technologies, Inc.	Provider of bulk cooking oil management services to the restaurant and fast food service industries	10/2021	6.8%	228.9	226.6
Sanders Industries Holdings, Inc.(5)	Elastomeric parts, mid-sized composite structures, and composite tooling	5/2020	7.0%	77.5	77.5
Singer Sewing Company	Manufacturer of consumer sewing machines	6/2017	7.3%	190.0	184.3
Square Brands International, LLC	Franchisor and operator of specialty battery and light bulb retail stores	6/2021	6.7%	199.5	197.5

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STATS Acquisition, LLC	Sports technology, data and content company	6/2020	7.0%	102.7	97.6
Strategic Partners, Inc.(5)	Supplier of medical uniforms, specialized medical footwear and accessories	8/2018	7.3%	286.4	286.4
TA THI Buyer, Inc. and TA THI Parent, Inc.(5)	Collision repair company	7/2020	6.5%	343.4	343.4
The Linen Group	Provider of outsourced commercial linen and laundry services	8/2019	8.0%	96.2	95.2
Towne Holdings, Inc.	Provider of contracted hospitality services and parking systems	12/2019	6.8%	166.1	166.1

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(dollar amounts in millions)						
Portfolio Company	Business Description	Maturity Date	Stated Interest Rate(1)	Principal Amount	Fair Value(2)	
U.S. Anesthesia Partners, Inc.(4)	Anesthesiology service provider	12/2019	6.0%	261.4	261.4	
WCI-Quantum Holdings, Inc.(5)	Distributor of instructional products, services and resources	10/2020	5.8%	84.1	83.3	
Woodstream Group, Inc.	Pet products manufacturer	5/2022	7.3%	281.6	276.0	
				\$ 8,138.5	\$ 8,060.3	

- (1) Represents the weighted average annual stated interest rate as of December 31, 2015. All interest rates are payable in cash.
- (2) Represents the fair value in accordance with Accounting Standards Codification ("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 first lien senior secured loan.
- (4) We also hold a portion of this company's second lien senior secured loan.
- (5) We hold an equity investment in this company.

The amortized cost and fair value of our SSLP Certificates were \$1.9 billion and \$1.9 billion, respectively, as of June 30, 2016, and \$1.9 billion and \$1.9 billion, respectively, as of December 31, 2015. As described above, the SSLP Certificates pay a weighted average coupon of LIBOR plus approximately 8.0% and also entitle the holders thereof to receive a portion of the excess cash flow from the underlying loan portfolio, which may result in a return to the holders of the SSLP Certificates that is greater than both the coupon on the SSLP Certificates as well as the weighted average yield on the SSLP's portfolio of 6.8% and 6.7% as of June 30, 2016 and December 31, 2015, respectively. Our yield on our investment in the SSLP at amortized cost and fair value was 10.0% and 10.2%, respectively, as of June 30, 2016, and 12.0% and 12.3%, respectively, as of December 31, 2015. For the three and six months ended June 30, 2016, we earned interest income of \$57.6 million and \$116.4 million, respectively, from our investment in the SSLP Certificates. For the three and six months ended June 30, 2015, we earned interest income of \$69.9 million and \$138.2 million, respectively, from our investment in the SSLP Certificates.

We are also entitled to certain fees in connection with the SSLP. 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 \$5.7 million and \$11.4 million, respectively. For the three and six months ended June 30, 2015, in connection with the SSLP, we earned capital structuring service, sourcing and other fees totaling \$18.7 million and \$33.4 million, respectively.

Selected financial information for the SSLP as of June 30, 2016 and December 31, 2015 and for the six months ended June 30, 2016 and 2015, was as follows:

(in millions)	As of	
	June 30, 2016	December 31, 2015
Selected Balance Sheet Information:		
Investments in loans receivable, net	\$ 6,210.7	\$ 8,090.0
Cash and other assets	877.7	437.4
Total assets	\$ 7,088.4	\$ 8,527.4
Senior notes	\$ 4,820.5	\$ 6,248.4

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Other liabilities	56.9	72.8
Total liabilities	4,877.4	6,321.2
Subordinated certificates and members' capital	2,211.1	2,206.2
Total liabilities and members' capital	\$ 7,088.4	\$ 8,527.4

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(in millions)	For the Six Months Ended June 30,	
	2016	2015
Selected Statement of Operations Information:		
Total interest and other income	\$ 271.9	\$ 338.1
Interest expense	92.4	115.0
Management and sourcing fees	28.8	36.5
Other expenses	13.2	29.0
Total expenses	134.4	180.5
Net income	\$ 137.5	\$ 157.6

RESULTS OF OPERATIONS*For the three and six months ended June 30, 2016 and 2015*

Operating results for the three and six months ended June 30, 2016 and 2015 were as follows:

(in millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Total investment income	\$ 245.3	\$ 249.5	\$ 493.3	\$ 502.7
Total expenses	136.0	138.4	266.1	266.4
Net investment income before income taxes	109.3	111.1	227.2	236.3
Income tax expense, including excise tax	4.0	2.6	9.2	6.1
Net investment income	105.3	108.5	218.0	230.2
Net realized gains on investments and foreign currency transactions	30.6	24.2	58.0	56.0
Net unrealized gains (losses) on investments, foreign currency and other transactions	21.5	13.8	13.0	(35.3)
Realized losses on extinguishment of debt				(3.8)
Net increase in stockholders' equity resulting from operations	\$ 157.4	\$ 146.5	\$ 289.0	\$ 247.1

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

(in millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Interest income from investments	\$ 204.0	\$ 201.3	\$ 411.2	\$ 399.9
Capital structuring service fees	12.2	23.1	27.8	43.2
Dividend income	20.8	14.8	37.3	39.4
Management and other fees	4.6	6.2	9.6	12.3

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Other income	3.7	4.1	7.4	7.9
Total investment income	\$ 245.3	\$ 249.5	\$ 493.3	\$ 502.7

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The increase in interest income from investments for the three months ended June 30, 2016 from the comparable period in 2015 was primarily due to an increase in the 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 \$8.4 billion at amortized cost for the three months ended June 30, 2015 to an average of \$9.1 billion at amortized cost for the comparable period in 2016. The weighted average yield of our portfolio decreased from 9.6% for the three months ended June 30, 2015 to 9.1% for the comparable period in 2016, primarily driven by the decrease in the yield of the SSLP Certificates. The decrease in capital structuring service fees for the three months ended June 30, 2016 from the comparable period in 2015 was due to the decrease in new investment commitments, which decreased from \$820.3 million for the three months ended June 30, 2015 to \$539.9 million for the comparable period in 2016 as well as the decrease in the weighted average capital structuring fees received on new investment commitments, which decreased from 2.8% for the three months ended June 30, 2015 to 2.2% in the comparable period in 2016. This decline was in part driven by the SSLP no longer making new investments. Dividend income for the three months ended June 30, 2016 and 2015 included dividends received from IHAM totaling \$10.0 million for both periods. Also during the three months ended June 30, 2016, we received \$4.6 million in other non-recurring dividends from non-income producing equity securities compared to \$1.8 million for the comparable period in 2015. Dividend income for the three months ended June 30, 2016 also included new recurring dividends of \$2.5 million. The decrease in management and other fees for the three months ended June 30, 2016 from the comparable period in 2015 was primarily due to lower sourcing fees from the SSLP driven by the decrease in size of the SSLP portfolio.

The increase in interest income from investments for the six months ended June 30, 2016 from the comparable period in 2015 was primarily due to an increase in the 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 \$8.6 billion at amortized cost for the six months ended June 30, 2015 to an average of \$9.1 billion at amortized cost for the comparable period in 2016. The weighted average yield of our portfolio decreased from 9.4% for the six months ended June 30, 2015 to 9.1% for the comparable period in 2016, primarily driven by the decrease in the yield of the SSLP Certificates. The decrease in capital structuring service fees for the six months ended June 30, 2016 from the comparable period in 2015 was due to the decrease in new investment commitments, which decreased from \$1.3 billion for the six months ended June 30, 2015 to \$1.0 billion for the comparable period in 2016, as well as the decrease in the weighted average capital structuring service fees received on new investment commitments, which decreased from 3.3% for the six months ended June 30, 2015 to 2.7% for the comparable period in 2016. This decline was in part driven by the SSLP no longer making new investments. Dividend income for the six months ended June 30, 2016 and 2015 included dividends received from IHAM totaling \$20.0 million and \$30.0 million, respectively. The dividends received from IHAM for the six months ended June 30, 2015 included additional dividends of \$10.0 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 six months ended June 30, 2016, we received \$5.3 million in other non-recurring dividends from non-income producing equity securities compared to \$3.3 million for the comparable period in 2015. Dividend income for the six months ended June 30, 2016 also included new recurring dividends of \$4.9 million. The decrease in management and other fees for the six months ended June 30, 2016 from the comparable period in 2015 was primarily due to lower sourcing fees from the SSLP driven by the decrease in size of the SSLP portfolio.

Table of Contents**Operating Expenses**

(in millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Interest and credit facility fees	\$ 45.3	\$ 56.4	\$ 95.6	\$ 115.0
Base management fees	34.5	33.0	69.2	66.9
Income based fees	28.9	29.0	58.0	58.3
Capital gains incentive fees	10.4	7.7	14.2	3.5
Administrative fees	3.3	3.5	6.8	7.0
Professional fees and other costs related to the American Capital Acquisition	6.6		8.0	
Other general and administrative	7.0	8.8	14.3	15.7
Total operating expenses	\$ 136.0	\$ 138.4	\$ 266.1	\$ 266.4

Interest and credit facility fees for the three and six months ended June 30, 2016 and 2015, were comprised of the following:

(in millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Stated interest expense	\$ 39.0	\$ 45.2	\$ 81.5	\$ 92.4
Facility fees	1.2	2.9	2.5	5.8
Amortization of debt issuance costs	3.5	4.3	7.4	8.7
Accretion of net discount on notes payable	1.6	4.0	4.2	8.1
Total interest and credit facility fees	\$ 45.3	\$ 56.4	\$ 95.6	\$ 115.0

Stated interest expense for the three months ended June 30, 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 4.0% for the three months ended June 30, 2016 as compared to 5.2% for the comparable period in 2015 primarily as a result of the maturity of the higher cost \$575.0 million aggregate principal amount of unsecured convertible notes (the "February 2016 Convertible Notes") and the \$230.0 million aggregate principal amount of unsecured convertible notes (the "June 2016 Convertible Notes") and increased utilization of our lower cost revolving facilities. For the three months ended June 30, 2016, our average principal debt outstanding increased to \$3.9 billion as compared to \$3.5 billion for the comparable period in 2015. Facility fees for the three months ended June 30, 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 accretion of net discount on notes payable for the three months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 2016 as compared to 5.2% 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 as well as increased utilization of our lower cost revolving facilities. For the six

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months ended June 30, 2016, our average principal debt outstanding increased to \$4.0 billion as compared to \$3.6 billion for the comparable period in 2015. Facility fees for the six months ended June 30, 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 accretion of net discount on notes payable for the six months ended June 30, 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.

The increase in base management fees for the three and six months ended June 30, 2016 from the comparable period in 2015 was primarily due to the increase in the size of the portfolio. The decrease in income based fees for the three and six months ended June 30, 2016 from the comparable period in 2015 was primarily due to the decrease in net investment income excluding income based fees and capital gains incentive fees.

For the three and six months ended June 30, 2016, the capital gains incentive fees expense calculated in accordance with U.S. generally accepted accounting principles ("GAAP") was \$10.4 million and \$14.2 million, respectively. For the three and six months ended June 30, 2015, the capital gains incentive fees expense calculated in accordance with GAAP was \$7.7 million and \$3.5 million, respectively. Capital gains incentive fee expense accrual for the three months ended June 30, 2016 increased from the comparable period in 2015 primarily due to net gains on investments, foreign currency and other transactions and the extinguishment of debt during the three months ended June 30, 2016 of \$52.1 million compared to net gains of \$38.0 million during the three months ended June 30, 2015. Capital gains incentive fee expense accrual for the six months ended June 30, 2016 increased from the comparable period in 2015 primarily due to net gains on investments, foreign currency and other transactions and the extinguishment of debt during the six months ended June 30, 2016 of \$70.9 million compared to net gains of \$16.9 million during the six months ended June 30, 2015. 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, 2016, the total capital gains incentive fee accrual calculated in accordance with GAAP was \$56.5 million. As of June 30, 2016, 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, 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. Other general and administrative expenses include professional fees, rent, insurance, depreciation and director's fees, among other costs.

For the three and six months ended June 30, 2016, the Company incurred \$6.5 million and \$8.0 million, respectively, in professional fees and other costs related to the American Capital Acquisition that were not incurred in the comparable periods in 2015.

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

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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, 2016, we recorded a net expense of \$3.0 million and \$6.0 million, respectively, for U.S. federal excise tax. For the three and six months ended June 30, 2015, we recorded a net expense of \$2.4 million and \$4.0 million, respectively, for U.S. federal excise tax.

Certain of our consolidated subsidiaries are subject to U.S. federal and state income taxes. For the three and six months ended June 30, 2016, we recorded a tax expense of approximately \$1.0 million and \$3.2 million, respectively, for these subsidiaries. For the three and six months ended June 30, 2015, we recorded a tax expense of approximately \$0.2 million and \$2.1 million, respectively, for these subsidiaries.

Net Realized Gains/Losses

During the three months ended June 30, 2016, we had \$751.7 million of sales, repayments or exits of investments resulting in \$33.2 million of net realized gains on investments. These sales, repayments or exits included \$35.7 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. See Note 4 to our consolidated financial statements for the three and six months ended June 30, 2016 for more detail on IHAM and its managed vehicles. During the three months ended June 30, 2016, net realized gains on investments of \$33.2 million were comprised of \$34.3 million of gross realized gains and \$1.1 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)
Napa Management Services Corporation	\$ 15.5
Netsmart Technologies, Inc.	7.7
WorldPay Group PLC	4.2
Other, net	5.8
Total	\$ 33.2

During the three months ended June 30, 2016, we also recognized net realized losses on foreign currency transactions of \$2.5 million.

During the three months ended June 30, 2015, we had \$756.6 million of sales, repayments or exits of investments resulting in \$24.9 million of net realized gains on investments. These sales, repayments or exits included \$42.9 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of \$0.1 million was recorded on these transactions. During the three months ended June 30, 2015, net realized gains on investments of \$24.9 million were comprised of \$26.7 million of gross realized gains and \$1.8 million of gross realized losses.

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The net realized gains on investments during the three months ended June 30, 2015 consisted of the following:

(in millions) Portfolio Company	Net Realized Gains (Losses)
TAP Holdings, LLC	\$ 11.2
Driven Brands, Inc.	5.5
Implus Footcare, LLC	3.5
Woodstream Corporation	3.2
Other, net	1.5
 Total	 \$ 24.9

During the three months ended June 30, 2015, we also recognized net realized loss on foreign currency transactions of \$0.7 million.

During the six months ended June 30, 2016, we had \$1,256.2 million of sales, repayments or exits of investments resulting in \$58.7 million of net realized gains on investments. These sales, repayments or exits included \$101.1 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. See Note 4 to our consolidated financial statements for the three and six months ended June 30, 2016 for more detail on IHAM and its managed vehicles. During the six months ended June 30, 2016, net realized gains on investments of \$58.7 million were comprised of \$59.8 million of gross realized gains and \$1.1 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)
Napa Management Services Corporation	\$ 15.5
Physiotherapy Associates Holdings, Inc.	8.1
Netsmart Technologies, Inc.	7.7
AllBridge Financial, LLC	6.3
Lakeland Tours, LLC	4.9
WorldPay Group PLC	4.2
MedAssets, Inc.	3.0
Other, net	9.0
 Total, net	 \$ 58.7

During the six months ended June 30, 2016, we also recognized net realized losses on foreign currency transactions of \$0.7 million.

During the six months ended June 30, 2015, we had \$1.9 billion of sales, repayments or exits of investments resulting in \$52.1 million of net realized gains on investments. These sales, repayments or exits included \$300.8 million of investments sold to IHAM and certain vehicles managed by IHAM. A net realized gain of \$0.2 million was recorded on these transactions. During the six months ended June 30, 2015, net realized gains on investments of \$52.1 million were comprised of \$55.4 million of gross realized gains and \$3.3 million of gross realized losses.

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The net realized gains on investments during the six months ended June 30, 2015 consisted of the following:

(in millions) Portfolio Company	Net Realized Gains (Losses)
Tripwire, Inc.	\$ 13.8
TAP Holdings, LLC	11.2
Protective Industries, Inc.	8.1
Driven Brands, Inc.	5.5
Implus Footcare, LLC	3.5
Woodstream Corporation	3.2
Panda Temple Power, LLC	2.4
Other, net	4.4
Total	\$ 52.1

During the six months ended June 30, 2015 we also recognized net realized gains on foreign currency transactions of \$3.9 million. In addition, during the six months ended June 30, 2015, we redeemed the entire outstanding \$143.8 million principal amount of the unsecured notes that were scheduled to mature on February 15, 2022. The total redemption price (including accrued and unpaid interest) was \$144.6 million, which resulted in a realized loss on the extinguishment of debt of \$3.8 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, 2016 and 2015, were comprised of the following:

(in millions)	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Unrealized appreciation	\$ 114.2	\$ 64.3	\$ 158.0	\$ 80.2
Unrealized depreciation	(72.3)	(42.4)	(112.7)	(81.7)
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses(1)	(23.5)	(8.2)	(32.3)	(32.4)
Total net unrealized gains (losses)	\$ 18.4	\$ 13.7	\$ 13.0	\$ (33.9)

(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 during the three months ended June 30, 2016 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Primexx Energy Corporation	\$ 16.2
UL Holding Co., LLC	12.7
Senior Secured Loan Fund LLC	10.0
The Step2 Company, LLC	7.4
Community Education Centers, Inc.	5.9
TA THI Buyer, Inc.	3.6
The Hygenic Corporation	3.5
Green Energy Partners	3.5
ADF Restaurant Group, LLC	3.4
PERC Holdings 1 LLC	2.9
Spin HoldCo Inc.	2.8
American Seafoods Investors LLC	2.4
Lonestar Prospects, Ltd.	2.2
Liquid Light, Inc.	(2.1)
Indra Holdings Corp.	(2.4)
Poplicus Incorporated	(2.6)
Competitor Group, Inc.	(3.0)
FastMed Holdings I, LLC	(3.6)
Nordco Inc.	(4.1)
Feradyne Outdoors, LLC	(4.4)
Infilaw Holding, LLC	(5.3)
CCS Intermediate Holdings, LLC	(14.7)
Instituto de Banca y Comercio, Inc.	(14.8)
Other, net	22.4
Total	\$ 41.9

During the three months ended June 30, 2016, we also recognized net unrealized gains on foreign currency and other transactions of \$3.1 million.

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The changes in net unrealized appreciation and depreciation during the three months ended June 30, 2015 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Cast & Crew Payroll, LLC	\$ 13.3
Ivy Hill Asset Management, L.P.	5.3
Ciena Capital LLC	3.6
OTG Management, LLC	3.0
Physiotherapy Associates Holdings, Inc.	2.2
SK SPV IV, LLC	2.1
The Step2 Company, LLC	2.0
Wellspring Distribution Corp	2.0
UL Holding Co., LLC and Universal Lubricants, LLC	(3.6)
CCS Intermediate Holdings, LLC and CCS Group Holdings, LLC	(5.1)
Senior Secured Loan Fund LLC	(18.1)
Other, net	15.2
Total	\$ 21.9

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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)	Net Unrealized Appreciation (Depreciation)
Portfolio Company	
UL Holding Co., LLC	\$ 22.2
The Step2 Company, LLC	15.7
Primexx Energy Corporation	12.4
Senior Secured Loan Fund LLC	11.8
ADF Restaurant Group, LLC	11.7
Community Education Centers, Inc.	10.8
R3 Education, Inc.	5.1
Spin HoldCo Inc.	4.2
Green Energy Partners	4.2
TA THI Buyer, Inc.	4.1
2329497 Ontario Inc.	3.5
Orion Foods, LLC	3.2
The Hygenic Corporation	2.8
American Seafoods Investors LLC	2.2
Lonestar Prospects, Ltd.	2.2
McKenzie Sports Products, LLC	2.1
Liquid Light, Inc.	(2.1)
Poplicus Incorporated	(2.5)
Competitor Group, Inc.	(3.9)
Things Remembered, Inc.	(4.1)
Feradyne Outdoors, LLC	(4.2)
Ivy Hill Asset Management, L.P.	(4.3)
Nordco Inc.	(4.9)
FastMed Holdings I, LLC	(5.1)
Indra Holdings Corp.	(8.1)
Infilaw Holding, LLC	(10.2)
CCS Intermediate Holdings, LLC	(14.9)
Instituto de Banca y Comercio, Inc.	(23.7)
Other, net	15.1
 Total, net	 \$ 45.3

During the six months ended June 30, 2016, we also recognized net unrealized losses on foreign currency and other transactions of \$0.0 million.

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The changes in net unrealized appreciation and depreciation during the six months ended June 30, 2015 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Cast & Crew Payroll, LLC	\$ 17.6
Ciena Capital LLC	7.3
The Step2 Company, LLC	3.0
OTG Management, LLC	2.7
Monte Nido Holdings, LLC	2.2
Physiotherapy Associates Holdings, Inc.	2.2
SK SPV IV, LLC	2.1
TA THI Buyer, Inc. and TA THI Parent, Inc.	2.1
Wellspring Distribution Corp	2.0
Petroflow Energy Corporation	(2.1)
R3 Education, Inc.	(2.4)
Indra Holdings Corp.	(2.5)
New Trident Holdcorp, Inc.	(2.5)
Infilaw Holding, LLC	(2.8)
ADF Capital, Inc.	(3.5)
UL Holding Co., LLC and Universal Lubricants, LLC	(3.5)
2329497 Ontario Inc.	(4.2)
CCS Intermediate Holdings, LLC and CCS Group Holdings, LLC	(5.0)
Ivy Hill Asset Management, L.P.	(14.8)
Senior Secured Loan Fund LLC	(17.6)
Other, net	18.2
 Total	 \$ (1.5)

During the six months ended June 30, 2015, we also recognized net unrealized losses on foreign currency and other transactions of \$1.3 million.

For the years ended December 31, 2015, 2014 and 2013

Operating results for the years ended December 31, 2015, 2014 and 2013 were as follows:

(in millions)	For the Years Ended December 31,		
	2015	2014	2013
Total investment income	\$ 1,025.4	\$ 989.0	\$ 881.7
Total expenses	499.8	532.9	437.2
Net investment income before income taxes	525.6	456.1	444.5
Income tax expense, including excise tax	17.8	18.3	14.1
Net investment income	507.8	437.8	430.4
Net realized gains on investments and foreign currency transactions	127.5	93.9	63.7
Net unrealized gains (losses) on investments, foreign currency and other transactions	(246.2)	59.4	(5.6)
Realized losses on extinguishment of debt	(10.4)	(0.1)	
Net increase in stockholders' equity resulting from operations	\$ 378.7	\$ 591.0	\$ 488.5

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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

(in millions)	For the Years Ended December 31,		
	2015	2014	2013
Interest income from investments	\$ 817.4	\$ 741.4	\$ 647.9
Capital structuring service fees	94.6	113.6	91.7
Dividend income	73.5	84.3	99.6
Management and other fees	23.9	24.6	20.2
Other income	16.0	25.1	22.3
Total investment income	\$ 1,025.4	\$ 989.0	\$ 881.7

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, a wholly owned portfolio company, totaling \$50.0 million and \$50.0 million, respectively. Also during the year ended December 31, 2015, we received \$8.9 million in other non-recurring dividends from non-income producing equity securities compared to \$19.0 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.

The increase in interest income from investments for the year ended December 31, 2014 from the comparable period in 2013 was primarily due to an increase in the size of our portfolio, which increased from an average of \$6.7 billion at amortized cost for the year ended December 31, 2013 to an average of \$8.1 billion at amortized cost for the comparable period in 2014. The increase in capital structuring service fees for the year ended December 31, 2014 from the comparable period in 2013 was primarily due to the increase in new investment commitments, which increased from \$4.0 billion for the year ended December 31, 2013 to \$4.6 billion for the comparable period in 2014, as well as the increase in the weighted average capital structuring service fees received on new investment commitments, from 2.3% for the year ended December 31, 2013 to 2.5% in the comparable period in 2014. Dividend income for the years ended December 31, 2014 and 2013 included dividends received from IHAM totaling \$50.0 million and \$72.4 million, respectively. The dividends received from IHAM for the years ended December 31, 2014 and 2013 included additional dividends of \$10.0 million and \$32.4 million, respectively, 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, 2014, we received \$19.0 million in other non-recurring dividends from non-income producing equity securities compared to \$9.0 million for the comparable period in 2013. The increase in management and other fees for the year ended December 31, 2014 from the comparable period in 2013 was primarily attributable to higher sourcing and other fees received from the SSLP.

Table of Contents**Operating Expenses**

(in millions)	For the Years Ended		
	December 31,		
	2015	2014	2013
Interest and credit facility fees	\$ 227.0	\$ 216.0	\$ 171.5
Base management fees	134.3	128.0	104.9
Income based fees	121.4	118.3	110.5
Capital gains incentive fees	(26.7)	29.5	11.6
Administrative fees	14.2	13.7	12.3
Other general and administrative	29.6	27.4	26.4
Total operating expenses	\$ 499.8	\$ 532.9	\$ 437.2

Interest and credit facility fees for the years ended December 31, 2015, 2014 and 2013, were comprised of the following:

(in millions)	For the Years Ended		
	December 31,		
	2015	2014	2013
Stated interest expense	\$ 183.2	\$ 173.7	\$ 136.3
Facility fees	10.3	10.8	8.2
Amortization of debt issuance costs	17.1	16.4	13.2
Accretion of net discount on notes payable	16.4	15.1	13.8
Total interest and credit facility fees	\$ 227.0	\$ 216.0	\$ 171.5

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.

Stated interest expense for the year ended December 31, 2014 increased from the comparable period in 2013 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, 2014, our average principal debt outstanding increased to \$3.3 billion as compared to \$2.6 billion for the comparable period in 2013, and the weighted average stated interest rate on our outstanding debt was 5.3% for the year ended December 31, 2014 as compared to 5.3% for the comparable period in 2013.

The increase in base management fees and our income based fees for the year ended December 31, 2015 from the comparable period in 2014 and from the comparable period in 2013 were primarily due to the increases in the size of the portfolio in the case of base management fees and in the case of income based fees, the related increase in net investment income excluding income based fees and capital gains incentive fees.

For the year ended December 31, 2015, the reduction in capital gains incentive fees calculated in accordance with GAAP was \$26.7 million. For the years ended December 31, 2014 and 2013, the capital gains incentive fee expense accrual calculated in accordance with GAAP was \$29.5 million and \$11.6 million, respectively. Capital gains incentive fee expense accrual for the year ended December 31, 2015 decreased 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,

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2015 of \$129.1 million compared to net gains of \$153.1 million during the year ended December 31, 2014. Capital gains incentive fee expense accrual for the year ended December 31, 2014 increased from the comparable period in 2013 primarily due to higher net gains on investments and foreign currency transactions, which increased from \$58.1 million during the year ended December 31, 2013 to \$153.1 million for the comparable period in 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, 2015, 2014 and 2013, the total capital gains incentive fee accrual calculated in accordance with GAAP was \$42.3 million, \$93.0 million and \$80.9 million, respectively. As of December 31, 2015, there was no capital gains incentive fee actually payable under our investment advisory and management agreement. As of December 31, 2014 and 2013, the capital gains incentive fee actually payable under our investment advisory and management agreement was \$24.0 million and \$17.4 million, respectively. See Note 3 to our consolidated financial statements for the year ended December 31, 2015, 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. 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, 2015, 2014 and 2013, we recorded a net expense of \$9.0 million, \$5.5 million and \$10.3 million, respectively, for U.S. federal excise tax. The net expense for the years ended December 31, 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 \$1.0 million and \$1.7 million, respectively.

Certain of our consolidated subsidiaries are subject to U.S. federal and state income taxes. For the years ended December 31, 2015, 2014 and 2013, we recorded a tax expense of approximately \$8.8 million, \$12.8 million and \$3.8 million, respectively, for these subsidiaries. The decrease in income tax expense for our taxable consolidated subsidiaries for the year ended December 31, 2015 from the comparable period in 2013 was primarily driven by lower realized gains from the exits of certain investments held by such subsidiaries during the year ended December 31, 2015. The increase in income tax expense for our taxable consolidated subsidiaries for the year ended December 31, 2014

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from the comparable period in 2013 was primarily driven by the realized gains from the exits of certain investments held by such subsidiaries during the year ended December 31, 2014.

Net Realized Gains/Losses

During the year ended December 31, 2015, we had \$3.7 billion of sales, repayments or exits of investments resulting in \$121.3 million of net realized gains on investments. These sales, repayments or exits included \$538.1 million of investments sold to IHAM or certain vehicles managed by IHAM. A net realized gain of \$0.6 million was recorded on these transactions. See Note 4 to our consolidated financial statements for the year ended December 31, 2015 for more detail on IHAM and its managed vehicles. Net realized gains on investments of \$121.3 million were comprised of \$125.6 million of gross realized gains and \$4.3 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	\$ 25.9
Tripwire, Inc.	13.8
TAP Holdings, LLC	11.2
Global Healthcare Exchange, LLC	8.3
Protective Industries, Inc.	8.2
Hojeij Branded Foods, Inc.	8.0
Wellspring Distribution Corp	5.6
Driven Brands, Inc.	5.5
Fulton Holdings Corp.	4.5
Other, net	30.3
Total	\$ 121.3

During the year ended December 31, 2015, we also recognized net realized gains on foreign currency transactions of \$6.2 million. In addition, during the year ended December 31, 2015, we redeemed the entire \$143.8 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 \$144.6 million, which resulted in a realized loss on the extinguishment of debt of \$3.8 million. We also redeemed the entire \$200.0 million aggregate principal amount outstanding of the 2040 Notes (as defined below). The 2040 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately \$200.6 million, which resulted in a realized loss on the extinguishment of debt of \$6.6 million.

During the year ended December 31, 2014, we had \$3.3 billion of sales, repayments or exits of investments resulting in \$91.7 million of net realized gains on investments. These sales, repayments or exits included \$219.6 million of investments sold to IHAM or certain vehicles managed by IHAM. A net realized loss of \$0.1 million was recorded on these transactions. Net realized gains on investments of \$91.7 million were comprised of \$153.8 million of gross realized gains and \$62.1 million of gross realized losses.

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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	\$ 33.1
The Dwyer Group	21.1
Waste Pro USA, Inc.	18.4
Service King Paint & Body, LLC	10.4
The Thymes, LLC	9.8
CT Technologies Intermediate Holdings, Inc.	6.7
ELC Acquisition Corp.	5.9
VSS-Tranzact Holdings, LLC	5.1
Platform Acquisition, Inc.	4.7
Apple & Eve, LLC	4.3
Pillar Processing LLC	(6.6)
CitiPostal Inc.	(20.8)
MVL Group, Inc.	(27.7)
Other, net	27.3
Total	\$ 91.7

During the year ended December 31, 2014, we also recognized net realized gains on foreign currency transactions of \$2.2 million. In addition, during the year ended December 31, 2014, we purchased \$0.4 million aggregate principal amount of the 2047 Notes (as defined below) and as a result of these transactions, we recognized realized losses on extinguishment of debt of \$2.2 million.

During the year ended December 31, 2013, we had \$1.8 billion of sales, repayments or exits of investments resulting in \$63.7 million of net realized gains on investments. These sales, repayments or exits included \$442.3 million of investments sold to IHAM or certain vehicles managed by IHAM. A net realized loss of \$0.1 million was recorded on these transactions. Net realized gains on investments of \$63.7 million were comprised of \$112.9 million of gross realized gains and \$49.2 million of gross realized losses.

The net realized gains on investments during the year ended December 31, 2013 consisted of the following:

(in millions) Portfolio Company	Net Realized Gains (Losses)
Passport Health Communications, Inc.	\$ 19.8
Financial Pacific Company	17.7
Component Hardware Group, Inc.	17.2
Tradesmen International, Inc.	10.0
AWTP, LLC	8.7
Performant Financial Corporation	8.6
Senior Secured Loan Fund LLC	7.1
Performance Food Group, Inc.	4.1
eInstruction Corporation	(40.3)
Other, net	10.8
Total	\$ 63.7

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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 years ended December 31, 2015, 2014 and 2013, were comprised of the following:

(in millions)	For the Years Ended December 31,		
	2015	2014	2013
Unrealized appreciation	\$ 115.7	\$ 176.6	\$ 106.5
Unrealized depreciation	(304.2)	(120.4)	(105.1)
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses(1)	(60.1)	1.6	(7.0)
Total net unrealized gains (losses)	\$ (248.6)	\$ 57.8	\$ (5.6)

(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, 2015 consisted of the following:

(in millions)	Net Unrealized Appreciation (Depreciation)
Portfolio Company	
OTG Management, LLC	\$ 27.6
Ciena Capital LLC	11.3
Physiotherapy Associates Holdings, Inc.	6.4
Napa Management Services Corporation	5.6
UL Holding Co., LLC	4.7
Lakeland Tours, LLC	4.5
Spin HoldCo Inc.	(5.6)
Things Remembered, Inc.	(5.7)
La Paloma Generating Company, LLC	(6.2)
10th Street, LLC	(6.4)
Indra Holdings Corp.	(7.4)
Green Energy Partners	(8.2)
Primexx Energy Corporation	(8.3)
Nodality, Inc.	(8.6)
Competitor Group, Inc.	(9.3)
2329497 Ontario Inc.	(9.8)
Instituto de Banca y Comercio, Inc.	(13.8)
CCS Intermediate Holdings, LLC	(14.2)
Infilaw Holding, LLC	(14.3)
Ivy Hill Asset Management, L.P.	(23.8)
Petroflow Energy Corporation	(26.4)
Senior Secured Loan Fund LLC	(77.1)
Other, net	(3.5)
Total	\$ (188.5)

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During the year ended December 31, 2015, we also recognized net unrealized gains on foreign currency and other transactions of \$2.3 million.

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	\$ 43.7
UL Holding Co., LLC	15.0
Cast & Crew Payroll, LLC	11.6
Imperial Capital Private Opportunities, LP	10.1
Ciena Capital LLC	9.8
Tripwire, Inc.	8.4
Senior Secured Loan Fund LLC	7.0
Campus Management Corp.	6.8
Global Healthcare Exchange, LLC	4.0
Eckler Industries, Inc.	(4.0)
OTG Management, LLC	(4.2)
Orion Foods, LLC	(4.6)
Community Education Centers, Inc.	(6.9)
2329497 Ontario Inc.	(7.4)
The Step2 Company, LLC	(17.1)
ADF Restaurant Group, LLC	(18.1)
Ivy Hill Asset Management, L.P.	(21.0)
Other, net	23.1
Total	\$ 56.2

During the year ended December 31, 2014, we also recognized net unrealized gains on foreign currency transactions of \$1.6 million.

The changes in net unrealized appreciation and depreciation during the year ended December 31, 2013 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Senior Secured Loan Fund LLC	\$ 9.8
Orion Foods, LLC	7.0
10th Street, LLC	6.8
American Broadband Communications, LLC	6.6
Imperial Capital Private Opportunities, LP	5.7
OTG Management, LLC	4.5
The Dwyer Group	4.2
Ciena Capital LLC	(7.7)
Competitor Group, Inc.	(9.5)
Instituto de Banca y Comercio, Inc.	(12.6)
UL Holding Co., LLC	(13.2)
CitiPostal Inc.	(13.8)
Ivy Hill Asset Management, L.P.	(13.9)
Other, net	27.5
Total	\$ 1.4

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Our liquidity and capital resources are generated primarily from the net proceeds of public offerings of equity and debt securities, advances from the Facilities, net proceeds from the issuance of other securities, including unsecured notes and the SBA Debentures, as well as cash flows from operations.

As of June 30, 2016, we had \$125.9 million in cash and cash equivalents and \$3.9 billion in total aggregate principal amount of debt outstanding (\$3.8 billion at carrying value). Subject to leverage, borrowing base and other restrictions, we had approximately \$0.9 billion available for additional borrowings under the Facilities and the SBA Debentures as of June 30, 2016.

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 June 30, 2016, our asset coverage was 234% (excluding the SBA Debentures).

Equity Capital Activities

The following table summarizes the total shares issued and proceeds received in public offerings of our common stock net of underwriting discounts and offering costs for the years ended December 31, 2014 and 2013.

(in millions, except per share data)	Shares issued	Offering price per share(1)	Proceeds net of underwriting discounts and offering costs
2014			
July 2014 public offering	15.5	\$ 16.63	\$ 257.7
Total for the year ended December 31, 2014	15.5		\$ 257.7
2013			
December 2013 public offering	16.4	\$ 17.47	\$ 286.0
October 2013 public offering	12.7	\$ 16.98	\$ 214.3
April 2013 public offering	19.1	\$ 17.43	\$ 333.2
Total for the year ended December 31, 2013	48.2		\$ 833.5

- (1) The shares were sold to the underwriters for a price equal to the offering price per share, which the underwriters were then permitted to sell at variable prices to the public.

As of June 30, 2016 and December 31, 2015, our total equity market capitalization was \$4.5 billion and \$4.5 billion, respectively. There were no sales of our equity securities during the six months ended June 30, 2016 or during the year ended December 31, 2015.

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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 of. 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. Our stock repurchase program expires on February 28, 2017. 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, 2016, we had repurchased a total of 514,677 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 \$92.8 million available for additional repurchases under the program.

In connection with our stock repurchase program, in March 2016, we entered into a Rule 10b5-1 plan to repurchase shares of our common stock in accordance with certain parameters set forth in such plan. In May 2016, we suspended our stock repurchase program pending the completion of the American Capital Acquisition. See "Pending American Capital Acquisition" below and Note 14 to our consolidated financial statements for the three and six months ended June 30, 2016 for more information. During the six months ended June 30, 2016, we repurchased a total of 393,056 shares of our common stock in the open market for \$5.5 million under the stock repurchase program. The shares were repurchased at an average price of \$13.94 per share, including commissions paid.

Debt Capital Activities

Our debt obligations consisted of the following as of June 30, 2016 and December 31, 2015:

(in millions)	As of					
	June 30, 2016			December 31, 2015		
	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	\$ 1,265.0(2)	\$ 1,165.0	\$ 1,165.0	\$ 1,290.0(2)	\$ 515.0	\$ 515.0
Revolving Funding Facility	540.0(3)	53.0	53.0	540.0	250.0	250.0
SMBC Funding Facility	400.0	122.0	122.0	400.0	110.0	110.0
SBA Debentures	75.0	25.0	24.4	75.0	22.0	21.4
February 2016 Convertible Notes				(4)	575.0	573.9(5)
June 2016 Convertible Notes				(4)	230.0	228.0(5)
2017 Convertible Notes	162.5	162.5	161.0(5)	162.5	162.5	160.0(5)
2018 Convertible Notes	270.0	270.0	265.7(5)	270.0	270.0	264.4(5)
2019 Convertible Notes	300.0	300.0	295.3(5)	300.0	300.0	294.5(5)
2018 Notes	750.0	750.0	744.1(6)	750.0	750.0	743.0(6)
2020 Notes	600.0	600.0	594.9(7)	600.0	600.0	594.2(7)
October 2022 Notes	182.5	182.5	178.2(8)	182.5	182.5	177.9(8)
2047 Notes	229.6	229.6	181.7(9)	229.6	229.6	181.6(9)
Total	\$ 4,774.6	\$ 3,859.6	\$ 3,785.3	\$ 5,604.6	\$ 4,196.6	\$ 4,113.9

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

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- (2) Provides for a feature that allows us, under certain circumstances, to increase the size of the Revolving Credit Facility to a maximum of \$1,897.5 million.
- (3) Provides for a feature that allows us and our consolidated subsidiary, Ares Capital CP Funding LLC ("Ares Capital CP"), under certain circumstances, to increase the size of the Revolving Funding Facility to a maximum of \$865.0 million.
- (4) See below for more information on the repayment of the February 2016 Convertible Notes and the June 2016 Convertible Notes.
- (5) Represents the aggregate principal amount outstanding of the Convertible Unsecured Notes (as defined below), the February 2016 Convertible Notes and the June 2016 Convertible Notes less unamortized debt issuance costs and the unaccreted discount recorded upon the issuances of such notes. As of June 30, 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 \$1.5 million, \$4.3 million and \$4.7 million, respectively. As of December 31, 2015, the total unamortized debt issuance costs and the unaccreted discount for the February 2016 Convertible Notes, the June 2016 Convertible Notes, the 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes were \$1.1 million, \$2.0 million, \$2.5 million, \$5.6 million and \$5.5 million, respectively.
- (6) Represents the aggregate principal amount outstanding of the 2018 Notes (as defined below) less unamortized debt issuance costs plus the net unamortized premium that was recorded upon the issuances of the 2018 Notes. As of June 30, 2016 and December 31, 2015, the total unamortized debt issuance costs less the net unamortized premium were \$5.9 million and \$7.0 million, respectively.
- (7) 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 June 30, 2016, and December 31, 2015, the total unamortized debt issuance costs and the net unaccreted discount were \$5.1 million and \$5.8 million, respectively.
- (8) Represents the aggregate principal amount outstanding of the October 2022 Notes (as defined below) less unamortized debt issuance costs. As of June 30, 2016 and December 31, 2015, the unamortized debt issuance costs were \$4.3 million and \$4.6 million, respectively.
- (9) 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 Corporation in April 2010 (the "Allied Acquisition"). As of June 30, 2016 and December 31, 2015, the total unaccreted purchased discount was \$47.9 million and \$48.0 million, respectively.

The weighted average stated interest rate and weighted average maturity, both on aggregate principal amount, of all our debt outstanding as of June 30, 2016 were 3.9% and 5.2 years, respectively, and as of December 31, 2015 were 4.4% and 4.5 years, respectively.

The ratio of total principal amount of debt outstanding to stockholders' equity as of June 30, 2016 was 0.74:1.00 compared to 0.81:1.00 as of December 31, 2015.

Revolving Credit Facility

We are party to a senior secured revolving credit facility (as amended and restated, the "Revolving Credit Facility"), which allows us to borrow up to \$1,265.0 million at any one time outstanding. For \$1,195.0 million of the Revolving Credit Facility, the end of the revolving period and the stated maturity date are May 4, 2020 and May 4, 2021, respectively. For the remaining \$70 million of the Revolving Credit Facility, 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 allowed us, under certain circumstances, to increase the size of the Revolving Credit Facility to a maximum of \$1,897.5 million. 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

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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, 2016, 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, 2016, there was \$1,165.0 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

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 \$540.0 million 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 is May 14, 2017 and May 14, 2019, respectively. The Revolving Funding Facility also provides for a feature that allows, under certain circumstances, for an increase in the size of the Revolving Funding Facility to a maximum of \$865.0 million. See Note 14 to our consolidated financial statements for the three and six months ended June 30, 2016 for information regarding a potential amendment to the Revolving Funding Facility in connection with the American Capital Acquisition. The interest rate charged on the Revolving Funding Facility is 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. As of June 30, 2016, the interest rate in effect was LIBOR plus 2.25%. Additionally, Ares Capital CP is 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, 2016, there was \$53.0 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 "Pending American Capital Acquisition" below for more information on the Revolving Funding Facility.

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"), which allows ACJB to borrow up to \$400.0 million at any one time outstanding. The SMBC Funding Facility is secured by all of the assets held by ACJB. As of June 30, 2016, 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, 2016, 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, 2016, there was \$122.0 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.

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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. 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 \$150.0 million and as of June 30, 2016, the amount of the SBA Debentures committed to AVF LP by the SBA was \$75.0 million. 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, 2016, AVF LP had \$25.0 million of the SBA Debentures issued and outstanding, which mature between September 2025 and March 2026. As of June 30, 2016, 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, 2016, the weighted average interest rate in effect for the SBA Debentures was 3.48%.

Convertible Unsecured Notes

We have issued \$162.5 million aggregate principal amount of unsecured convertible notes that mature on March 15, 2017 (the "2017 Convertible Notes"), \$270.0 million aggregate principal amount of unsecured convertible notes that mature on January 15, 2018 (the "2018 Convertible Notes") and \$300.0 million aggregate principal amount of unsecured convertible notes that mature on January 15, 2019 (the "2019 Convertible Notes"). The Convertible 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 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes bear interest at a rate of 4.875%, 4.750% and 4.375%, 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, 2016) 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

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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, 2016 are listed below.

	2017 Convertible Notes	2018 Convertible Notes	2019 Convertible Notes
Conversion premium	17.5%	17.5%	15.0%
Closing stock price at issuance	\$16.46	\$16.91	\$17.53
Closing stock price date	March 8, 2012	October 3, 2012	July 15, 2013
Conversion price(1)	\$18.88	\$19.64	\$19.99
Conversion rate (shares per one thousand dollar principal amount)(1)	52.9678	50.9054	50.0292
Conversion dates	September 15, 2016	July 15, 2017	July 15, 2018

(1) Represents conversion price and conversion rate, as applicable, as of June 30, 2016, taking into account certain de minimis adjustments that will be made on the conversion date.

In February 2016, we repaid in full the February 2016 Convertible Notes upon their maturity. In June 2016, we repaid in full the June 2016 Convertible Notes upon their maturity.

Unsecured Notes

2018 Notes

We have issued \$750.0 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. \$600.0 million in aggregate principal amount of the 2018 Notes were issued at a discount to the principal amount and \$150.0 million in aggregate principal amount of the 2018 Notes were issued at a premium of 102.7% of their principal amount.

2020 Notes

We have issued \$600.0 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. \$400.0 million in aggregate principal amount of the 2020 Notes were issued at a discount to the principal amount and \$200.0 million in aggregate principal amount of the 2020 Notes were issued at a premium of 100.2% of their principal amount.

October 2022 Notes

We have issued \$182.5 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 5.875% per year and mature on October 1, 2022 (the "October 2022 Notes"). The October 2022 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.

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As part of the Allied Acquisition, we assumed \$230.0 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 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, 2016, 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, 2016 for more information on our debt obligations.

CONTRACTUAL OBLIGATIONS

A summary of the maturities of our principal amounts of debt and other contractual payment obligations as of December 31, 2015 are as follows:

(in millions)	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Revolving Credit Facility	\$ 515.0	\$	\$	\$ 515.0	\$
Revolving Funding Facility	250.0			250.0	
SMBC Funding Facility	110.0				110.0
SBA Debentures	22.0				22.0
February 2016 Convertible Notes	575.0	575.0			
June 2016 Convertible Notes	230.0	230.0			
2017 Convertible Notes	162.5		162.5		
2018 Convertible Notes	270.0		270.0		
2019 Convertible Notes	300.0			300.0	
2018 Notes	750.0		750.0		
2020 Notes	600.0			600.0	
October 2022 Notes	182.5				182.5
2047 Notes	229.6				229.6
Operating lease obligations	94.1	9.2	18.4	18.0	48.5
	\$ 4,290.7	\$ 814.2	\$ 1,200.9	\$ 1,683.0	\$ 592.6

OFF BALANCE SHEET ARRANGEMENTS

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

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As of June 30, 2016 and December 31, 2015, 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:

(in millions)	As of	
	June 30, 2016	December 31, 2015
Total revolving and delayed draw loan commitments	\$ 383.7	\$ 418.9
Less: drawn commitments	(93.9)	(122.9)
Total undrawn commitments	289.8	296.0
Less: commitments substantially at our discretion	(6.8)	(6.0)
Less: unavailable commitments due to borrowing base or other covenant restrictions		
Total net adjusted undrawn revolving and delayed draw loan commitments	\$ 283.0	\$ 290.0

Included within the total revolving and delayed draw loan commitments as of June 30, 2016 and December 31, 2015 were delayed draw loan commitments totaling \$147.0 million and \$148.6 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 June 30, 2016 were commitments to issue up to \$46.6 million in letters of credit through a financial intermediary on behalf of certain portfolio companies. As of June 30, 2016, we had \$14.0 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. None of these letters of credit issued and outstanding are recorded as a liability on our balance sheet as such letters of credit are considered in the valuation of the investments in the portfolio company. Of these letters of credit, \$2.9 million expire in 2016 and \$11.1 million expire in 2017.

We also have 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 Secured Loan Program" above and Note 4 to our consolidated financial statements for the three and six months ended June 30, 2016 for more information.

As of June 30, 2016 and December 31, 2015, we were party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

(in millions)	As of	
	June 30, 2016	December 31, 2015
Total private equity commitments	\$ 107.0	\$ 107.0
Less: funded private equity commitments	(21.2)	(20.9)
Total unfunded private equity commitments	85.8	86.1
Less: private equity commitments substantially at our discretion	(84.5)	(84.6)
Total net adjusted unfunded private equity commitments	\$ 1.3	\$ 1.5

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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.

RECENT DEVELOPMENTS

From July 1, 2016 through July 27, 2016, we made new investment commitments of approximately \$469 million, of which \$343 million were funded. As discussed further below, included in the \$469 million of new investment commitments was our \$217 million initial investment commitment in the SDLP Certificates, of which \$194 million was funded, to make co-investments with Varagon and its clients in first lien senior secured loans through the SDLP. Overall, of the total new commitments, 46% were in investments in the SDLP Certificates, 21% were in first lien senior secured loans, 19% were in senior subordinated loans, 13% were in second lien senior secured loans and 1% were in other equity securities. Of the approximately \$469 million of new investment commitments, 80% were floating rate, 19% were fixed rate and 1% were non-interest bearing. The weighted average yield of debt and other income producing securities funded during the period at amortized cost was 11.7%. 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.

In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. As part of the initial funding, pursuant to a forward sale agreement between us and the SDLP, we sold \$529 million of investment commitments to the SDLP, including \$55 million of unfunded commitments, and recorded no realized gains or losses. Varagon and its clients sold \$503 million of investment commitments to the SDLP, including \$51 million of unfunded commitments. Immediately following these sales to the SDLP, the funded SDLP portfolio totaled \$926 million and was comprised of 10 first lien senior secured loans to U.S. middle-market companies and the unfunded commitments to fund delayed draw loans to certain of its portfolio companies totaled \$106 million. To support the acquisition of the initial funded portfolio by the SDLP, clients of Varagon provided \$704 million of capital to the SDLP in the form of notes and \$28 million in the form of SDLP Certificates, while we provided \$194 million of capital in the form of SDLP Certificates. We and a client of Varagon own 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates. We estimate that the initial yield on our investment in the SDLP Certificates will be at least 13.5%. Following this initial funding, the SDLP will make first lien senior secured loans directly to U.S. middle-market companies.

From July 1, 2016 through July 27, 2016, we exited approximately \$752 million of investment commitments. Included in the \$752 million commitments exited were \$529 million of investment commitments sold to the SDLP. Of the total investment commitments, 73% were first lien senior secured loans, 26% were second lien senior secured loans and 1% were senior subordinated loans. Of the approximately \$752 million of exited investment commitments, 99% 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 8.1%. On the approximately \$752 million of investment commitments exited from July 1, 2016 through July 27, 2016, we recognized total net realized gains of approximately \$9 million.

In addition, as of July 27, 2016, we had an investment backlog and pipeline of approximately \$555 million and \$525 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

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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.

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, 2016.

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

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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 minimum of 55% of our 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 review a minimum of 55% of 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.

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See Note 8 to our consolidated financial statements for the year ended December 31, 2015 and Note 8 to our consolidated financial statements for the six months ended June 30, 2016 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.

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.

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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.

Equity Offering Expenses

Our offering costs, excluding underwriters' fees, are charged against the proceeds from equity offerings when 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.

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

Recent Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board the ("FASB") issued ASU No. 2015-03, Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The new guidance modifies the requirements for reporting debt issuance costs. Under the amendments in ASU No. 2015-03, debt issuance costs related to a recognized debt liability will no longer be recorded as a separate asset, but will be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by ASU No. 2015-03. In addition, in August 2015, the FASB issued ASU No. 2015-15, Interest-Imputation of Interest (Subtopic 835-30). The additional guidance reiterates that the SEC would not object to an entity deferring and presenting debt issuance costs related to a line of credit arrangement as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line of credit arrangement, regardless of whether there are any outstanding borrowings. ASU No. 2015-03 and ASU No. 2015-15 are required to be applied retrospectively for periods beginning after December 15, 2015. The Company adopted ASU No. 2015-03 as of March 31, 2016. Prior to ASU No. 2015-03, deferred debt issuance costs related to term debt were reported on the balance sheet as other assets and amortized as interest expense. The consolidated balance sheet as of December 31, 2015 has been adjusted to apply the change in accounting principle retrospectively. There is no effect on the statement of operations as a result of the change in accounting principle. Debt issuance costs related to term debt of \$24.5 million previously reported within other assets on the consolidated balance sheet as of December 31, 2015 were reclassified as a direct deduction from the carrying amount of the related debt liability. ASU No. 2015-03 had no impact on the presentation or amortization of the debt issuance costs related to the Company's revolving credit facilities.

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In May 2015, the FASB issued ASU No. 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent). The new guidance removed the requirement that investments for which net asset value is determined based on practical expedient reliance be reported utilizing the fair value hierarchy. ASU No. 2015-07 is required to be applied retrospectively for periods beginning after December 15, 2015. The Company adopted ASU No. 2015-07 as of March 31, 2016, and thereby removed any investments valued in this manner from the fair value disclosures. See Note 8 to our consolidated financial statements for the year ended December 31, 2015 and Note 8 to our consolidated financial statements for the six months ended June 30, 2016 for more information regarding the impact on the fair value disclosures.

In May 2014, 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. Additionally, 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. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the impact of adopting this ASU on its 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 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. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

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.

As of June 30, 2016, 80% of the investments at fair value in our portfolio bore interest at variable rates, 10% bore interest at fixed rates, 9% were non-interest earning and 1% were on non-accrual status. Additionally, for the variable rate investments, 73% of these investments contained

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interest rate floors (representing 59% of total investments at fair value). Also, as of June 30, 2016, all the loans made through the SSLP 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, 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	\$ 190.0	\$ 40.2	\$ 149.8
Up 200 basis points	\$ 116.7	\$ 26.8	\$ 89.9
Up 100 basis points	\$ 43.4	\$ 13.4	\$ 30.0
Down 100 basis points	\$ 7.7	\$ (6.6)	\$ 14.3
Down 200 basis points	\$ 7.5	\$ (6.6)	\$ 14.1
Down 300 basis points	\$ 7.5	\$ (6.6)	\$ 14.1

(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, 2016 for more information on the income based fees.

Based on our December 31, 2015, 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	\$ 177.0	\$ 26.6	\$ 150.4
Up 200 basis points	\$ 105.4	\$ 17.9	\$ 87.5
Up 100 basis points	\$ 33.9	\$ 9.1	\$ 24.8
Down 100 basis points	\$ 14.2	\$ (3.4)	\$ 17.6
Down 200 basis points	\$ 14.0	\$ (3.4)	\$ 17.4
Down 300 basis points	\$ 14.0	\$ (3.4)	\$ 17.4

(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, 2016 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, 2016. The report of our independent registered public accounting firm, KPMG LLP, on the senior securities table as of December 31, 2015, 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 2016 (as of June 30, 2016, unaudited)	\$ 1,165,000	\$ 2,341	\$	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
Fiscal 2006	\$ 193,000	\$ 2,628	\$	N/A
Revolving Funding Facility				
Fiscal 2016 (as of June 30, 2016, unaudited)	\$ 53,000	\$ 2,341	\$	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
Fiscal 2006	\$ 15,000	\$ 2,628	\$	N/A
Revolving Funding II Facility				
Fiscal 2009	\$	\$	\$	N/A
SMBC Revolving Funding Facility				
Fiscal 2016 (as of June 30, 2016, unaudited)	\$ 122,000	\$ 2,341	\$	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 2016 (as of June 30, 2016, unaudited)	\$ 25,000	\$	\$	N/A
Fiscal 2015	\$ 22,000	\$ 2,213	\$	N/A
Debt Securitization				
Fiscal 2011	\$ 77,531	\$ 2,393	\$	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 2010	\$ 155,297	\$ 3,079	\$	N/A
Fiscal 2009	\$ 273,752	\$ 2,294	\$	N/A
Fiscal 2008	\$ 314,000	\$ 2,201	\$	N/A
Fiscal 2007	\$ 314,000	\$ 2,644	\$	N/A
Fiscal 2006	\$ 274,000	\$ 2,628	\$	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 (as of June 30, 2016, unaudited)	\$ 162,500	\$ 2,341	\$	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 2016 (as of June 30, 2016, unaudited)	\$ 270,000	\$ 2,341	\$	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 2016 (as of June 30, 2016, unaudited)	\$ 300,000	\$ 2,341	\$	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
2011 Notes				
Fiscal 2010	\$ 300,584	\$ 3,079	\$	\$ 1,018
2012 Notes				
Fiscal 2010	\$ 161,210	\$ 3,079	\$	\$ 1,018
2018 Notes				
Fiscal 2016 (as of June 30, 2016, unaudited)	\$ 750,000	\$ 2,341	\$	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 2016 (as of June 30, 2016, unaudited)	\$ 600,000	\$ 2,341	\$	N/A
Fiscal 2015	\$ 600,000	\$ 2,213	\$	N/A
Fiscal 2014	\$ 400,000	\$ 2,292	\$	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 (as of June 30, 2016, unaudited)	\$ 182,500	\$ 2,341	\$	\$ 1,013
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 2016 (as of June 30, 2016, unaudited)	\$ 229,557	\$ 2,341	\$	\$ 1,013
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, we received exemptive relief from the SEC allowing us to modify the asset coverage requirements to exclude the 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 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) 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. We are one of the largest BDCs with approximately \$9.4 billion of total assets as of March 31, 2016.

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.

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 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,

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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, 2016, Ares had approximately 340 investment professionals and approximately 525 administrative professionals.

Ares Management, L.P.

Ares is a publicly traded, leading global alternative asset manager. As of March 31, 2016, Ares had approximately 870 employees in over 15 principal and originating offices across the United States, Europe and Asia. 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 80 U.S.-based investment professionals as of March 31, 2016 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 12 members comprised of certain of the U.S.-based partners of the Ares Credit Group and certain partners in the Ares Private Equity 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

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funding sources to middle-market companies and therefore more new-issue market opportunities for us.

We believe that the disruption and volatility in the credit markets between 2008 and 2009 reduced capital available to certain specialty finance companies and other capital providers, causing a reduction in competition. 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. These market conditions may continue to 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

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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 one of the largest BDCs 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, 2016, Ares oversaw a portfolio of investments in approximately 1,000 companies, approximately 495 structured assets and approximately 155 properties across over 50 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 15 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;

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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, 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 Advisers Act. Under our investment advisory and management agreement, we have agreed to pay Ares Capital Management base management fees, income based fees and 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 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 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. Certain types of co-investment transactions would only be permitted pursuant to an exemptive order from the SEC, for which we have applied. Any such order will be subject to certain terms and conditions. Further there is no assurance that this application for exemptive relief will be granted by the SEC.

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%.

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,

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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.

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 10 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

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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.

Co-Investment Programs

Senior Direct Lending Program

In December 2015, we established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, 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. It is expected that the SDLP will commit and hold individual loans of up to \$300 million. We may directly co-invest with the SDLP to accommodate larger transactions. We will provide capital to the SDLP in the form of the SDLP Certificates, and Varagon and its clients will provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. It is expected that we and a client of Varagon will own 87.5% and 12.5%, respectively, of any outstanding SDLP Certificates.

As of June 30, 2016, we and Varagon had agreed to make capital available to the SDLP of \$2.9 billion in the aggregate, of which no amounts were funded. The SDLP will be capitalized as transactions are completed. 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). As of June 30, 2016, we had

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agreed to make available to the SDLP (subject to the approval of the investment committee of the SDLP as described above) approximately \$591 million, of which no amounts were committed or funded. The SDLP Certificates will 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. See "Recent Developments" and Note 16 to our consolidated financial statements for the three and six months ended June 30, 2016, for more information on the SDLP.

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 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 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; however, we and GE may provide capital to support the SSLP's funding of existing commitments (see below) and other amounts to its 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. Prior to closing the sale to CPPIB, GE had announced its intention to provide us and CPPIB the opportunity to work together on the SSLP on a go-forward basis. GECC has also stated that if a mutual agreement between us and CPPIB to partner on the SSLP is not reached, it intends to retain its interest in the SSLP and the SSLP would be wound down in an orderly manner. We have been in dialogue with GE and CPPIB to determine if there is an opportunity to work together; however, to date there has been no agreement in respect of the SSLP as a result of these discussions and there can be no assurance that such discussions will continue or any such agreement will be reached. In addition to discussions with CPPIB and GECC, we are also exploring other options with respect to the SSLP's portfolio, although there can be no assurance that we will pursue any of them.

As of June 30, 2016, we and GE had outstanding amounts funded of approximately \$7.1 billion in aggregate principal amount to the SSLP. As discussed above, we anticipate that no new investments will be made by the SSLP and that we and GE will only provide additional capital to support the SSLP's funding of existing commitments and other amounts to its portfolio companies. As of June 30, 2016, the SSLP had commitments to fund delayed draw loans to certain of its portfolio companies of \$94.5 million, which had been approved by the investment committee of the SSLP as described above. As of June 30, 2016, we had funded approximately \$2.0 billion in aggregate principal amount to the SSLP. Additionally, as of June 30, 2016, 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 \$14.9 million. As of June 30, 2016, the fair value of the SSLP Certificates held by us was \$1.9 billion at fair value (including unrealized depreciation of \$38.7 million), which represented approximately 21% of our total

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portfolio at fair value. As of June 30, 2016, the SSLP had 32 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."

Ivy Hill Asset Management, L.P.

As of June 30, 2016, our portfolio company, IHAM, an SEC registered investment adviser, managed 16 vehicles and served as the sub-manager/sub-servicer for three other vehicles. As of June 30, 2016, IHAM had assets under management of approximately \$3.5 billion. As of June 30, 2016, the amortized cost and fair value of our investment in IHAM was \$171.0 million and \$231.2 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 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. See Note 4 to our consolidated financial statements for the three and six months ended June 30, 2016 and for the year ended December 31, 2015 and Note 14 to our consolidated financial statements for the three and six months ended June 30, 2016 for information related to IHAM's role in the American Capital Acquisition.

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, 2016 and December 31, 2015 were as follows:

Industry	June 30, 2016	As of December 31, 2015
Investment Funds and Vehicles(1)	21.7%	21.2%
Healthcare Services	12.5	14.6
Other Services	10.0	9.0
Consumer Products	8.0	7.7
Business Services	6.7	5.3
Power Generation	6.7	6.3
Manufacturing	5.3	6.0
Financial Services	4.2	4.6
Restaurants and Food Services	4.2	3.5
Education	3.5	4.6
Oil and Gas	2.9	2.9
Containers and Packaging	2.8	2.8
Automotive Services	2.5	2.3
Food and Beverage	2.5	2.5
Commercial Real Estate Finance	1.1	1.1
Other	5.4	5.6
Total	100.0%	100.0%

(1)

Includes the Company's investment in the SSLP, which had made first lien senior secured loans to 32 and 41 different borrowers as of June 30, 2016 and December 31, 2015, respectively. The portfolio companies in the SSLP are in industries similar to the companies in the Company's portfolio.

Geographic Region	June 30, 2016	As of December 31, 2015
West(1)	38.0%	37.9%
Midwest	21.2	23.8
Southeast	21.2	20.3
Mid Atlantic	14.9	13.7
Northeast	2.9	2.3
International	1.8	2.0
Total	100.0%	100.0%

(1)

Includes the Company's investment in the SSLP, which represented 21.3% and 20.8% of the total investment portfolio at fair value as of June 30, 2016 and December 31, 2015, respectively.

As of June 30, 2016, 1.3% of total investments at amortized cost (or 0.7% of total investments at fair value) were on non-accrual status. As of December 31, 2015, 2.6% of total investments at amortized cost (or 1.7% 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, 2016, our exited investments resulted in an aggregate cash flow realized internal rate of return to us of approximately 13% (based on original cash invested, net of syndications, of approximately \$13.3 billion and total proceeds from such exited

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investments of approximately \$16.3 billion). Approximately 70% 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 initial public offering on October 8, 2004 through the end of each period shown below.

(dollar amounts in millions)	Exited Investments												
	June 30, 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)	13%	13%	13%	13%	13%	14%	15%	14%	19%	21%	26%	41%	17%
Original cash invested, net of syndications	\$ 13,264	\$ 12,170	\$ 9,883	\$ 7,717	\$ 6,817	\$ 4,638	\$ 2,696	\$ 1,220	\$ 923	\$ 684	\$ 424	\$ 119	\$ 28
Total proceeds	\$ 16,266	\$ 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, 2016, our realized gains have exceeded our realized losses by approximately \$537 million (excluding a one-time gain on the acquisition of Allied Capital and realized gains/losses from the extinguishment of debt and from other assets). For this same time period, our average annualized net realized gain rate was approximately 1.1% (excluding a one-time gain on the acquisition of Allied Capital and realized gains/losses from the extinguishment of debt and from 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 15 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:

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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;

an analysis of business strategy and industry trends; and

an in-depth examination of capital structure, financial results and projections.

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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 an underwriting committee, which is comprised of certain senior members of the Ares Credit Group.

After the investment is approved by the underwriting committee, 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.

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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 5-7% of the investments 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 10 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 10 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.

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

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(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.

ACQUISITION OPPORTUNITIES

We believe the recent volatility in the credit markets has increased the likelihood of further consolidation in our industry. To that end, in addition to the American Capital Acquisition, we are evaluating (and expect to continue to evaluate in the future) a number of additional 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 May 23, 2016 we entered into a definitive agreement to acquire American Capital in a cash and stock transaction. See "Pending American Capital Acquisition" 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, 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. In connection with evaluating potential strategic acquisition and investment transactions, we have, and may in the future, incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

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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, 2016, of our 214 portfolio companies, we were entitled to board seats or board observation rights on 37% of these companies and these companies represented approximately 63% 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.

As of June 30, 2016, the weighted average grade of our portfolio at fair value was 3.0. 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.

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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 80 U.S.-based investment professionals as of March 31, 2016 who focus on origination, transaction development, investment and 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, Allied Capital was involved in various legal proceedings that we assumed in connection with the Allied Acquisition.

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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 (the "Action") filed in the United States District Court for the Eastern District of Pennsylvania (the "Pennsylvania Court") by the bankruptcy trustee of DSI Renal Holdings LLC and two related companies. On March 17, 2014, the Action was transferred to the United States District Court for the District of Delaware (the "Delaware Court") pursuant to a motion filed by the defendants and granted by the Pennsylvania Court. On May 6, 2014, the Delaware Court referred the Action to the United States Bankruptcy Court for the District of Delaware. The complaint in the Action 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 Holdings LLC. 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. 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.

We are aware that a consolidated putative shareholder class action has been filed by stockholders of American Capital challenging the American Capital Acquisition. These legal proceedings could delay or prevent the American Capital Acquisition from becoming effective within the agreed upon timeframe or at all, and, if the American Capital Acquisition is completed, may be material to the results of operations, cash flows or financial condition of the combined company. It is possible that third parties could try to seek to impose liability against the combined company in connection with this matter or other potential legal proceedings.

On or about August 18, 2016, shareholders of American Capital filed a consolidated putative shareholder class action allegedly on behalf of holders of the common stock of American Capital against the members of American Capital's board of directors in the Circuit Court for Montgomery County, Maryland due to the directors' actions in approving 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. The action alleges that the directors 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 a major shareholder, Elliott Management Corp. The complaint also alleges that the directors 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 proposed merger was the product of a flawed sales process due to Elliott's continued manipulation of the directors, 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 are due to receive upon consummation of the proposed merger. Additionally, the complaint alleges that the Company's Registration Statement on Form N-14, which was filed with the SEC on July 20, 2016, and includes 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 enjoin the American Capital Acquisition. In the event that the American Capital Acquisition is consummated, the complaint seeks to recover compensatory damages for all losses resulting from the alleged breaches of fiduciary duty. We believe that these claims seeking to enjoin the American Capital Acquisition are without merit.

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PENDING AMERICAN CAPITAL ACQUISITION

On May 23, 2016, we entered into a definitive agreement to acquire American Capital in a cash and stock transaction. American Capital is an internally managed closed-end, non-diversified management investment company that has elected to be regulated as a BDC under the Investment Company Act.

If the American Capital Acquisition is completed, American Capital will become a subsidiary of the Company and ACAM, a portfolio company of American Capital, will merge with and into IHAM, our portfolio company, with IHAM being the surviving entity in the ACAM Merger.

Simplified Structure Before the Completion of the American Capital Acquisition

Simplified Structure Following the Completion of the American Capital Acquisition

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Immediately following the Mergers, American Capital will convert into a Delaware limited liability company and withdraw its election as a BDC.

Upon the completion of the American Capital Acquisition, each share of American Capital common stock issued and outstanding immediately prior to the effective time of the American Capital Acquisition will be converted into the right to receive from us, in accordance with the Merger

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Agreement, (i) \$6.41 per share in cash consideration, (ii) stock consideration at the Exchange Ratio, and (iii) (A) if the closing occurs after the record date with respect to our dividend payable with respect to the fourth quarter of 2016, 37.5% of the Exchange Ratio times our dividend for such quarter, plus (B) if the closing occurs after the record date with respect to our dividend payable with respect to the first quarter of 2017, 75% of the Exchange Ratio times our dividend for such quarter, plus (C) if the closing occurs after the record date with respect to our dividend for any subsequent quarter, 100% of the Exchange Ratio times our dividend for such quarter. The Exchange Ratio was fixed on the date of the Merger Agreement, and is not subject to adjustment based on changes in the trading price of our or American Capital's common stock before the closing of the American Capital Acquisition. Based on the number of shares of American Capital Common Stock outstanding on the date of the Merger Agreement, this would result in approximately 110.8 million of our shares being exchanged for approximately 229.3 million outstanding shares of American Capital common stock, subject to adjustment in certain limited circumstances. Following completion of the American Capital Acquisition, the directors of our board of directors will continue as directors of the Company.

Additionally, in accordance with the Merger Agreement, each share of American Capital common stock issued and outstanding immediately prior to the effective time of the American Capital Acquisition will have the right to receive (i) \$1.20 per share in cash from our investment adviser, acting solely on its own behalf and (ii) \$2.45 per share in cash, which amount represents the per share cash consideration paid to American Capital pursuant to the sale by ACAM OF ACMM, a wholly owned subsidiary of ACAM, to AGNC (the "Mortgage Manager Sale").

The Merger Agreement contains (a) customary representations and warranties of American Capital and the Company, including representations and warranties relating to, among others: corporate organization, capitalization, corporate authority and absence of conflicts, third party and governmental consents and approvals, reports and regulatory matters, financial statements, compliance with law and legal proceedings, absence of certain changes, taxes, employee matters, intellectual property, insurance and certain contracts, (b) limited representations and warranties from IHAM and ACAM, including representations and warranties relating to, among others: corporate organization, capitalization, corporate authority and absence of conflicts, (c) limited representations and warranties from our investment adviser, including representations and warranties relating to, among others: corporate organization, capitalization, corporate authority, absence of conflicts and regulatory matters, (d) covenants of American Capital and the Company to conduct our respective businesses in the ordinary course until the American Capital Acquisition is completed and (e) covenants of American Capital and the Company not to take certain actions during this interim period.

Among other things, American Capital and we have agreed to, and will cause our respective affiliates, consolidated subsidiaries, and each of their respective officers, directors, managers, employees and other advisors, representatives and agents to, immediately cease and cause to be terminated all discussions and negotiations with respect to a "Competing Proposal" (as defined in the Merger Agreement) from a third party and not to directly or indirectly solicit or take any other action (including providing information) with the intent to solicit any inquiry, discussion, proposal or offer with respect to a Competing Proposal.

However, if either American Capital or the Company receives a Competing Proposal from a third party, and the board of directors of American Capital or the Company, as applicable, determines in good faith after consultation with its outside legal counsel and independent financial advisers that (i) failure to consider such proposal would reasonably be expected to be inconsistent with the fiduciary duties of the respective directors under applicable law and (ii) the Competing Proposal constitutes or is reasonably expected to result in a "Superior Proposal" (as defined in the Merger Agreement), then the party receiving such proposal may engage in discussions and negotiations with such third party so long as certain notice and other procedural requirements are satisfied. American Capital or the Company may terminate the Merger Agreement and enter into an agreement with a third party who makes a

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Superior Proposal, subject to certain procedural requirements and the payment of a \$140 million termination fee.

The representations and warranties of each party set forth in the Merger Agreement (i) have been qualified by confidential disclosures made to the other party in connection with the Merger Agreement, (ii) will not survive completion of the American Capital Acquisition and cannot be the basis for any claims under the Merger Agreement by the other party after the American Capital Acquisition is completed, (iii) are qualified in certain circumstances by a materiality standard which may differ from what may be viewed as material by investors, (iv) were made only as of the date of the Merger Agreement or such other date as is specified in the Merger Agreement and (v) may have been included in the Merger Agreement for the purpose of allocating risk between American Capital and the Company rather than establishing matters as facts.

While there can be no assurances as to the exact timing, or that the American Capital Acquisition will be completed at all, we expect to complete the American Capital Acquisition as early as the fourth quarter of 2016. The completion of the American Capital Acquisition is subject to certain conditions, including, among others, American Capital stockholder approval, our stockholder approval, required regulatory approvals, receipt of certain third party consents, including consents from regulatory authorities in the United Kingdom and Guernsey and consents from certain investment funds managed by ACAM and its subsidiaries representing at least 75% of the aggregate assets under management from all such funds as of March 31, 2016 and other customary closing conditions.

The Merger Agreement also contains certain termination rights for us and American Capital and provides that, in connection with the termination of the Merger Agreement under specified circumstances (including as more specifically described above), American Capital or the Company may be required to pay the other party a termination fee of \$140 million.

We cannot assure you that the American Capital Acquisition will be completed as scheduled, or at all. See "Risk Factors Risks Relating to Our Business We may fail to complete the American Capital Acquisition" for a description of the risks associated with a failure to complete the American Capital Acquisition and "Risk Factors Risks Relating to the American Capital Acquisition" for a description of the risks that the combined company may face if the American Capital Acquisition is completed.

Additionally, on May 23, 2016, we entered into an agreement with our investment adviser (the "Transaction Support Agreement") in connection with the American Capital Acquisition. Under the terms of the Transaction Support Agreement, our investment adviser will (i) provide approximately \$275 million of cash consideration, or \$1.20 per share of American Capital common stock, payable to American Capital stockholders in accordance with the terms and conditions set forth in the Merger Agreement at closing and (ii) waive, for each of the first ten calendar quarters beginning with the first full calendar quarter after the closing of the American Capital Acquisition, 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 financial support contemplated by the Transaction Support Agreement is conditioned upon completion of the American Capital Acquisition, which is subject to the closing conditions described above.

Also in connection with the American Capital Acquisition, our consolidated subsidiary, Ares Capital CP, received commitments from certain lenders to provide \$460.0 million in new commitments under the Revolving Funding Facility, which would bring the total commitments of the Revolving Funding Facility to \$1.0 billion. The new commitments are conditioned upon completion of the American Capital Acquisition, which is subject to certain closing conditions described above, and also are subject to final documentation of the amendment to the Revolving Funding Facility.

In May 2016, in connection with the American Capital Acquisition, we suspended our stock repurchase program pending the completion of the American Capital Acquisition.

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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, 2016. 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 the Company's discretion and (iii) commitments that are unavailable due to borrowing base or other covenant restrictions.

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ARES CAPITAL AND SUBSIDIARIES
PORTFOLIO COMPANIES
As of June 30, 2016
(dollar amounts in thousands)

Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2016	Fair Value
10th Street, LLC and	Real estate holding company	First lien senior secured loan	12.00% Cash, 1.00% PIK	11/2/2019		\$ 25,449
New 10th Street, LLC(4)		Senior subordinated loan	12.00% Cash, 1.00% PIK	11/2/2019		\$ 27,371
5 North 11th Street Brooklyn, NY 11211		Member interest Option				10.00% \$ 44,484 40.10% \$ 25
2329497 Ontario Inc. 77 King Street West, Suite 4400 PO Box 235 Toronto, ON M5K 1J3 Canada	Outsourced data center infrastructure and related services provider	Second lien senior secured loan	10.50% (Libor + 9.25%/Q)	6/30/2019		\$ 29,487
Absolute Dental Management LLC and ADM Equity, LLC 526 South Tonopah Dr. Suite #200 Las Vegas, NV 89106	Dental services provider	First lien senior secured loan	9.26% (Libor + 8.26%/Q)	1/5/2022		\$ 23,750
		Class A preferred units			9.30%	\$ 3,296
		Class A common units			9.30%	\$
Accruent, LLC and Athena Parent, Inc. 10801-2 N Mopac Expressway, Suite 400 Austin, TX 78759	Real estate and facilities management software provider	First lien senior secured revolving loan		5/16/2022		\$ (5)
		Second lien senior secured loan	10.75% (Libor + 9.75%/Q)	11/16/2022		\$ 42,500
		Common stock			0.79%	\$ 3,000
Adaptive Mobile Security Limited Ferry House 48-52 Lower Mount Street Dublin 2, Ireland	Developer of security software for mobile communications networks	First lien senior secured loan	10.00% (Libor + 9.00%/M)	7/1/2018		\$ 2,714
		First lien senior secured loan	10.00% (Libor + 9.00%/M)	10/1/2018		\$ 701
ADCS Billings Intermediate Holdings, LLC 151 Southhall Lane, Suite 300 Maitland, FL 32751	Dermatology practice	First lien senior secured revolving loan		5/18/2022		\$ (6)
		First lien senior secured loan		5/18/2022		\$ (7)
		First lien senior secured loan	6.75% (Libor + 5.75%/Q)	5/18/2022		\$ 8,617
		First lien senior secured loan	6.75% (Libor + 5.75%/Q)	5/18/2022		\$ 22,500
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc. 165 Passaic Avenue	Restaurant owner and operator	First lien senior secured loan	9.25% (Libor + 8.25%/Q)	12/18/2018		\$ 36,734
		Promissory note		12/18/2023		\$ 11,358
		Warrant		12/18/2023	95.00%	\$ (2)

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Fairfield, NJ 07004					
AEP Holdings, Inc.	Distributor of	First lien senior secured loan	7.25% (Libor + 6.25%/Q)	8/31/2021	\$ 45,346
and Arrowhead Holdco Company	non-discretionary,	First lien senior secured loan	8.75%(Base Rate + 5.25%/Q)	8/31/2021	\$ 673
3787 95th Ave. N.E.	mission-critical aftermarket	First lien senior secured loan	8.25% (Libor + 7.25%/Q)	8/31/2021	\$ 9,975
Blaine, MN 55014	replacement parts	First lien senior secured loan	9.75%(Base Rate + 6.25%/Q)	8/31/2021	\$ 25
		Common stock			1.13% \$ 2,823
Aimbridge Hospitality, LLC	Hotel operator	First lien senior secured loan		10/8/2018	\$ (8)
5851 Legacy Circle, Suite 400		First lien senior secured loan	8.25% (Libor + 7.00%/Q)	10/8/2018	\$ 2,885
Plano, TX 75024		First lien senior secured loan	8.25% (Libor + 7.00%/Q)	10/8/2018	\$ 18,304
Alegeus Technologies Holdings Corp.	Benefits administration and transaction processing provider	Preferred stock			0.79% \$ 1,878
1601 Trapelo Road South Building, 2nd Floor Waltham, MA 02451		Common stock			0.00% \$
AllBridge Financial, LLC(4)	Asset management services	Equity interests			100.00% \$ 517
13760 Noel Road, Suite 1100 Dallas, TX 75240					
Alphabet Energy, Inc.	Technology developer to convert waste-heat into electricity	First lien senior secured loan	14.50% (Libor + 11.50% Cash, 2.00% PIK/M)	8/1/2017	\$ 3,960
26225 Eden Landing Road, Suite D		Series B preferred stock			0.19% \$ 46
Hayward, CA 94545		Warrant		12/12/2023	0.88% \$ (2)
American Broadband Communications, LLC,	Broadband communication services	Warrant		11/7/2017	20.76% \$ 7,204(2)
American Broadband Holding Company, and Cameron Holdings of NC, Inc.		Warrant		9/1/2020	20.00% \$ 6,927(2)
401 N. Tryon Street, 10th Floor Charlotte, NC 28202					
American Residential Services L.L.C.	Heating, ventilation and air conditioning services provider	Second lien senior secured loan	8.50% (Libor + 7.50%/Q)	12/31/2021	\$ 50,000
965 Ridge Lake Blvd. Memphis, TN 38120					

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2016	Fair Value
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 First lien senior secured loan Second lien senior secured loan Class A units Warrant	7.50%(Base Rate + 4.00%/Q) 6.00% (Libor + 5.00%/Q) 10.00% (Libor + 9.00%/Q)	8/19/2021 8/19/2021 2/19/2022 8/19/2035		\$ 3,300(9) \$ 19,467 \$ 55,000 0.24% \$ 83 3.36% \$ 7,872(2)
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	10.50% (Libor + 9.50%/Q)	6/23/2022		\$ 9,000
Athletic Club Holdings, Inc. 5201 East Tudor Road Anchorage, AL 99507	Premier health club operator	First lien senior secured loan First lien senior secured loan	9.50% (Libor + 8.50%/Q)	10/31/2020 10/31/2020		\$ (10) \$ 41,000
AwarePoint Corporation 600 W. Broadway, Suite 250 San Diego, CA 92101	Healthcare technology platform developer	First lien senior secured loan Warrant	10.50% (Libor + 9.50%/Q)	6/1/2018 9/5/2024		\$ 8,772 8.83% \$ 609(2)
Batanga, Inc. 2121 Ponce de Leon Blvd., Suite 800 Coral Gables, FL 33134	Independent digital media company	First lien senior secured loan	12.00% (Libor + 11.00%/M)	12/31/2016		\$ 10,066
Benihana, Inc. 8685 Northwest 53rd Terrace Miami, FL 33166	Restaurant owner and operator	First lien senior secured revolving loan First lien senior secured loan	7.75%(Base Rate + 4.25%/Q) 6.75% (Libor + 5.50%/Q)	7/17/2018 1/17/2019		\$ 1,074(11) \$ 4,573
Bicent (California) Holdings LLC c/o Beowolf Energy LLC 100 N. West Street Easton, MD 21601	Gas turbine power generation facilities operator	Senior subordinated loan	8.25% (Libor + 7.25%/Q)	2/6/2021		\$ 49,507
Brandtone Holdings Limited 51-54 Pearse Street Dublin 2, Ireland	Mobile communications and marketing services provider	First lien senior secured loan First lien senior secured loan Warrant	9.50% (Libor + 8.50%/M) 9.50% (Libor + 8.50%/M)	11/1/2018 1/1/2019 5/11/2025		\$ 4,598 \$ 3,036 1.99% \$ 1(2)
Brush Power, LLC 1150 West Century Ave. Bismarck ND, 58503	Gas turbine power generation facilities operator	First lien senior secured loan First lien senior secured loan	6.25% (Libor + 5.25%/Q) 7.75%(Base Rate + 4.25%/Q)	8/1/2020 8/1/2020		\$ 56,542 \$ 157
Cadence Aerospace, LLC 2600 94th Street SW, Suite 150 Everett, WA 98204	Aerospace precision components manufacturer	First lien senior secured loan First lien senior secured loan Second lien senior secured loan	7.00% (Libor + 5.75%/Q) 8.25%(Base Rate + 4.75%/Q) 10.50% (Libor + 9.25%/Q)	5/9/2018 5/9/2018 5/9/2019		\$ 4,053 \$ 11 \$ 77,267

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Callidus Capital Corporation(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Asset management services	Common stock			100.00% \$	1,668
CallMiner, Inc. 200 West Street Waltham, MA 02452	Provider of cloud-based conversational analytics solutions	Second lien senior secured loan	10.50% (Libor + 9.50%/M)	5/1/2018	\$	2,788
		Second lien senior secured loan Warrant	10.50% (Libor + 9.50%/M)	9/1/2018 7/23/2024	\$	1,576 (2)
Campus Management Corp. and Campus Management Acquisition Corp.(3) 350 Park Avenue, 23rd Floor New York, NY 10022	Education software developer	Preferred stock			16.75% \$	11,224
Castle Management Borrower LLC 545 East John Carpenter Freeway, Suite 1400 Irving, TX 75062	Hotel operator	First lien senior secured loan	5.50% (Libor + 4.50%/Q)	9/18/2020	\$	5,746
		Second lien senior secured loan	11.00% (Libor + 10.00%/Q)	3/18/2021	\$	10,000
		Second lien senior secured loan	11.00% (Libor + 10.00%/Q)	3/18/2021	\$	55,000
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	5.00% (Libor + 4.00%/Q)	7/23/2019	\$	3,188(12)
		First lien senior secured revolving loan	6.50%(Base Rate + 3.00%/Q)	7/23/2019	\$	1,403(12)
		First lien senior secured loan	5.00% (Libor + 4.00%/Q)	7/23/2021	\$	5,625
		Second lien senior secured loan	9.38% (Libor + 8.38%/Q)	7/23/2022	\$	108,000
		Class A units			1.24% \$	362
CEI Kings Mountain Investor, LP 8800 N. Gainey Drive, Suite 250 Scottsdale, AZ 85258	Gas turbine power generation facilities operator	Senior subordinated loan	11.00% PIK	3/11/2017	\$	30,859

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2016	Fair Value
CFW Co-Invest, L.P., NCP Curves, L.P. and Curves International Holdings, Inc. 100 Ritchie Road Waco, TX 76712	Health club franchisor	Limited partnership interest Limited partnership interest Common stock			12.24% 12.25% 7.41%	\$ 7,046 \$
CH Hold Corp. 401 E. Corporate Drive, Suite 150 Lewisville, TX 75057	Collision repair company	First lien senior secured revolving loan First lien senior secured revolving loan	6.25% (Libor + 5.25%/Q) 7.75%(Base Rate + 4.25%/Q)	11/20/2019 11/20/2019		\$ 805(13) \$ 730(13)
ChargePoint, Inc. 1692 Dell Avenue Campbell, CA 95008	Developer and operator of electric vehicle charging stations	First lien senior secured loan First lien senior secured loan Warrant	9.75% (Libor + 8.75%/M) 9.75% (Libor + 8.75%/M)	7/1/2019 1/1/2019 12/24/2024		\$ 10,000 \$ 10,000 2.12% \$ 1,371(2)
Chariot Acquisition, LLC 3510 Port Jacksonville Pkwy Jacksonville, Florida 32226	Manufacturer, distributor and designer of aftermarket golf cart parts and accessories	First lien senior secured revolving loan First lien senior secured loan	7.25% (Libor + 6.25%/Q)	9/30/2021 9/30/2021		\$ (14) \$ 55,571
Charter NEX US Holdings, Inc. 1264 E High St. Milton, WI 53563	Producer of high-performance specialty films used in flexible packaging	Second lien senior secured loan	9.25% (Libor + 8.25%/Q)	2/6/2023		\$ 11,711
CIBT Holdings, Inc. and CIBT Investment Holdings, LLC 111 Huntington Ave., 30th Floor Boston, MA 02199	Expedited travel document processing services	First lien senior secured loan Class A shares		12/15/2018		\$ (15) 1.97% \$ 5,520
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 First lien senior secured loan First lien senior secured loan First lien senior secured loan Equity interests	6.00% 12.00% 12.00% 12.00%	12/31/2016 12/31/2016 12/31/2016 12/31/2016		\$ 14,000(16) \$ 250 \$ 500 \$ 1,250 100.00% \$ 14,856
CMW Parent LLC (fka Black Arrow, Inc.) 65 North San Pedro San Jose, CA 95110	Multiplatform media firm	Series A units			0.00%	\$
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 Second lien senior secured loan	9.25% (Libor + 8.25%/Q) 9.25% (Libor + 8.25%/Q)	8/8/2020 8/8/2020 8/8/2020		\$ 10,000 \$ 11,500 \$ 26,500

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		Second lien senior secured loan	9.25% (Libor + 8.25%/Q)		
		Senior subordinated loan	14.00% PIK	8/8/2021	\$ 21,764
Commercial Credit Group, Inc. 121 West Trade Street, Suite 2100 Charlotte, NC 28202	Commercial equipment finance and leasing company	Senior subordinated loan	12.75%	5/10/2018	\$ 28,000
Community Education Centers, Inc. and CEC Parent Holdings LLC(4) 35 Fairfield Place West Caldwell, NJ 07006	Offender re-entry and in-prison treatment services provider	First lien senior secured loan	6.25% (Libor + 5.25%/Q)	12/13/2017	\$ 13,596
		First lien senior secured loan	7.75%(Base Rate + 4.25%/Q)	12/13/2017	\$ 690
		Second lien senior secured loan	15.64% (Libor + 15.00%/Q)	6/13/2018	\$ 21,895
		Class A senior preferred units			0.90% \$ 10,531
		Class A junior preferred units			30.77% \$ 21,784
		Class A common units			30.77% \$
Competitor Group, Inc., Calera XVI, LLC and Champion Parent Corporation 9401 Waples Street, Suite 150 San Diego, CA 92121	Endurance sports media and event operator	First lien senior secured revolving loan	5.00% (Libor + 3.75%/Q)	11/30/2018	\$ 4,212(17)
		First lien senior secured loan	5.00% (Libor + 3.75%/Q)	11/30/2018	\$ 35,813
		Preferred shares			50.00% \$
		Membership units			7.88% \$
		Common shares			32.96% \$
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	\$ 2,241(18)
		First lien senior secured loan	5.50% (Libor + 4.50%/Q)	7/1/2019	\$ 8,021
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% \$ 2,111
		Class B-1 common stock			0.41% \$ 422
		Class C-1 common stock			0.41% \$ 280
		Class A-2 common stock			0.41% \$
		Class B-2 common stock			0.41% \$
		Class C-2 common stock			0.41% \$
Correctional Medical Group Companies, Inc. 2511 Garden Road, Suite A160 Monterey, CA 93940	Correctional facility healthcare operator	First lien senior secured loan		9/29/2021	\$ (19)
		First lien senior secured loan	9.58% (Libor + 8.58%/Q)	9/29/2021	\$ 3,088
		First lien senior secured loan	9.58% (Libor + 8.58%/Q)	9/29/2021	\$ 48,800

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2016	Fair Value
Covestia Capital Partners, LP 11111 Santa Monica Blvd, Suite 1620 Los Angeles, CA 90025	Investment partnership	Limited partnership interest			47.00%	\$ 1,863
CPV Maryland Holding Company II, LLC c/o Competitive Power Ventures, Inc. 8403 Colesville Road, Suite 915 Silver Spring, MD 20910	Gas turbine power generation facilities operator	Senior subordinated loan Warrant	10.00%	12/31/2020 8/8/2018		\$ 42,682 4.00% \$ (2)
Crescent Hotels & Resorts, LLC and affiliates(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Hotel operator	Senior subordinated loan Common equity interest	15.00%	9/8/2011		\$ 3,105 90.00% \$
Crown Health Care Laundry Services, Inc. and Crown Laundry Holdings, LLC(3) 1501 North Guillemard Street Pensacola, FL 32501	Provider of outsourced healthcare linen management solutions	First lien senior secured revolving loan First lien senior secured loan Class A preferred units Class B common units	7.25% (Libor + 6.00%/Q) 7.25% (Libor + 6.00%/Q)	3/13/2019 3/13/2019		\$ 2,000(20) \$ 18,275 11.76% \$ 3,248 11.76% \$ 361
DCA Investment Holding, LLC 6240 Lake Osprey Drive Sarasota, FL 34240	Multi-branded dental practice management	First lien senior secured revolving loan First lien senior secured loan	7.75%(Base Rate + 4.25%/Q) 6.25% (Libor + 5.25%/Q)	7/2/2021 7/2/2021		\$ 3,367(21) \$ 18,613
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 Class A common stock Class B common stock	10.25% (Libor + 9.25%/Q)	10/7/2020		\$ 50,000 0.44% \$ 520 0.37% \$ 1,040
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 Non-controlling units	9.75%	12/24/2021		\$ 25,000 10.00% \$ 2,242
DineInFresh, Inc. 22 West 19th Street, 5th Floor New York, NY 10011	Meal-delivery provider	First lien senior secured loan Warrant	9.75% (Libor + 8.75%/M)	7/1/2018 12/19/2024		\$ 6,250 1.48% \$ 4(2)
Directworks, Inc. and Co-Exprise Holdings, Inc. 6021 Wallace Road, Suite 300	Provider of cloud-based software solutions for	First lien senior secured loan Warrant	10.25% (Libor + 9.25%/M)	4/1/2018 12/19/2024		\$ 1,960 4.76% \$ (2)

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Wexford, PA 15090	direct materials sourcing and supplier management for manufacturers					
DNAexus, Inc. 1975 W. El Camino Real, Suite 101 Mountain View, CA 94040	Bioinformatics company	First lien senior secured loan Warrant	9.25% (Libor + 8.25%/M)	10/1/2018 3/21/2024	\$ 10,330 1.60% \$ 250(2)	
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 loan Class A common stock Class B common stock	5.75% (Libor + 4.75%/Q)	8/19/2020	\$ 964 1.65% \$ 3,649 1.65% \$ 3,649	
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 Senior subordinated loan Common stock	11.00% 11.00%	2/15/2020 2/15/2020	\$ 31,500 \$ 52,670 1.87% \$ 4,834	
Eagle Family Foods Group LLC 1 Strawberry Lane Orrville, OH 44667	Manufacturer and producer of milk products	First lien senior secured loan First lien senior secured loan	10.05% (Libor + 9.05%/Q) 10.05% (Libor + 9.05%/Q)	12/31/2021 12/31/2021	\$ 4,775 \$ 50,000	
Earthcolor Group, LLC 249 Pomeroy Road Parsippany, NJ 07054	Printing management services	Limited liability company interests			9.30% \$	
Eckler Industries, Inc. 5200 S. Washington Ave. Titusville, FL 32780	Restoration parts and accessories provider for classic automobiles	First lien senior secured revolving loan First lien senior secured loan First lien senior secured loan Series A preferred stock Common stock	8.50%(Base Rate + 5.00%/Q) 7.25% (Libor + 6.00%/Q) 7.25% (Libor + 6.00%/Q)	7/12/2017 7/12/2017 7/12/2017	\$ 1,880(22) \$ 6,539 \$ 24,682 5.41% \$ 5.41% \$	
EcoMotors, Inc. 17000 Federal Drive, Suite 200 Allen Park, MI 48101	Engine developer	First lien senior secured loan Warrant Warrant	11.00%	3/1/2018 12/28/2022 2/24/2025	\$ 11,480 2.10% \$ 285(2) 0.46% \$ 62(2)	

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EN Engineering, L.L.C. 28100 Torch Parkway, Suite 400 Warrenville, Illinois 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 loan		6/30/2021		\$	(23)
		First lien senior secured loan	7.00% (Libor + 6.00%/Q)	6/30/2021		\$	5
		First lien senior secured loan	8.50%(Base Rate + 5.00%/Q)	6/30/2021		\$	4,610
		First lien senior secured loan	7.00% (Libor + 6.00%/Q)	6/30/2021		\$	22,255
Everspin Technologies, Inc. 1347 N. Alma School Road, Suite 220 Chandler, AZ 85224	Designer and manufacturer of computer memory solutions	First lien senior secured revolving loan	7.25%(Base Rate + 3.75%/M)	6/5/2017		\$	1,145(24)
		First lien senior secured loan	8.75% (Libor + 7.75%/M)	6/1/2019		\$	8,000
		Warrant		6/5/2025	1.61%	\$	355(2)
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		11/30/2017		\$	(25)
		First lien senior secured loan	9.75% (Libor + 8.75%/M)	12/1/2019		\$	3,000
		First lien senior secured loan	9.75% (Libor + 8.75%/M)	5/1/2019		\$	3,889
		Warrant		12/3/2025	1.97%	\$	62(2)
		Warrant		11/3/2024	2.71%	\$	85(2)
Feradyne Outdoors, LLC and Bowhunter Holdings, LLC 110 Beasley Rd. Cartersville, GA 30120	Provider of branded archery and bowhunting accessories	First lien senior secured loan	4.00% (Libor + 3.00%/Q)	3/31/2019		\$	4,246
		First lien senior secured loan	4.00% (Libor + 3.00%/Q)	3/31/2019		\$	6,328
		First lien senior secured loan	6.55% (Libor + 5.55%/Q)	3/31/2019		\$	8,740
		First lien senior secured loan	6.55% (Libor + 5.55%/Q)	3/31/2019		\$	46,092
		Common units			3.57%	\$	1,769
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	13.17%	\$	11(2)
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	10.00% (Libor + 9.00%/Q)	10/30/2018		\$	5,520
		Second lien senior secured loan	10.00% (Libor + 9.00%/Q)	10/30/2018		\$	27,140
Garden Fresh Restaurant Corp. 15822 Bernardo Center Drive, Suite A San Diego, CA 92127	Restaurant owner and operator	First lien senior secured revolving loan		7/3/2018		\$	(26)
		First lien senior secured loan	10.50% (Libor + 9.00%/Q)	7/3/2018		\$	40,141

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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	2.46% \$	6(2)
Gentle Communications, LLC 200 5th Avenue, Suite 3 Waltham, MA 02451	Dental services provider	First lien senior secured revolving loan		5/27/2022	\$	(27)
		First lien senior secured loan		5/27/2022	\$	(28)
		First lien senior secured loan	7.50% (Libor + 6.50%/Q)	5/27/2022	\$	43,500
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% \$	1,358
		Class A common units			2.20% \$	
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	10.50% (Libor + 9.50%/Q)	12/18/2019	\$	60,811
Global Healthcare Exchange, LLC and GHX Ultimate Parent Corp. 1315 W Century Drive Louisville, CO 80027	On-demand supply chain automation solutions provider	Class A common stock			1.03% \$	2,991
		Class B common stock			0.93% \$	5,435
Gordian Acquisition Corp. 950 Third Avenue, 17th Floor New York, NY 10022	Financial services firm	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	6.50% (Libor + 5.50%/Q)	11/13/2021	\$	24,000
		Senior subordinated loan	8.00% Cash, 5.25% PIK	12/31/2021	\$	18,433
		Senior subordinated loan	8.00% Cash, 5.25% PIK	12/31/2021	\$	86,166
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		12/19/2018	\$	(29)
		First lien senior secured loan		12/19/2018	\$	(30)
		First lien senior secured loan	9.00% (Libor + 8.00%/Q)	12/19/2018	\$	4,000
		Limited partnership interest			99.90% \$	999
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% \$	403

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Harvey Tool Company, LLC and Harvey Tool Company, LLC	Manufacturer and provider of cutting tool provider to the metalworking industry	First lien senior secured revolving loan		3/28/2020		\$
Newburyport Turnpike, MA 01969		Senior subordinated loan	10.00% Cash, 1.00% PIK	9/28/2020	1.09%	\$ 27,9
		Class A membership units				\$ 1,5
Equity, LLC(4)	Investment company	Member interest			100.00%	\$ 12
Avenue of the Stars, 12th Floor Los Angeles, CA 90067						
Large Food Service Group, Inc. and HFG Holdings, LLC	Distributor of repair and replacement parts for commercial kitchen equipment	Second lien senior secured loan	9.50% (Libor + 8.50%/Q)	10/20/2022		\$ 31,3
Executive Boulevard Wayne, IN 46808		Preferred units			2.50%	\$ 2,9
Control Networks, Inc. and uControl Position, LLC	Software and services company for the connected home market	Second lien senior secured loan	9.50% (Libor + 8.50%/M)	3/1/2019		\$ 20,1
win Dolphin Drive, Suite 280 Wood City, CA 94065		Warrant		2/19/2022	0.55%	\$
Inc. Greenwood Avenue Bello, CA 90640	Industrial container manufacturer, reconditioner and servicer	First lien senior secured revolving loan	6.75% (Libor + 5.75%/Q)	12/31/2018		\$ 1,0
		Second lien senior secured loan	10.16% (Libor + 9.00%/Q)	12/31/2019		\$ 66,0
Phone Inc. E. Adams Street, Suite 900 Chicago, IL 60606	Voice-based marketing automation software provider	Warrant		10/15/2022	4.76%	\$ 7
Capital Group LLC Avenue of the Stars, 9th Floor S Los Angeles, CA 90067	Investment services	Class A common units 2006 Class B common units 2007 Class B common units			2.60% 2.60% 2.60%	\$ 11,6
Capital Private Opportunities, LP Avenue of the Stars, 9th Floor S Los Angeles, CA 90067	Investment partnership	Limited partnership interest			80.00%	\$ 15,3
Footcare, LLC 17W Alexander Drive Box 13925 Raleigh, NC 27709	Provider of footwear and other accessories	First lien senior secured loan	8.75%(Base Rate + 5.25%/Q)	4/30/2021		\$ 17,1
Research Mezzanine Co-Invest, LLC Beechleaf Court, Suite 600 Raleigh, NC 27604	Pharmaceutical and biotechnology consulting services	Common units			15.07%	\$ 1,6
Holdings Corp. International Blvd. Cincinnati, OH 45246	Designer, marketer, and distributor of rain and cold weather products	Second lien senior secured loan	8.50% (Libor + 7.50%/Q)	11/1/2021		\$ 64,0
ly Holding, LLC 15th Avenue South, Suite 301 Tampa, FL 34102	Operator of for-profit law schools	First lien senior secured revolving loan		1/31/2017		\$
		First lien senior secured loan	11.50% (Libor + 8.50% Cash, 2.00% PIK/Q)	1/31/2017		\$ 2,4
		Series A preferred units	11.50% (Libor + 8.50% Cash, 2.00% PIK/Q)		95.34%	\$ 111,7
		Series B preferred units			6.67%	\$ 2,1
to de Banca y Comercio, Inc. & Leeds IV	Private School Operator	First lien senior secured loan	10.50% PIK (Libor + 9.00%/Q)	12/31/2018		\$ 1,7
ors, Inc. Santa Ana 1660 San Juan, Puerto Rico 00909		Senior preferred series A-1 shares			83.50%	\$ 75,4
		Series B preferred stock			5.00%	\$

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		Series C preferred stock			3.98%	\$	
		Common stock			4.02%	\$	
<p>Systems Corporation 1500 Broadway Street, Suite E Boston, MA 02038</p>	<p>Developer of a speech recognition software based customer interaction system</p>	<p>Second lien senior secured loan Warrant</p>	<p>9.85% (Libor + 8.85%/M)</p>	<p>7/1/2019 6/16/2022</p>		\$	<p>25,000,000 29,000,000</p>
<p>Medix Corporation 1000 N. Federal Highway, Suite 1000 Lauderdale, FL 33308</p>	<p>Revenue cycle management provider to the emergency healthcare industry</p>	<p>Second lien senior secured loan</p>	<p>9.25% (Libor + 8.25%/Q)</p>	<p>6/27/2020</p>		\$	107,500,000
<p>Inc 100 Midium Circle Ithaca, NY 13820</p>	<p>Manufacturer of energy storage devices</p>	<p>First lien senior secured loan Warrant Warrant</p>	<p>10.00% Cash, 2.00% PIK</p>	<p>6/1/2018 1/27/2026 1/27/2026</p>		\$	<p>9,700,000 20,000,000 8,060,000</p>
<p>ne, Inc., Internet Pipeline, Inc. and ne Holdings, Inc. Valley Creek Blvd, Suite 300 PA 19341</p>	<p>Provider of SaaS-based software solutions to the insurance and financial services industry</p>	<p>First lien senior secured revolving loan First lien senior secured loan Preferred stock Common stock</p>	<p>8.25% (Libor + 7.25%/Q)</p>	<p>8/4/2022 8/4/2022</p>		\$	<p>71,400,000 2,430,000 0,640,000</p>
<p>anet, Inc. Hopyard Road, Suite 250 nton, CA 94588</p>	<p>Online auction platform provider for used heavy equipment</p>	<p>Warrant</p>		<p>9/24/2023</p>		\$	20,000,000

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ISS Compressors Industries, Inc., ISS Valves Industries, Inc., ISS Motors Industries, Inc., ISS Machining Industries, Inc., and ISS Specialty Services Industries, Inc. 875 North Michigan Avenue Suite 4020 Chicago, Illinois 60611	Provider of repairs, refurbishments and services to the broader industrial end user markets	First lien senior secured loan	7.00% (Libor + 6.00%/Q)	6/5/2018		\$ 32,627	(35)
875 North Michigan Avenue Suite 4020 Chicago, Illinois 60611		First lien senior secured loan	7.00% (Libor + 6.00%/Q)	6/5/2018		\$ 6,175	
Istel 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		\$ 1,134	(36)
Ivy Hill Asset Management, L.P.(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Asset management services	Member interest			1.80%	\$ 231,241	
Javlin Three LLC, Javlin Four LLC, and Javlin Five LLC 1414 Harney Street Suite 440 Omaha, NE 68102	Asset-backed financial services company	First lien senior secured revolving loan	10.47% (Libor + 10.00%/Q)	6/24/2017		\$ 38,797	
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	13.00% (Libor + 11.00% Cash, 1.00% PIK/M)	10/1/2018		\$ 7,876	
K2 Pure Solutions Nocal, L.P. 260 Queen Street West, 4th Floor Toronto, ON M5V 1Z8 Canada	Chemical Producer	Common stock Warrant		7/25/2023	100.00%	\$ 2.17%	(2)
Kettle Cuisine, LLC 330 Lynnway Lynn, MA 01901	Manufacturer of fresh refrigerated and frozen food products	First lien senior secured revolving loan	7.00% (Libor + 6.00%/Q)	2/19/2021		\$ 52,975	(37)
KeyImpact Holdings, Inc. and JWC/KI Holdings, LLC 1701 Crossroads Dr. Odenton, MD 21113	Foodservice sales and marketing agency	First lien senior secured loan	7.07% (Libor + 9.75%/Q)	2/21/2022		\$ 28,500	
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	8.75% (Libor + 7.75%/M)	10/1/2018		\$ 9,695	
KPS Global LLC 4201 N Beach St	Manufacturer of walk-in	Warrant		4/22/2024	1.17%	\$ 150	(2)
		Membership units		4/7/2025	0.61%	\$	(2)
		First lien senior secured loan	9.70% (Libor + 8.70%/Q)	12/4/2020		\$ 36,540	

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Fort Worth, TX 76137	cooler and freezer systems					
La Paloma Generating Company, LLC 24 Waterway Avenue, Suite 800 Houston, TX 77380	Natural gas fired, combined cycle plant operator	Second lien senior secured loan		2/20/2020	\$	1,900
Lakeland Tours, LLC 218 West Water Street, Suite 400 Charlottesville, VA 22902	Educational travel provider	First lien senior secured revolving loan	5.75% (Libor + 4.75%/Q)	2/10/2022	\$	7,593(39)
		First lien senior secured loan	5.75% (Libor + 4.75%/Q)	2/10/2022	\$	5,083
		First lien senior secured loan	10.45% (Libor + 9.45%/Q)	2/10/2022	\$	31,707
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	\$	(40)
		First lien senior secured loan	6.50% (Libor + 5.50%/Q)	7/10/2020	\$	24,492
Liquid Light, Inc. 11 Deer Park Drive, Suite 121 Monmouth Junction, NJ 08852	Developer and licensor of process technology for the conversion of carbon dioxide into major chemicals	First lien senior secured loan		11/1/2017	\$	200
		Warrant		8/13/2024	1.00% \$	(2)
Liquid Robotics, Inc. 1329 Moffett Park Drive Sunnyvale, CA 94089	Ocean data services provider utilizing long duration, autonomous surface vehicles	First lien senior secured loan	11.00% (Libor + 10.00%/M)	4/1/2019	\$	2,940
		First lien senior secured loan	9.00% (Libor + 8.00%/M)	5/1/2019	\$	5,000
		Warrant		6/30/2026	0.72% \$	42(2)
		Warrant		10/29/2025	1.21% \$	70(2)
LM Acquisition Holdings, LLC 6415 Northwest Drive, Unit 11 Mississauga, ON L4V 1X1 Canada	Developer and manufacturer of medical equipment	Class A units			0.89% \$	1,771
Lonestar Prospects, Ltd. 4413 Carey Street Fort Worth, TX 76119	Sand proppant producer and distributor to the oil and natural gas industry	First lien senior secured loan	8.50% (Libor + 6.50% Cash, 1.00% PIK/Q)	9/18/2018	\$	70,930
LSQ Funding Group, L.C. and LM LSQ Investors LLC 2600 Lucien Way, Suite 100 Maitland, Florida 32751	Asset based lender	Senior subordinated loan		6/25/2021	\$	(41)
		Senior subordinated loan	10.50%	6/25/2021	\$	30,000
		Membership units			2.57% \$	3,309

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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 Preferred units	10.50% Cash, 3.00% PIK 4.50% Cash, 9.25% PIK	10/9/2025	93.58%	\$ 98,445 72,108
Market Track Holdings, LLC 10 S. Wacker Drive, Suite 2550 Chicago, IL 60606	Business media consulting services company	Preferred stock Common stock			1.50% 1.50%	\$ 2,477 2,730
Massage Envy, LLC 14350 N. 87th Street Suites 200, 205 and 230 Scottsdale, AZ 85260	Franchisor in the massage industry	First lien senior secured revolving loan First lien senior secured loan Common stock	8.50% (Libor + 7.25%/Q)	9/26/2018 9/26/2018		\$ (42) 71,933 5,618
Matrixx Initiatives, Inc. and Wonder Holdings Acquisition Corp. 8515 E. Anderson Dr. Scottsdale, AZ 85255	Developer and marketer of OTC healthcare products	Warrant Warrant		6/30/2021 6/30/2021	4.56% 5.00%	\$ 1,396(2) 757(2)
Maximus Holdings, LLC 4675 MacArthur Court Newport Beach, CA 92660	Provider of software simulation tools and related services	Warrant		10/14/2019	15.00%	\$ (2)
MC Acquisition Holdings I, LLC 825 East Gate Blvd. Garden City, NY 11530	Healthcare professional provider	Class A units			0.59%	\$ 1,328
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 First lien senior secured loan First lien senior secured loan First lien senior secured loan	6.75% (Libor + 5.75%/Q) 4.75% (Libor + 3.75%/Q)	9/18/2020 9/18/2020 9/18/2020 9/18/2020		\$ (43) \$ 88,215 1,965
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 Common stock	8.50% (Libor + 7.50%/Q)	12/14/2018		\$ 142,500 7,381
Ministry Brands, LLC and MB Parent Holdings, LLC 14488 Old Stage Rd Lenoir City, Tennessee 37772	Software and payment services provider to faith-based institutions	First lien senior secured loan First lien senior secured loan Class A common units	10.75% (Libor + 9.75%/Q) 10.75% (Libor + 9.75%/Q)	11/20/2021 11/20/2021		\$ 48,881 25,033 2,382
Moxie Liberty LLC	Gas turbine power generation	First lien senior secured loan	7.50% (Libor + 6.50%/Q)	8/21/2020		\$ 34,474

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4100 Spring Valley, Suite 1001 Dallas, TX 75244	facilities operator					
Moxie Patriot LLC	Gas turbine power generation facilities operator	First lien senior secured loan	6.75% (Libor + 5.75%/Q)	12/21/2020	\$	33,950
4100 Spring Valley, Suite 1001 Dallas, TX 75244						
MPH Energy Holdings, LP	Operator of municipal recycling facilities	Limited partnership interest				3.31% \$
225 S. Main Street Rutland, VT 05701						
MVL Group, Inc.(4)	Marketing research provider	Senior subordinated loan Common stock		7/8/2012	\$	226
1061 E. Indiantown Road, Suite 300 Jupiter, FL 33477						56.10% \$
MW Dental Holding Corp.	Dental services provider	First lien senior secured revolving loan	8.50% (Libor + 7.00%/Q)	4/12/2018	\$	2,000(44)
680 Hehli Way PO Box 69 Mondovi, WI 54755		First lien senior secured loan	8.50% (Libor + 7.00%/Q)	4/12/2018	\$	117,228
My Health Direct, Inc.	Healthcare scheduling exchange software solution provider	First lien senior secured revolving loan		9/18/2016	\$	(45)
4322 Harding Pike Nashville, TN 37205		First lien senior secured loan Warrant	10.75%	1/1/2018	\$	1,900
				9/18/2024	4.85% \$	40(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	9.75% (Libor + 8.75%/Q)	12/1/2021	\$	22,654
110 Oakwood Dr., Suite 200 Winston-Salem, NC 27103						
New Trident Holdcorp, Inc.	Outsourced mobile diagnostic healthcare service provider	Second lien senior secured loan	10.25% (Libor + 9.00%/Q)	7/31/2020	\$	76,800
505 Hamilton Ave, Suite 200 Palo Alto, CA 94301						
Niagara Fiber Intermediate Corp.	Manufacturer of insoluble fiber filler products	First lien senior secured revolving loan		5/27/2018	\$	1,449(46)
50 Bridge Street North Tonawanda, NY 14120		First lien senior secured loan		5/27/2018	\$	1,101
		First lien senior secured loan		5/27/2018	\$	10,509

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2016	Fair Value
NMSC Holdings, Inc. and ASP NAPA Holdings, LLC 68 South Service Road, Suite 350 Melville, NY 11747	Anesthesia management services provider	Second lien senior secured loan Class A units	11.00% (Libor + 10.00%/Q)	10/19/2023	0.68%	\$ 74,343 2,528
Nodality, Inc. 170 Harbor Way, Suite 200 South San Francisco, CA 94080	Biotechnology company	First lien senior secured loan First lien senior secured loan Common stock		7/15/2016 7/15/2016		\$ 2,602 744 51.00% \$
Nordco Inc. 245 West Forest Hill Avenue Oak Creek, WI 53154	Manufacturer of railroad maintenance-of-way machinery	First lien senior secured revolving loan First lien senior secured loan	8.75% (Base Rate + 5.25%/Q) 7.25% (Libor + 6.25%/Q)	8/26/2020 8/26/2020		\$ 3,511(47) 65,179
Oak Parent, Inc. 425 Park 20 W Grovetown, GA 30813	Manufacturer of athletic apparel	First lien senior secured loan First lien senior secured loan	7.61% (Libor + 7.00%/Q) 9.50% (Base Rate + 6.00%/Q)	4/1/2018 4/1/2018		\$ 10,162 29
OmniSYS Acquisition Corporation, OmniSYS, LLC, and OSYS Holdings, LLC 15950 Dallas Parkway Suite 350 Dallas, TX 75248	Provider of technology-enabled solutions to pharmacies	First lien senior secured revolving loan First lien senior secured loan Limited liability company membership interest	8.50% (Libor + 7.50%/Q)	11/21/2018 11/21/2018		\$ (48) 16,396 707
OpenSky Project, Inc. and OSP Holdings, Inc. 18 West 18th Street New York, NY 10011	Social commerce platform operator	First lien senior secured loan Warrant	10.00%	9/1/2017 4/28/2025		\$ 1,500 3.00% \$ (2)
Orion Foods, LLC(4) 2930 W. Maple Street Sioux Falls, SD 57118	Convenience food service retailer	First lien senior secured loan Second lien senior secured loan Preferred units Class A common units Class B common units		9/30/2015 9/30/2015		\$ 762 93.53% \$ 100.00% \$ 25.00% \$
Osmose Holdings, Inc. 635 Highway 74 S Peachtree City, GA 30269	Provider of structural integrity management services to transmission and distribution infrastructure	Second lien senior secured loan	8.75% (Libor + 7.75%/Q)	8/21/2023		\$ 24,250
OTG Management, LLC 352 Park Avenue South New York, NY 10010	Airport restaurant operator	First lien senior secured revolving loan First lien senior secured loan	8.75% (Libor + 7.25%/Q) 8.75% (Libor + 7.25%/Q) 8.75% (Libor + 7.25%/Q)	12/11/2017 12/11/2017 12/11/2017		\$ 7,990(49) 60,142 14,250

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		First lien senior secured loan			12/11/2017	\$	(50)
		First lien senior secured loan			12/11/2017	\$	24,688
		First lien senior secured loan	8.75% (Libor + 7.25%/Q)		12/11/2017	\$	24,688
		Common units				4.44% \$	11,929
		Warrant			6/19/2018	7.73% \$	23,798(2)
Panda Power Annex Fund Hummel Holdings II LLC	Gas turbine power generation facilities operator	Senior subordinated loan	13.00% PIK		10/27/2016	\$	114,078
5001 Spring Valley Road, Suite 1150 West Dallast, TX 72544							
Panda Temple Power II, LLC	Gas turbine power generation facilities operator	First lien senior secured loan	7.25% (Libor + 6.00%/Q)		4/3/2019	\$	18,109
4100 Spring Valley Road, Suite 1001 Dallas, TX 75244							
Panda Temple Power, LLC	Gas turbine power generation facilities operator	First lien senior secured loan	7.25% (Libor + 6.25%/Q)		3/6/2022	\$	21,972
4100 Spring Valley Road, Suite 1001 Dallas, TX 75244							
Paper Source, Inc. and Pine Holdings, Inc.	Retailer of fine and artisanal paper products	First lien senior secured revolving loan	8.50% (Base Rate + 5.00%/Q)		9/23/2018	\$	400(51)
410 N. Milwaukee Chicago, IL 60654							
		First lien senior secured loan	7.25% (Libor + 6.25%/Q)		9/23/2018	\$	9,749
		Class A common stock				3.64% \$	7,340
Partnership Capital Growth Fund I, L.P.	Investment partnership	Limited partnership interest				25.00% \$	446
1 Embarcadero Center, Suite 3810 San Francisco, CA 94111							
Partnership Capital Growth Investors III, L.P.	Investment partnership	Limited partnership interest				2.50% \$	2,692
1 Embarcadero Center, Suite 3810 San Francisco, CA 94111							
Patterson Medical Supply, Inc.	Distributor of rehabilitation supplies and equipment	Second lien senior secured loan	8.75% (Libor + 7.75%/Q)		8/28/2023	\$	19,000
28100 Torch Parkway, Suite 700 Warrenville, IL 60555							
PayNearMe, Inc.	Electronic cash payment system provider	First lien senior secured loan	9.50% (Libor + 8.50%/M)		9/1/2019	\$	9,900
292 Gibraltar Drive, Suite 104 Sunnyvale, CA 94089							
		Common stock				100.00% \$	
		Warrant			3/11/2023	1.23% \$	199(2)
PCG-Ares Sidecar Investment II, L.P.	Investment partnership	Limited partnership interest				100.00% \$	10,290
1 Embarcadero Center, Suite 3810 San Francisco, CA 94111							

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Company	Business Description	Investment	Interest(1)	Maturity Date	% of Class Held at 6/30/2016	Fair Value
PCG-Ares Sidecar Investment, L.P. 1 Embarcadero Center, Suite 3810 San Francisco, CA 94111	Investment partnership	Limited partnership interest			100.00%	\$ 1,629
Pelican Products, Inc. 23215 Early Avenue Torrance, CA 90505	Manufacturer of flashlights	Second lien senior secured loan	9.25% (Libor + 8.25%/Q)	4/9/2021		\$ 37,200
PERC Holdings 1 LLC 2215 So. York Road Suite 202 Oak Brook, IL 60523	Operator of recycled energy, combined heat and power, and energy efficiency facilities	Class B common units			18.83%	\$ 24,567
PerfectServe, Inc. 1225 East Weisgarber Road, Suite 300 Knoxville, TN 37909	Communications software platform provider for hospitals and physician practices	First lien senior secured loan		3/1/2020		\$ (52)
		First lien senior secured loan	9.00% (Libor + 8.00%M)	3/1/2020		\$ 9,000
		First lien senior secured loan	9.00% (Libor + 8.00%M)	6/1/2020		\$ 2,000
		First lien senior secured loan	9.00% (Libor + 8.00%M)	6/1/2021		\$ 2,000
		Warrant		9/15/2025	2.17%	\$ 246(2)
		Warrant		12/26/2023	2.60%	\$ 295(2)
Petroflow Energy Corporation and TexOak Petro Holdings LLC 525 S. Main, Suite 1120 Tulsa, OK 74103	Oil and gas exploration and production company	First lien senior secured loan Second lien senior secured loan Common units	3.00%	6/29/2019 12/29/2019		\$ 14,706 \$ 3,283 20.20%
PHL Investors, Inc., and PHL Holding Co.(4) 50 Weston Street Hartford, CT 06120	Mortgage services	Class A common stock			100.00%	\$
PhyMED Management LLC 110 29th Avenue North, Suite 301 Nashville, TN 37203	Provider of anesthesia services	Second lien senior secured loan	9.75% (Libor + 8.75%/Q)	5/18/2021		\$ 44,877
PIH Corporation 3660 Cedarcrest Road Acworth, GA 30101	Franchisor of education-based early childhood centers	First lien senior secured revolving loan	7.00% (Libor + 6.00%/Q)	12/15/2018		\$ 621(53)
Piper Jaffray Merchant Banking Fund I, L.P. 800 Nicollet Mall, Suite 800 Minneapolis, MN 55402	Investment partnership	Limited partnership interest			2.00%	\$ 1,786
Plantation Products, LLC, Seed Holdings, Inc. and Flora Parent, Inc. 202 South Washington Street Norton, MA, 02766	Provider of branded lawn and garden products	Second lien senior secured loan	9.54% (Libor + 8.54%/Q)	6/23/2021		\$ 66,000
		Common stock			2.56%	\$ 4,586
Poplicus Incorporated				7/1/2019		\$ 2,450

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1061 Market Street, Floor 6 San Francisco, CA 94103	Business intelligence and market analytics platform for companies that sell to the public sector	First lien senior secured loan Warrant		6/25/2025	3.23% \$	(2)
PowerPlan, Inc. and Project Torque Ultimate Parent Corporation 300 Galleria Parkway, Suite 2100 Atlanta, GA 30339	Fixed asset financial management software provider	Second lien senior secured loan Class A common stock Class B common stock	10.75% (Libor + 9.75%/Q)	2/23/2023	\$ 80,000	
Powersport Auctioneer Holdings, LLC 13175 Gregg Street Poway, CA 92064	Powersport vehicle auction operator	Common units			2.38% \$	1,412
Precyse Acquisition Corp. 100 North Point Center, East Suite 200 Alpharetta, GA 30009	Provider of healthcare information management technology and services	Second lien senior secured loan	10.75% (Libor + 9.75%/Q)	4/20/2023	\$ 10,000	
Primexx Energy Corporation 4849 Greenville Ave #1600 Dallas, TX 75206	Privately-held oil and gas exploration and production company	Second lien senior secured loan	10.00% (Libor + 9.00%/Q)	1/7/2020	\$ 128,750	
R2 Acquisition Corp. 207 NW Park Ave Portland, OR 97209	Marketing services	Common stock			0.33% \$	259
R3 Education, Inc. and EIC Acquisitions Corp. 1750 W. Broadway St. #222 Oviedo, FL 32765	Medical school operator	Preferred stock Common membership interest Warrant			18.94% \$ 15.76% \$ 11/10/2019 10.00% \$	494 31,024 (2)
RE Community Holdings, LP and Pegasus Community Energy, LLC 809 West Hill Street Charlotte, NC 28208	Operator of municipal recycling facilities	Preferred stock			21.43% \$	
Regent Education, Inc. 12 West Church Street Frederick, MD 21701	Provider of software solutions designed to optimize the financial aid and enrollment processes	First lien senior secured loan Warrant	12.00% (Libor + 8.00% Cash, 2.00% PIK/M)	1/1/2018 11/1/2025	\$ 3,880 5.88% \$	 62(2)

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Respicardia, Inc. 12400 Whitewater Drive, Suite 150 Minnetonka, MN 55343	Developer of implantable therapies to improve cardiovascular health	Warrant		6/28/2022	0.19%	\$ 28(2)
Restaurant Holding Company, LLC Carretera 165 Km 6.2 Zona Industrial Cataño Cataño, Puerto Rico 00962	Fast food restaurant operator	First lien senior secured loan	8.75% (Libor + 7.75%/Q)	2/28/2019		\$ 35,248
Rocket Fuel Inc. 1900 Seaport Blvd. Pacific Shores Center Redwood City, CA 94063	Provider of open and integrated software for digital marketing optimization	Common stock			0.03%	\$ 12
RuffaloCODY, LLC 1025 Kirkwood Parkway SW Cedar Rapids, IA 52404	Provider of student fundraising and enrollment management services	First lien senior secured revolving loan		5/29/2019		\$ (54)
Sarnova HC, LLC, Tri-Anim Health Services, Inc., and BEMS Holdings, LLC 333 W. Wacker, Suite 2800 Chicago, IL 60606	Distributor of emergency medical service and respiratory products	Second lien senior secured loan	10.50% (Libor + 9.50%/Q)	7/28/2022		\$ 54,000
Saw Mill PCG Partners LLC 8751 Old State Road 60 Sellersburg, IN 47172	Manufacturer of metal precision engineered components	Common units			66.67%	\$
Senior Secured Loan Fund LLC(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Co-investment vehicle	Subordinated certificates Member interest	8.65% (Libor + 8.00%/M)	12/20/2024		\$ 1,899,754 87.50%
Severin Acquisition, LLC 150 Parkshore Drive Folsom, CA 95630	Provider of student information system software solutions to the K-12 education market	First lien senior secured revolving loan Second lien senior secured loan Second lien senior secured loan	5.50% (Libor + 4.50%/Q) 9.75% (Libor + 8.75%/Q) 10.25% (Libor + 9.25%/Q) 9.75% (Libor + 8.75%/Q)	7/31/2021 7/31/2022 7/29/2022 7/31/2022		\$ 1,313(55) \$ 4,029 \$ 3,208 \$ 14,550
SHO Holding I Corporation 250 S. Australian Avenue West Palm Beach, FL 33401	Manufacturer and distributor of slip resistant footwear	Second lien senior secured loan	9.50% (Libor + 8.50%/Q)	4/27/2023		\$ 99,000
Shock Doctor, Inc. and Shock Doctor Holdings, LLC(3)	Developer, marketer and distributor of sports	Second lien senior secured loan	11.50% (Libor + 10.50%/Q)	10/22/2021		\$ 89,425

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110 Cheshire Lane, Suite 120 Minnetonka, MN 55305	protection equipment and accessories	Class A preferred units Class C preferred units			3.74% \$ 12.20% \$	4,802 4,802
SI Holdings, Inc. 3701 Conant St. Long Beach, CA 90808	Manufacturer of elastomeric parts, mid-sized composite structures, and composite tooling	Common stock			1.83% \$	1,982
Simpson Performance Products, Inc. 328 FM 306 New Braunfels, TX 78130	Provider of motorsports safety equipment	First lien senior secured loan	9.77% (Libor + 8.77%/Q)	2/20/2020	\$	24,506
SK SPV IV, LLC 600 N. Central Expressway, Suite #4000 Richardson, TX 75080	Collision repair site operators	Series A common stock Series B common stock			76.92% \$ 76.92% \$	3,113 3,113
SocialFlow, Inc. 52 Vanderbilt Avenue, 12th Floor New York, NY 10017	Social media optimization platform provider	First lien senior secured loan Warrant	9.50% (Libor + 8.50%/M)	8/1/2019 1/29/2026	\$ 1.95% \$	4,000 25(2)
Sonian Inc. 201 Jones Road Waltham, MA 02451	Cloud-based email archiving platform	First lien senior secured loan Warrant	9.00% (Libor + 8.00%/M)	9/1/2019 9/9/2022	\$ 1.14% \$	7,500 93(2)
Spin HoldCo Inc. 303 Sunnyside Blvd., Suite 70 Plainview, NY 11803	Laundry service and equipment provider	Second lien senior secured loan	8.00% (Libor + 7.00%/Q)	5/14/2020	\$	135,800
Startec Equity, LLC(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	Communication services	Member interest			100.00% \$	
Surface Dive, Inc. 30151 Tomas St. Rancho Santa Margarita, CA 92688	SCUBA diver training and certification provider	Second lien senior secured loan Second lien senior secured loan	9.00% (Libor + 8.00%/Q) 10.25% (Libor + 9.25%/Q)	1/29/2022 1/29/2022	\$ \$	37,446 88,240

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TA THI Buyer, Inc. and TA THI Parent, Inc. 1901 East Ellsworth Road Ann Arbor, MI 48108	Collision repair company	Series A preferred stock			2.24%	\$ 13,439
Talari Networks, Inc. 1 Almaden Blvd, Suite 200 San Jose, CA 95113	Networking equipment provider	First lien senior secured loan Warrant	9.75% (Libor + 8.75%/M)	12/1/2018 8/3/2022		\$ 6,000 1.42% \$ 50(2)
The Greeley Company, Inc. and HCP Acquisition Holdings, LLC(4) 600 Fifth Avenue, 17th Floor New York, NY 10020	Healthcare compliance advisory services	Senior subordinated loan Class A units		3/31/2017		\$ 1,440 28.83% \$
The Hygenic Corporation 1245 Home Avenue Akron, OH 44310	Designer, manufacturer and marketer of branded wellness products	Second lien senior secured loan	9.75% (Libor + 8.75%/Q)	4/11/2021		\$ 71,400
The Step2 Company, LLC(4) 10010 Aurora-Hudson Road Streetsboro, OH 44241	Toy manufacturer	Second lien senior secured loan Second lien senior secured loan Common units Class B common units Warrant	10.00%	9/30/2019 9/30/2019		\$ 27,583 \$ 28,082 1.77% \$ 100.00% \$ 5.00% \$ (2)
The Teaching Company, LLC and The Teaching Company Holdings, Inc. 4151 Lafayette Center Drive, No. 100 Chantilly, VA 20151	Education publications provider	Preferred stock Common stock			1.77% 3.64%	\$ 3,793 \$ 10
Things Remembered, Inc. and TRM Holdings Corporation 5500 Avion Park Drive Highland Heights, OH 44143	Personalized gifts retailer	First lien senior secured revolving loan First lien senior secured loan		5/24/2017 5/24/2018		\$ 1,375(56) \$ 4,250
Towne Holdings, Inc. Suites 200-250, Office Building One 200 Park Place Annapolis, MD 21401	Provider of contracted hospitality services and parking systems	First lien senior secured loan First lien senior secured loan		5/24/2022 5/24/2022		\$ (57) \$ 65,270 6.75% (Libor + 5.75%/Q)
TPTM Merger Corp. 116 American Road Morris Plains, NJ 07950	Manufacturer of time temperature indicator products	First lien senior secured revolving loan First lien senior secured loan	7.50% (Libor + 6.50%/Q) 9.67% (Libor + 8.67%/Q)	9/12/2018 9/12/2018		\$ 1,250(58) \$ 34,000
TraceLink, Inc. 200 Quannapowitt Parkway Wakefield, MA 01880	Supply chain management software provider for the	First lien senior secured revolving loan	7.50% (Base Rate + 4.00%/M)	12/31/2016 1/1/2019		\$ 4,400(59) \$ 4,500

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	pharmaceutical industry	First lien senior secured loan Warrant	8.50% (Libor + 7.00%/M)	1/2/2025	12.37% \$ 1,041(2)
Transaction Data Systems, Inc. 788 Montgomery Avenue Ocoee, FL 34761	Pharmacy management software provider	Second lien senior secured loan	10.00% (Libor + 9.00%/Q)	6/15/2022	\$ 27,500
TWH Water Treatment Industries, Inc., TWH	Wastewater infrastructure	First lien senior secured loan	10.25% (Libor + 9.25%/Q)	10/10/2019	\$ 5,370
Filtration Industries, Inc. and TWH	repair, treatment and	First lien senior secured loan		10/10/2019	\$ (60)
Infrastructure Industries, Inc. 100 S. Saunders Road, Suite 150 Lake Forest, IL 60045	filtration holding company	First lien senior secured loan	10.25% (Libor + 9.25%/Q)	10/10/2019	\$ 36,400
U.S. Anesthesia Partners, Inc. 2411 Fountain View Dr., Suite 200 Houston, TX 77057	Anesthesiology service provider	Second lien senior secured loan	10.25% (Libor + 9.25%/Q)	9/24/2020	\$ 23,500
		Second lien senior secured loan	10.25% (Libor + 9.25%/Q)	9/24/2020	\$ 50,000
U.S. Security Associates Holdings, Inc 200 Mansell Court East, Suite 500 Roswell, GA 30076	Security guard service provider	Second lien senior secured loan	11.00%	7/28/2018	\$ 25,000