

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM 10-K/A
(Amendment No. 1)**

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2022
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
Commission File No. 814-00663

ARES CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)	33-1089684 (I.R.S. Employer Identification No.)
245 Park Avenue, 44th Floor, New York, New York 10167 (Address of principal executive offices) (Zip Code) (212) 750-7300 (Registrant's telephone number, including area code)	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	ARCC	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section §232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant on June 30, 2022, based on the closing price on that date of \$17.93 on The NASDAQ Global Select Market, was approximately \$8,839,437,115. As of March 30, 2023, there were 544,581,080 shares of the registrant's common stock outstanding.

Portions of the registrant's Proxy Statement for its 2023 Annual Meeting of Stockholders to be filed not later than 120 days after the end of the fiscal year are incorporated by reference into Part III of the Annual Report on Form 10-K for the fiscal year ended December 31, 2022.



EXPLANATORY NOTE

Ares Capital Corporation, a Maryland corporation, (together with its subsidiaries, where applicable, “Ares Capital or the “Company”, which may also be referred to as “we”, “us” or “our”), is filing this Amendment No. 1 (the “Amendment”) to our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which was filed with the Securities and Exchange Commission (“SEC”) on February 7, 2023 (the “Form 10-K”), to include the audited financial statements of Ivy Hill Asset Management, L.P. (“IHAM”), our unconsolidated, wholly owned portfolio company, for the year ended December 31, 2022. IHAM consolidated financial statements for the year ended December 31, 2022 (Exhibit 99.2) are included in Part IV, Item 15 of this filing.

We have determined that IHAM has met the conditions of a significant subsidiary under Rule 1-02(w) of Regulation S-X for which we are required, pursuant to Rule 3-09 of Regulation S-X, to attach separate audited financial statements as an exhibit to our Form 10-K. In accordance with Rule 3-09(b), the separate audited financial statements of IHAM are being filed as an amendment to the Form 10-K within 90 days after the end of IHAM’s fiscal year, December 31, 2022.

In addition, this Amendment revises Part IV, Item 15 of the Form 10-K to include the filing of new Exhibits 31.1, 31.2 and 32.1, certifications of our Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a-14(a) and (b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and new Exhibit 23.2, consent of Independent Auditors.

Except as described above, no other changes have been made to the Form 10-K. This Amendment does not reflect subsequent events that may have occurred after the original filing date of the Form 10-K or modify or update in any way disclosures made in the Form 10-K. Among other things, forward-looking statements made in the Form 10-K have not been revised to reflect events that occurred or facts that became known to us after filing of the Form 10-K, and such forward-looking statements should be read in their historical context. Furthermore, this Amendment should be read in conjunction with the Form 10-K and any subsequent filings with the SEC.

PART III

Item 14. Principal Accountant Fees and Services

Our independent registered public accounting firm is KPMG LLP, Los Angeles, CA, Auditor Firm ID: 185.

The information required by this item will be contained in the Company's definitive Proxy Statement for its 2023 Annual Stockholder Meeting, to be filed with the SEC within 120 days after December 31, 2022, and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

The following documents are filed as part of this Annual Report:

1. Financial Statements

The following financial statements and related notes were filed as part of the Annual Report on Form 10-K filed with the SEC on February 7, 2023:

Consolidated Balance Sheets as of December 31, 2022 and 2021
Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020
Consolidated Schedule of Investments as of December 31, 2022 and 2021
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2022, 2021 and 2020
Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020

The following financial statements and related notes of Ivy Hill Asset Management, L.P. are included in the Amendment No. 1 on Form 10-K/A pursuant to Rule 3-09 of Regulation S-X:

Consolidated Balance Sheets as of December 31, 2022 and 2021
Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020
Consolidated Statements of Changes in Equity for the years ended December 31, 2022, 2021 and 2020
Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020

2. Financial Statement Schedules—None. We have omitted financial statement schedules because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

3. Exhibits.

Number	Document
3.1	Articles of Amendment and Restatement, as amended(1)
3.2	Third Amended and Restated Bylaws, as amended(2)
4.1	Form of Stock Certificate(3)
4.2	Form of Subscription Certificate(4)
4.3	Indenture, dated as of October 21, 2010, between Ares Capital Corporation and U.S. Bank National Association, as trustee(5)
4.4	Seventh Supplemental Indenture, dated as of August 10, 2017, relating to the 3.500% Notes due 2023, between Ares Capital Corporation and U.S. Bank National Association, as trustee(9)
4.5	Form of 3.500% Notes due 2023(9)
4.6	Eighth Supplemental Indenture, dated as of January 11, 2018, relating to the 4.250% Notes due 2025, between Ares Capital Corporation and U.S. Bank National Association, as trustee(7)
4.7	Form of 4.250% Notes due 2025(7)
4.8	Ninth Supplemental Indenture, dated as of March 8, 2019, relating to the 4.625% Convertible Notes due 2024, between Ares Capital Corporation and U.S. Bank National Association, as trustee(8)
4.9	Form of 4.625% Convertible Senior Notes due 2024(8)
4.10	Tenth Supplemental Indenture, dated as of June 10, 2019, relating to the 4.200% Notes due 2024, between Ares Capital Corporation and U.S. Bank National Association, as trustee(9)
4.11	Form of 4.200% Notes due 2024(9)
4.12	Eleventh Supplemental Indenture, dated as of January 15, 2020, relating to the 3.250% Notes due 2025, between the Company and U.S. Bank National Association, as trustee(10)
4.13	Form of 3.250% Notes due 2025(10)

Number	Document
4.14	Twelfth Supplemental Indenture, dated as of July 15, 2020, relating to the 3.875% Notes due 2026, between the Company and U.S. Bank National Association, as trustee(11)
4.15	Form of 3.875% Notes due 2026 (11)
4.16	Thirteenth Supplemental Indenture, dated as of January 13, 2021, relating to the 2.150% Notes due 2026, between the Company and U.S. Bank National Association, as trustee(12)
4.17	Form of 2.150% Notes due 2026(12)
4.18	Fourteenth Supplemental Indenture, dated as of June 10, 2021, relating to the 2.875% Notes due 2028, between the Company and U.S. Bank National Association, as trustee(13)
4.19	Form of 2.875% Notes due 2028(13)
4.20	Fifteenth Supplemental Indenture, dated as of November 4, 2021, relating to the 3.200% Notes due 2031, between the Company and U.S. Bank National Association, as trustee(14)
4.21	Form of 3.200% Notes due 2031(14)
4.22	Sixteenth Supplemental Indenture, dated as of January 13, 2022, relating to the 2.875% Notes due 2027, between the Company and U.S. Bank National Association, as trustee (15)
4.23	Form of 2.875% due 2027(15)
4.24	Description of Securities(16)
10.1	Dividend Reinvestment Plan of Ares Capital Corporation(17)
10.2	Second Amendment Restated Investment Advisory and Management Agreement between Ares Capital Corporation and Ares Capital Management LLC, dated as of June 6, 2019(19)
10.3	Amended and Restated Administration Agreement, dated as of June 1, 2007, between Ares Capital Corporation and Ares Operations LLC(19)
10.4	Amended and Restated Custodian Agreement, dated as of May 15, 2009, between Ares Capital Corporation and U.S. Bank National Association(20)
10.5	Amendment No. 1, dated as of December 19, 2014, to the Amended and Restated Custodian Agreement dated as of May 15, 2009, by and among Ares Capital Corporation and U.S. Bank National Association(21)
10.6	Trademark License Agreement between Ares Capital Corporation and Ares Management LLC(22)
10.7	Form of Indemnification Agreement between Ares Capital Corporation and directors and certain officers(23)
10.8	Form of Indemnification Agreement between Ares Capital Corporation and members of Ares Capital Management LLC investment committee(23)
10.9	Amended and Restated Purchase and Sale Agreement, dated as of January 22, 2010, among Ares Capital Corporation, as seller, and Ares Capital CP Funding Holdings LLC, as purchaser(24)
10.10	Amendment No. 1 to Amended and Restated Purchase and Sale Agreement, dated as of June 7, 2012, among Ares Capital Corporation, as seller, and Ares Capital CP Funding Holdings LLC, as purchaser(25)
10.11	Second Tier Purchase and Sale Agreement, dated as of January 22, 2010, among Ares Capital CP Funding Holdings LLC, as seller, and Ares Capital CP Funding LLC, as purchaser(26)
10.12	Amendment No. 1 to Second Tier Purchase and Sale Agreement, dated as of June 7, 2012, among Ares Capital CP Funding Holdings LLC, as seller, and Ares Capital CP Funding LLC, as purchaser(25)
10.13	Amended and Restated Sale and Servicing Agreement, dated as of January 22, 2010, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer, Wachovia Bank, National Association, as note purchaser, U.S. Bank National Association, as trustee and collateral custodian, and Wells Fargo Securities, LLC, as agent(24)
10.14	Amendment No. 1 to the Amended and Restated Sale and Servicing Agreement, dated as of May 6, 2010, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer, Wells Fargo Bank, National Association, as successor by merger to Wachovia Bank as note purchaser, U.S. Bank, National Association, as trustee and collateral custodian, and Wells Fargo Securities LLC, as agent(26)
10.15	Amendment No. 2 to the Amended and Restated Sale and Servicing Agreement, dated as of January 18, 2011, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer, Wells Fargo Bank, National Association, as successor by merger to Wachovia Bank as note purchaser, U.S. Bank National Association, as trustee and collateral custodian, and Wells Fargo Securities, LLC, as agent(27)
10.16	Amendment No. 3 to the Amended and Restated Sale and Servicing Agreement, dated as of October 13, 2011, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer and as transferor, Wells Fargo Bank, National Association (as successor by merger to Wachovia Bank, National Association), as note purchaser, U.S. Bank National Association, as trustee, collateral custodian and bank and Wells Fargo Securities, LLC, as agent(28)

Number	Document
10.17	Amendment No. 4 to the Amended and Restated Sale and Servicing Agreement, dated as of January 18, 2012, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Wells Fargo Bank, National Association (as successor by merger to Wachovia Bank, National Association), as note purchaser, Wells Fargo Securities, LLC, as agent, and U.S. Bank National Association, as collateral custodian, trustee and bank(29)
10.18	Amendment No. 5 to the Amended and Restated Sale and Servicing Agreement, dated as of June 7, 2012, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Wells Fargo Bank, National Association (as successor by merger to Wachovia Bank, National Association), as note purchaser, Wells Fargo Securities, LLC, as agent, and U.S. Bank National Association, as collateral custodian, trustee and bank(25)
10.19	Amendment No. 6 to Loan and Servicing Agreement, dated as of January 25, 2013, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Wells Fargo Securities, LLC, as agent, Wells Fargo Bank, National Association, as swingline lender, and the other lenders party thereto(30)
10.20	Omnibus Amendment, dated as of May 14, 2014, among Ares Capital CP Funding LLC, Ares Capital CP Funding Holdings LLC, Ares Capital Corporation, Wells Fargo Bank, National Association, as swingline lender and as a lender, Wells Fargo Securities, LLC, as agent, and U.S. Bank National Association, as trustee, bank and collateral custodian (amending the Loan and Servicing Agreement, dated as of January 22, 2010, the Amended and Restated Purchase and Sale Agreement, dated as of January 22, 2010, and the Second Tier Purchase and Sale Agreement, dated as of January 22, 2010)(31)
10.21	Amendment No. 8 to the Loan and Servicing Agreement, dated as of January 3, 2017, among Ares Capital CP Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Wells Fargo Securities, LLC, as agent, and Wells Fargo Bank, National Association, as swingline lender, and the other lenders party thereto(33)
10.22	Amendment No. 9 to Loan and Servicing Agreement, dated as of October 2, 2017, among Ares Capital CP Funding LLC, as borrower, the Company, as servicer, Wells Fargo Bank, National Association, as swingline lender, as a lender and as a successor agent, Wells Fargo Securities, LLC, as the resigning agent, Bank of America, N.A. as a lender, U.S. Bank National Association as collateral custodian, trustee and bank, and the other lenders party thereto(33)
10.23	Amendment No. 10 to Loan and Servicing Agreement, dated as of October 2, 2018, among Ares Capital CP Funding LLC, Ares Capital Corporation, Wells Fargo Bank National Association, as the agent and Wells Fargo Bank, National Association, as a lender and Bank of America, N.A.(34)
10.24	Amendment No. 11 to Loan and Servicing Agreement, dated as of December 14, 2018, among Ares Capital CP Funding LLC, Ares Capital Corporation, Wells Fargo Bank National Association, as the agent and Wells Fargo Bank, National Association, as a lender and Bank of America, N.A.(35)
10.25	Amendment No. 12 to Loan and Servicing Agreement, dated as of June 18, 2019, among Ares Capital CP Funding LLC, as the borrower, Ares Capital Corporation, as the servicer, Wells Fargo Bank, National Association, as the agent, Wells Fargo Bank, National Association, as a lender, Bank of America, N.A. as a lender and U.S. Bank National Association, as trustee, bank and collateral custodian(36)
10.26	Amendment No. 13 to Loan and Servicing Agreement, dated as of January 31, 2020, among Ares Capital CP Funding LLC, as the borrower, Ares Capital Corporation, as the servicer, Wells Fargo Bank, National Association, as the agent, Wells Fargo Bank, National Association, as a lender, Bank of America, N.A. as a lender, TIAA, FSB, as a lender, Sampension Livsforsikring A/S, as a lender, Arkitekternes Pensionskasse, as a lender, Pensionskassen for Jordbrugsakademikere og Dyrleger, as a lender and U.S. Bank National Association, as trustee, bank and collateral custodian(37)
10.27	Amendment No. 14 to Loan and Servicing Agreement, dated as of November 13, 2020, among Ares Capital CP Funding LLC, as borrower, the Company, as servicer, Wells Fargo Bank, National Association, as agent, Wells Fargo Bank, National Association, as a lender, and Bank of America, N.A., as a lender, and U.S. Bank National Association, as trustee, bank and collateral custodian(33)
10.28	Amendment No. 15 to Loan and Servicing Agreement, dated as of December 29, 2021, among Ares Capital CP Funding LLC, as borrower, the Company as servicer, Wells Fargo Bank, National Association, as agent, the lenders named therein, and U.S. Bank National Association, as trustee, bank and collateral custodian(38)
10.29	Amendment No. 16 to Loan and Servicing Agreement, dated as of June 30, 2022, among Ares Capital CP Funding LLC, as the borrower, Ares Capital Corporation, as the servicer, Wells Fargo Bank, National Association, as the agent, Wells Fargo Bank, National Association, as a lender, Bank of America, N.A. as a lender, Sampension Livsforsikring A/S, as a lender, Arkitekternes Pensionskasse, as a lender, Pensionskassen for Jordbrugsakademikere og Dyrleger, as a lender, Canadian Imperial Bank of Commerce, as a lender, U.S. Bank Trust Company, National Association, as trustee and U.S. Bank National Association, as bank and collateral custodian(39)

Number	Document
10.30	Thirteenth Amended and Restated Senior Secured Revolving Credit Agreement, dated as of March 31, 2022, among Ares Capital Corporation, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent(40)
10.31	Loan and Servicing Agreement, dated as of January 20, 2012, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, collateral agent and lender, and U.S. Bank National Association, as collateral custodian and bank(41)
10.32	Purchase and Sale Agreement, dated as of January 20, 2012, between Ares Capital JB Funding LLC, as purchaser, and Ares Capital Corporation, as seller(41)
10.33	Revolving Credit and Security Agreement, dated as of June 11, 2020, among ARCC FB Funding LLC, as the borrower, BNP Paribas, as the administrative agent, Ares Capital Corporation as equity holder and servicer, and U.S. Bank National Association as collateral agent(42)
10.34	Purchase and Sale Agreement, dated as of June 11, 2020, between ARCC FB Funding LLC, as the purchaser and Ares Capital Corporation, as the seller(42)
10.35	Amendment No. 1, dated as of December 21, 2020, among ARCC FB Funding LLC, as the borrower, BNP Paribas, as the administrative agent, Ares Capital Corporation as equity holder and servicer, and U.S. Bank National Association as collateral agent(43)
10.36	Second Amendment to the Revolving Credit and Security Agreement, dated as of June 29, 2021, among ARCC FB Funding LLC, as borrower, the lenders from time to time parties thereto, BNP Paribas, as administrative agent and lender, Ares Capital Corporation, as equityholder and servicer, and U.S. Bank National Association, as collateral agent(44)
10.37	Third Amendment to the Revolving Credit and Security Agreement, dated as of August 17, 2022, among ARCC FB Funding LLC, as borrower, the lenders from time to time parties thereto, BNP Paribas, as administrative agent and lender, Ares Capital Corporation, as equityholder and servicer, and U.S. Bank Trust Company, National Association, as collateral agent*
10.38	Fourth Amendment to the Revolving Credit and Security Agreement, dated as of January 9, 2023, among ARCC FB Funding LLC, as borrower, the lenders from time to time parties thereto, BNP Paribas, as administrative agent and lender, Ares Capital Corporation, as equityholder and servicer, and U.S. Bank National Association, as collateral agent*
10.39	Omnibus Amendment No. 1, dated as of September 14, 2012, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012, and the Purchase and Sale Agreement, dated as of January 20, 2012)(45)
10.40	Omnibus Amendment No. 2, dated as of December 20, 2013, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012, and the Purchase and Sale Agreement, dated as of January 20, 2012)(46)
10.41	Omnibus Amendment No. 3, dated as of June 30, 2015, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012, and the Purchase and Sale Agreement, dated as of January 20, 2012)(47)
10.42	Omnibus Amendment No. 4, dated as of August 24, 2017, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012)(48)
10.43	Omnibus Amendment No. 5, dated as of September 12, 2018, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012)(49)
10.44	Omnibus Amendment No. 6, dated as of September 10, 2019, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012 and the Purchase and Sale Agreement, dated as of January 20, 2012)(50)

Number	Document
10.45	Omnibus Amendment No. 7, dated as of December 31, 2019, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012 and the Purchase and Sale Agreement, dated as of January 20, 2012)(51)
10.46	Amendment No. 8, dated as of May 28, 2021, among Ares Capital JB Funding LLC, as borrower, Ares Capital Corporation, as servicer and transferor, Sumitomo Mitsui Banking Corporation, as administrative agent, lender and collateral agent, and U.S. Bank National Association, as collateral custodian and bank (amending the Loan and Servicing Agreement, dated as of January 20, 2012)(52)
10.47	Equity Distribution Agreement, dated as of May 27, 2022, among Ares Capital Corporation, Ares Capital Management LLC, Ares Operations LLC and Regions Securities LLC(53)
10.48	Equity Distribution Agreement, dated as of May 27, 2022, among Ares Capital Corporation, Ares Capital Management LLC, Ares Operations LLC and Truist Securities, Inc.(53)
10.49	Equity Distribution Agreement, dated as of May 27, 2022, among Ares Capital Corporation, Ares Capital Management LLC, Ares Operations LLC and SMBC Nikko Securities America, Inc.(53)
11.1	Statement of Computation of Per Share Earnings(54)
14.1	Code of Ethics(55)
21.1	Subsidiaries of Ares Capital Corporation(56)
23.1	Consent of Independent Registered Public Accounting Firm(56)
23.2	Consent of Independent Auditors*
31.1	Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
99.1	Report of Independent Registered Public Accounting Firm on Supplemental Information(56)
99.2	Audited Consolidated Financial Statements of Ivy Hill Asset Management, L.P. for the year ended December 31, 2022*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

** Furnished herewith

- (1) Incorporated by reference to Exhibit 3.1 to the Company's Form 10-Q (File No. 814-00663), for the quarter ended March 31, 2022 filed on April 26, 2022.
- (2) Incorporated by reference to Exhibit 3.2 to the Company's Form 10-K (File No. 814-00663) for the year ended December 31, 2018, filed on February 12, 2019.
- (3) Incorporated by reference to Exhibit (d) to the Company's pre effective Amendment No. 2 to the Registration Statement under the Securities Act of 1933, as amended, on Form N 2 (File No. 333 114656), filed on September 28, 2004.
- (4) Incorporated by reference to Exhibit (d)(4) to the Company's pre effective Amendment No. 2 to the Registration Statement under the Securities Act of 1933, as amended, on Form N-2 (File No. 333-149139), filed on April 9, 2008.
- (5) Incorporated by reference to Exhibit 4.1 to the Company's Form 8 K (File No. 814 00663), filed on October 22, 2010.
- (6) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on August 10, 2017.
- (7) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on January 11, 2018.
- (8) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8 K (File No. 814 00663), filed on March 8, 2019.
- (9) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8 K (File No. 814 00663), filed on June 10, 2019.
- (10) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8 K (File No. 814 00663), filed on January 15, 2020.

- (11) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed July 15, 2020.
 - (12) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8 K (File No. 814-00663), filed on January 13, 2021.
 - (13) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on June 10, 2021.
 - (14) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on November 4, 2021.
 - (15) Incorporated by reference to Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on January 13, 2022.
 - (16) Incorporated by reference to Exhibit 4.23 to the Company's Form 10-K (File No. 814-00663) for the year ended December 31, 2019, filed on February 12, 2020.
 - (17) Incorporated by reference to Exhibit 10.1 to the Company's Form 10-K (File No. 814-00663) for the year ended December 31, 2018, filed on February 12, 2019.
 - (18) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on June 7, 2019.
 - (19) Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q (File No. 814-00663) for the quarter ended June 30, 2007, filed on August 9, 2007.
 - (20) Incorporated by reference to Exhibit (j) to the Company's pre-effective Amendment No. 1 to the Registration Statement under the Securities Act of 1933, as amended, on Form N-2 (File No. 333-158211), filed on May 28, 2009.
 - (21) Incorporated by reference to Exhibit 10.5 to the Company's Form 10-K (File No. 814-00663) for the year ended December 31, 2014, filed on February 26, 2015.
 - (22) Incorporated by reference to Exhibit 99(K)(3) to the Company's pre-effective Amendment No. 1 to the Registration Statement under the Securities Act of 1933, as amended, on Form N-2 (File No. 333-114656), filed on September 17, 2004.
 - (23) Incorporated by reference to Exhibits (k)(3) and (k)(4), as applicable, to the Company's Registration Statement under the Securities Act of 1933, as amended, on Form N-2 (File No. 333-188175), filed on April 26, 2013.
 - (24) Incorporated by reference to Exhibits 10.2 through 10.4, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on January 25, 2010.
 - (25) Incorporated by reference to Exhibits 10.1 through 10.3, as applicable, to the Company's Form 8-K (File No. 814-0663), filed on June 8, 2012.
 - (26) Incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q (File No. 814-00663) for the quarter ended March 30, 2010, filed on May 10, 2010.
 - (27) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 19, 2011.
 - (28) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on October 14, 2011.
 - (29) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 19, 2012.
 - (30) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 28, 2013.
 - (31) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on May 15, 2014.
 - (32) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 4, 2017.
 - (33) Incorporated by reference to Exhibits 10.22 and 10.27 to the Company's Form 10-K (File No. 814-00663) for the year ended December 31, 2021, filed on February 9, 2022.
 - (34) Incorporated by reference to Exhibits 10.1 and 10.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on October 3, 2018.
 - (35) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on December 17, 2018.
 - (36) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on June 19, 2019.
 - (37) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on February 3, 2020.
 - (38) Incorporated by reference to Exhibits 10.1 and 10.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on January 3, 2022.
 - (39) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on July 1, 2022.
 - (40) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on April 5, 2022.
 - (41) Incorporated by reference to Exhibits 10.1 and 10.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on January 24, 2012.
 - (42) Incorporated by reference to Exhibits 10.1 and 10.2, as applicable, to the Company's Form 8-K (File No. 814-00663), filed on June 16, 2020.
-

- (43) Incorporated by reference to Exhibit 10.31 to the Company's Form 10-K (File No. 814-00663), for the year ended December 30, 2020, filed on February 10, 2021.
 - (44) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on July 1, 2021.
 - (45) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on September 17, 2012.
 - (46) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on December 23, 2013.
 - (47) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on July 1, 2015.
 - (48) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on August 28, 2017.
 - (49) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on September 13, 2018.
 - (50) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on September 10, 2019.
 - (51) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 2, 2020.
 - (52) Incorporated by reference to Exhibit 10.1 and 10.2 to the Company's Form 8-K (File No. 814-00663), filed on May 28, 2021.
 - (53) Incorporated by reference to Exhibits 10.1, 10.2 and 10.3 to the Company's Form 8-K (File No. 814-00663), filed on May 27, 2022.
 - (54) Included in Note 10 to the Company's Notes to Consolidated Financial Statements filed herewith.
 - (55) Incorporated by reference to Exhibit (r) to the Registrant's pre-effective Amendment No. 1 to the Registration Statement under the Securities Act of 1933, as amended, on Form N-2 (File No. 333-212142), filed on June 14, 2017.
 - (56) Incorporated by reference to Exhibits 21.1, 23.1 and 99.1, as applicable, to the Company's Form 10-K (File No. 814-00663) for the year ended December 31, 2022, filed on February 7, 2023.
-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ARES CAPITAL CORPORATION

Date: March 31, 2023

By: /s/ R. KIPP DEVEER
R. Kipp deVeer
*Chief Executive Officer (principal executive officer) and
Director*

Date: March 31, 2023

By: /s/ PENNI F. ROLL
Penni F. Roll
Chief Financial Officer (principal financial officer)

Date: March 31, 2023

By: /s/ SCOTT C. LEM
Scott C. Lem
Chief Accounting Officer (principal accounting officer)

Consent of Independent Auditors

The Board of Directors
Ares Capital Corporation

We consent to the incorporation by reference in the registration statement on Form N-2 of Ares Capital Corporation of our report dated March 31, 2023, with respect to the consolidated balance sheets of Ivy Hill Asset Management, L.P., as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes, which report appears in the annual report on Form 10-K/A of Ares Capital Corporation dated March 31, 2023.

/s/ KPMG LLP

Los Angeles, California

March 31, 2023

**Certification of Chief Executive Officer
of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, R. Kipp deVeer, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Ares Capital Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2023

/s/ R. KIPP DEVEER

R. Kipp deVeer
Chief Executive Officer (principal executive officer)

**Certification of Chief Financial Officer
of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, Penni F. Roll, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Ares Capital Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2023

/s/ PENNI F. ROLL

Penni F. Roll
Chief Financial Officer (principal financial officer)

**Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to
18 U.S.C. Section 1350**

In connection with the Annual Report on Form 10-K/A of Ares Capital Corporation (the “Company”) for the year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), R. Kipp deVeer, as Chief Executive Officer of the Company, and Penni F. Roll, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2023

/s/ R. KIPP DEVEER

R. Kipp deVeer
Chief Executive Officer (principal executive officer)

Date: March 31, 2023

/s/ PENNI F. ROLL

Penni F. Roll
Chief Financial Officer (principal financial officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Ares Capital Corporation and will be retained by Ares Capital Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

IVY HILL ASSET MANAGEMENT, L.P.
Consolidated Financial Statements
For the Year Ended December 31, 2022
(With Independent Auditors' Report Thereon)

Contents

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KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

The Partners
Ivy Hill Asset Management, L.P.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ivy Hill Asset Management, L.P. (the Company), which comprise the consolidated balance sheets as of December 31, 2022 and December 31, 2021, and the related consolidated statements of operations, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and December 31, 2021, and the results of its operations, changes in its equity, and its cash flows for each of the years in the three-year period ended December 31, 2022, in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Los Angeles, California
March 31, 2023

Ivy Hill Asset Management, L.P.
Consolidated Balance Sheets
(in millions)

	As of December 31,	
	2022	2021
Assets		
Investments at fair value (amortized cost of \$25 and \$39, respectively)	\$ 25	\$ 39
Cash and cash equivalents	5	8
Management fee receivable	1	2
Other assets	4	2
<i>Assets of Consolidated IHAM Vehicles</i>		
Investments at fair value (amortized cost of \$9,282 and \$5,549, respectively)	8,973	5,510
Cash and cash equivalents	499	416
Interest receivable	49	19
Other assets	45	60
Total assets	\$ 9,601	\$ 6,056
Liabilities		
Debt	\$ 308	\$ 125
Subordinated note from Ares Capital Corporation	500	16
Interest payable	12	—
Accounts payable and other liabilities	6	2
<i>Liabilities of Consolidated IHAM Vehicles</i>		
Debt	6,968	4,656
Subordinated notes	281	283
Interest payable	89	20
Payables for open trades	8	62
Accounts payable and other liabilities	17	7
Total liabilities	8,189	5,171
Commitments and contingencies (Note 7)		
Equity		
Contributed capital	1,547	765
Accumulated earnings	61	78
Net unrealized losses on investments and foreign currency transactions	(33)	—
Non-controlling interests in Consolidated IHAM Vehicles	(163)	42
Total equity	1,412	885
Total liabilities and equity	\$ 9,601	\$ 6,056

See accompanying notes to the consolidated financial statements.

Ivy Hill Asset Management, L.P.
Consolidated Statements of Operations
(in millions)

	For the Years Ended December 31,		
	2022	2021	2020
Revenues			
Investment income	\$ 3	\$ 4	\$ 1
Management fees and other income	3	3	2
<i>Revenues from Consolidated IHAM Vehicles</i>			
Investment income	594	285	288
Other income	7	7	7
Total revenues	607	299	298
Expenses			
Interest expense	35	5	8
Other expenses	14	12	12
<i>Expenses of Consolidated IHAM Vehicles</i>			
Interest expense	264	100	119
Distributions to subordinated notes	32	34	34
Management fees and other expenses	10	10	7
Total expenses	355	161	180
Net operating income	252	138	118
Other income (loss)			
Net realized gains (losses) on investments	—	1	(4)
Net unrealized gains (losses) on investments	(1)	3	(1)
Net unrealized losses on foreign currency and other transactions	(1)	—	—
<i>Other income (loss) from Consolidated IHAM Vehicles</i>			
Net realized losses on investments	(12)	(9)	—
Realized gains on extinguishment of debt	—	54	50
Net unrealized gains (losses) on investments	(279)	91	(26)
Total other income (loss)	(293)	140	19
Net income (loss)	(41)	278	137
Less: Net income (loss) attributable to non-controlling interests in Consolidated IHAM Vehicles	(196)	155	61
Net income attributable to Ivy Hill Asset Management, L.P.	\$ 155	\$ 123	\$ 76

See accompanying notes to the consolidated financial statements.

Ivy Hill Asset Management, L.P.
Consolidated Statements of Changes in Equity
(in millions)

	Contributed Capital	Accumulated Undistributed (Overdistributed) Earnings	Non-Controlling Interests in Consolidated IHAM Vehicles	Total Equity
Balance at December 31, 2020	\$ 469	\$ 48	\$ (104)	\$ 413
Net income	—	123	155	278
Capital contributions	296	—	—	296
Distributions	—	(93)	(9)	(102)
Balance at December 31, 2021	\$ 765	\$ 78	\$ 42	\$ 885
Net income (loss)	—	155	(196)	(41)
Capital contributions	782	—	—	782
Distributions	—	(205)	(9)	(214)
Balance at December 31, 2022	\$ 1,547	\$ 28	\$ (163)	\$ 1,412

See accompanying notes to the consolidated financial statements.

Ivy Hill Asset Management, L.P.
Consolidated Statements of Cash Flows
(in millions)

	For the Years Ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net income (loss)	\$ (41)	\$ 278	\$ 137
Adjustments to reconcile net income to net cash used in operating activities:			
Net realized (gains) losses on investments and foreign currency transactions	—	(1)	4
Net unrealized (gains) losses on investments, foreign currency and other transactions	2	(3)	1
Net accretion of investments	(1)	(2)	—
Allocable to non-controlling interests in Consolidated IHAM Vehicles:			
Net realized losses on investments and foreign currency transactions	12	9	—
Net unrealized (gains) losses on investments, foreign currency and other transactions	279	(91)	26
Realized gain on extinguishment of debt	—	(54)	(50)
Amortization of debt costs	6	2	—
Amortization on investments	(16)	(12)	(13)
Payment-in-kind interest	(7)	(11)	(7)
Purchases of investments	(5,062)	(3,881)	(1,666)
Proceeds from sale or paydown of investments	1,318	2,745	1,453
Changes in operating assets and liabilities:			
Management fees receivable	—	(1)	(1)
Accounts payable and other liabilities	12	1	(2)
Change in other assets and receivables of the Consolidated IHAM Vehicles	(51)	(30)	(2)
Change in other liabilities and payables of the Consolidated IHAM Vehicles	69	2	(8)
Net cash used in operating activities	(3,480)	(1,049)	(128)
Cash flows from investing activities:			
Purchases of investments	(6)	(58)	(279)
Proceeds from repayments or sales of investments	21	42	275
Net cash provided by (used in) investing activities	15	(16)	(4)
Cash flows from financing activities:			
Borrowings on debt	1,009	263	235
Repayments of debt	(340)	(271)	(85)
Debt issuance costs	(2)	—	—
Capital contributions	782	296	25
Distributions	(205)	(93)	(74)
Allocable to non-controlling interests in Consolidated IHAM Vehicles			
Borrowings on debt and subordinated notes	2,782	2,716	626
Repayments of debt and subordinated notes	(472)	(1,926)	(346)
Distributions	(9)	(9)	(7)
Net cash provided by financing activities	3,545	976	374
Net change in cash and cash equivalents	80	(89)	242
Cash and cash equivalents, beginning of period	424	513	271
Cash and cash equivalents, end of period	\$ 504	\$ 424	\$ 513
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest by Ivy Hill Asset Management, L.P.	\$ 22	\$ 5	\$ 7
Cash paid during the period for interest by the Consolidated IHAM Vehicles	\$ 187	\$ 100	\$ 107

See accompanying notes to the consolidated financial statements.

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
(in millions, except percentages and as otherwise indicated)

1. ORGANIZATION

Ivy Hill Asset Management, L.P., a Delaware limited partnership (the “Partnership” or “IHAM”) and a wholly owned portfolio company of Ares Capital Corporation (“ARCC”), is an asset management services company and a registered investment adviser with the Securities and Exchange Commission. Ares Capital Management LLC (“Ares Capital Management”), a subsidiary of Ares Management Corporation (“Ares Management”), a publicly traded, leading global alternative investment manager, serves as the investment adviser to ARCC pursuant to an investment advisory and management agreement. Additionally, Ivy Hill Asset Management GP, LLC, a Delaware limited liability company and a wholly owned subsidiary of ARCC, is the general partner (the “General Partner”) of the Partnership. As of December 31, 2022, IHAM had assets under management of approximately \$13.1 billion. As of December 31, 2022, IHAM managed 21 vehicles and served as the sub-manager/sub-servicer for one other vehicle (these vehicles managed or sub-managed/sub-serviced by IHAM are collectively referred to as the “IHAM Vehicles”).

IHAM is currently party to an administration agreement, referred to herein as the “administration agreement,” with Ares Operations LLC (“Ares Operations”), a subsidiary of Ares Management. Pursuant to the administration agreement, Ares Operations furnishes IHAM with, among other things, office facilities, equipment, clerical, bookkeeping and record keeping services, services relating to the marketing and sale of interests in vehicles managed by IHAM, and research and related services, services of, and oversight of, custodians, depositories, accountants, attorneys, underwriters, and such other persons in any other capacity deemed to be necessary. Under the administration agreement, IHAM reimburses Ares Operations for all of the actual costs associated with such services, including Ares Operations’ allocable portion of the compensation, rent and other expenses of its officers, employees and respective staff in performing its obligations under the administration agreement.

IHAM manages or controls certain entities that have been consolidated in the accompanying financial statements as described in “Note 2. Summary of Significant Accounting Policies.” These entities include certain IHAM Vehicles (collectively, the “Consolidated IHAM Vehicles”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (“GAAP”), and include the accounts of the Partnership and the Consolidated IHAM Vehicles. The Consolidated IHAM Vehicles are investment companies under GAAP based on the following characteristics: the Consolidated IHAM Vehicles obtain funds from one or more investors and the Consolidated IHAM Vehicles’ business purpose and substantive activities are investing funds for returns from capital appreciation and/or investment income. Therefore, investments held in the Consolidated IHAM Vehicles are recorded at fair value and the unrealized appreciation (depreciation) in an investment’s fair value is recognized on a current basis in the accompanying consolidated statements of operations. In the preparation of these consolidated financial statements, IHAM has retained the investment company accounting for the Consolidated IHAM Vehicles under GAAP. The consolidated financial statements reflect all adjustments and reclassifications that, in the opinion of management, are necessary for the fair presentation of the financial condition and results of operations as of and for the periods presented. All significant intercompany balances and transactions have been eliminated.

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 periods. Actual results could differ from those estimates. Significant estimates include the valuation of investments.

Principles of Consolidation

When IHAM consolidates an IHAM Vehicle for GAAP purposes only, IHAM reflects the assets, liabilities, revenues and expenses of the Consolidated IHAM Vehicles on a gross basis, including the economic interests held by third-party investors in the Consolidated IHAM Vehicles as debt obligations, subordinated notes or non-controlling interests, in the consolidated financial statements of the Partnership. All of the revenues earned by the Partnership as the investment manager of

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
(in millions, except percentages and as otherwise indicated)

the Consolidated IHAM Vehicles are eliminated in GAAP consolidation. However, because the eliminated amounts are earned from and funded by third-party investors, the GAAP consolidation of an IHAM Vehicle does not impact the actual net income or loss attributable to the Partnership.

IHAM consolidates those entities in which it has a direct or indirect controlling financial interest based on either a variable interest model or voting interest model, which include certain of the IHAM Vehicles. As such, IHAM consolidates (a) entities in which it holds a majority voting interest or has majority ownership and control over the operational, financial and investing decisions of that entity and (b) entities that IHAM concludes are variable interest entities (“VIEs”) in which the Partnership has more than an insignificant economic interest and power to direct the activities that most significantly impact the entities, and for which the Partnership is deemed to be the primary beneficiary.

IHAM determines whether an entity should be consolidated by first evaluating whether it holds a variable interest in the entity. Fees that are customary and commensurate with the level of services provided by IHAM, and where the Partnership does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, would not be considered a variable interest. IHAM factors in all economic interests, including proportionate interests through related parties, to determine if fees are considered a variable interest.

Variable Interest Model

IHAM considers an entity to be a VIE if any of the following conditions exist: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) the holders of equity investment at risk, as a group, lack either the direct or indirect ability through voting rights or similar rights to make decisions that have a significant effect on the success of the entity or the obligation to absorb the expected losses or right to receive the expected residual returns, or (c) the voting rights of some equity investors are disproportionate to their obligation to absorb losses of the entity, their rights to receive returns from an entity, or both and substantially all of the entity’s activities either involve or are conducted on behalf of an investor with disproportionately few voting rights.

IHAM consolidates all VIEs for which the Partnership is the primary beneficiary. IHAM determines the Partnership is the primary beneficiary when IHAM has the power to direct the activities of the VIE that most significantly impact the entity’s economic performance and the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE.

IHAM determines whether the Partnership is the primary beneficiary of a VIE at the time the Partnership becomes involved with a VIE and IHAM continuously reconsiders the conclusion. In evaluating whether the Partnership is the primary beneficiary, IHAM evaluates its direct and indirect economic interests in the entity. The consolidation analysis is generally performed qualitatively, however, if the primary beneficiary is not readily determinable, a quantitative analysis may also be performed. This analysis requires judgment. These judgments include: (1) determining whether the equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (2) evaluating whether the equity holders, as a group, can make decisions that have a significant effect on the success of the entity, (3) determining whether two or more parties’ equity interests should be aggregated, (4) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive returns from an entity and (5) evaluating the nature of relationships and activities of the parties involved in determining which party within a related-party group is most closely associated with a VIE and hence would be deemed the primary beneficiary.

Cash and Cash Equivalents

Cash and cash equivalents, including cash denominated in foreign currencies, represent cash deposits held at financial institutions. Cash and cash equivalents are carried at cost which approximates fair value. Cash and cash equivalents held at major financial institutions are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation or Securities Investor Protection Corporation limitations.

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

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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, IHAM looks at a number of factors to determine if the quotations are representative of fair value, including the source and nature of the quotations. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by IHAM. In addition, the Partnership's investments in the Consolidated IHAM Vehicles are typically valued using a discounted cash flow ("DCF") analysis.

As part of the valuation process for debt and equity securities, IHAM may take into account the following types of factors, if relevant, in determining the fair value of the investments held by the Partnership and the Consolidated IHAM Vehicles: 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 sale occurs, IHAM considers the pricing indicated by the external event to corroborate its valuation.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the investments held by the Partnership and the Consolidated IHAM Vehicles may fluctuate from period to period. Additionally, the fair value of the investments held by the Partnership and the Consolidated IHAM Vehicles may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Partnership or the Consolidated IHAM Vehicles may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Partnership or the Consolidated IHAM Vehicles were required to liquidate a portfolio investment in a forced or liquidation sale, the Partnership or the Consolidated IHAM Vehicles could realize significantly less than the value at which the investments have been recorded.

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.

See note 4 for more information on the Partnership's and the Consolidated IHAM Vehicles' valuation process.

Management and Incentive Fees

Management fees are generally based on a defined percentage of fair value of assets, total commitments, invested capital, net asset value ("NAV"), NAV plus unfunded commitments, net investment income, total assets or par value of the investment portfolios managed by IHAM. Management fees are recurring and non-refundable and are recognized as revenue in the period that advisory services are rendered, subject to IHAM's assessment of collectability. Incentive fees are fixed based on certain specific hurdle rates, as defined in the applicable IHAM vehicles' investment management agreement, and recognized as income only when the amount is realized and no longer subject to reversal, if such hurdle rates have been met.

Interest and Dividend Income

Interest income is recorded on an accrual basis and includes the accretion of discounts, amortization of premiums and payment-in-kind ("PIK") interest. Discounts from and premiums to par value on investments purchased are accreted/amortized into interest income over the life of the respective security using the effective yield method. To the extent loans contain PIK provisions, PIK interest, computed at the contractual rate specified in each applicable loan agreement, is accrued and recorded as interest income and added to the principal balance of the loan. PIK interest income added to the principal balance is generally

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collected upon repayment of the outstanding principal. The amortized cost of investments represents the original cost adjusted for any accretion of discounts, amortization of premiums and addition of PIK interest.

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 IHAM's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest are paid or there is no longer any reasonable doubt that such principal or interest will be collected in full and, in IHAM's judgment, are likely to remain current. IHAM may make exceptions to this policy if the loan has sufficient collateral value (i.e., typically measured as enterprise value of the portfolio company) or is in the process of collection.

Certain of the Partnership's investments in the IHAM Vehicles entitle the Partnership to potentially receive cash distributions. Estimates of net expected future cash flows, which factor in estimated default and loss assumptions, over the remaining life of the respective vehicles are used to determine the level of dividend income to be recognized each period, and any excess is then recognized as a return of capital.

Distribution to Subordinated Notes

Generally, cash received by the Consolidated IHAM Vehicles from their investments is categorized as principal or interest proceeds. Interest proceeds are generally used to pay expenses of the Consolidated IHAM Vehicles as well as contractual interest accrued on the revolving credit facilities, senior secured notes, and subordinated notes, as applicable. Any amounts remaining after expenses and contractual amounts are paid are generally distributed to the equity or subordinated notes holders, as applicable, on a periodic basis. The subordinated notes generally represent the most junior capital in certain of the Consolidated IHAM Vehicles and effectively represent equity in such vehicles.

Foreign Currency Translation

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

- 1) Fair value of investment securities, other assets and liabilities—at the exchange rates prevailing at the end of the period.
- 2) Purchases and sales of investment securities, income and expenses—at the exchange rates prevailing on the respective dates of such transactions, income or expenses.

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

Derivative Instruments

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

Income Taxes

The Partnership operates as a disregarded entity for U.S. tax purposes and is not required to file a federal income tax return. Accordingly, no provision for income taxes has been made in the consolidated financial statements as the Partnership's sole ultimate equity holder, ARCC, is responsible for reporting income or loss generated by the Partnership, to the extent required by federal and state income tax laws and regulations.

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IHAM is required to determine whether a tax position of the Partnership is more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement, which could result in ARCC, as the sole equity holder of the Partnership, recording a tax liability that would reduce its net assets. Based on its analysis, IHAM has determined that there are no uncertain tax positions taken by the Partnership that would have a material impact on the Partnership's or ARCC's financial position or results of operations for the year ended December 31, 2022.

IHAM has reviewed all open tax years for major jurisdictions and has determined that the Partnership does not create any tax liability for any unrecognized tax benefits ("UTB") for ARCC, its sole equity holder, nor did it result in the recognition of any interest and penalties related to UTB for the year ended December 31, 2022.

Recent Accounting Pronouncements

IHAM considers the applicability and impact of all accounting standard updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"). ASUs not listed below were assessed and either determined to be not applicable or expected to have minimal impact on its consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848) ("ASU 2020-04")," which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that the reference London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, "Reference Rate Reform (Topic 848) ("ASU 2021-01")," which expanded the scope of ASU 2020-04 Topic 848 to include derivative instruments impacted by discounting transition. ASU 2020-04 and ASU 2021-01 are effective for all entities through December 31, 2022. The expedients and exceptions provided by the amendments do not apply to contract modifications and hedging relationships entered into or evaluated after December 31, 2022, except for hedging transactions as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. In December 2022, the FASB issued ASU No. 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848," which deferred the sunset date of this guidance to December 31, 2024. IHAM is currently evaluating the impact of this guidance on its consolidated financial statements.

3. INVESTMENTS

As of December 31, 2022 and 2021, the investments held by the Partnership and the Consolidated IHAM Vehicles consisted of the following:

	As of			
	December 31, 2022		December 31, 2021	
	Amortized Cost(1)	Fair Value	Amortized Cost(1)	Fair Value
Investments held by the Partnership				
First lien senior secured loans	\$ 17	\$ 15	\$ 38	\$ 38
Second lien senior secured loans	7	8	—	—
Other equity	1	2	1	1
Total	\$ 25	\$ 25	\$ 39	\$ 39
	As of			
	December 31, 2022		December 31, 2021	
	Amortized Cost(1)	Fair Value	Amortized Cost(1)	Fair Value
Investments held by the Consolidated IHAM Vehicles				
First lien senior secured loans	\$ 9,237	\$ 8,942	\$ 5,504	\$ 5,478
Second lien senior secured loans	27	27	28	28
Preferred equity	6	2	5	2
Other equity	12	2	12	2
Total	\$ 9,282	\$ 8,973	\$ 5,549	\$ 5,510

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

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4. FAIR VALUE

Financial Instrument Valuations

IHAM follows ASC 825-10, *Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASC 825-10”), which provides companies the option to report selected financial assets and liabilities at fair value. ASC 825-10 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and a better understanding of the effect of IHAM’s choice to use fair value on the Partnership’s earnings. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the balance sheet. IHAM has not elected the ASC 825-10 option to report selected financial assets and liabilities at fair value. With the exception of the line item entitled “other assets” and “debt,” which are reported at amortized cost, the carrying value of all other assets and liabilities approximate fair value.

IHAM follows the provisions of ASC 820-10, *Fair Value Measurements and Disclosures* (“ASC 820-10”), which expands the application of fair value accounting. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure of fair value measurements. ASC 820-10 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires IHAM to assume that the portfolio investment is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820-10, IHAM has considered both the Partnership’s and the Consolidated IHAM Vehicles’ principal market as the market in which the Partnership and the Consolidated IHAM Vehicles exit their 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 that the Partnership and the Consolidated IHAM Vehicles have 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, IHAM also evaluates the source of inputs, including any markets in which the investments held by the Partnership and the Consolidated IHAM Vehicles are trading (or any markets in which securities with similar attributes are trading), in determining fair value. IHAM’s valuation policy considers the fact that because there is not a readily available market value for most of the investments held in the Partnership and the Consolidated IHAM Vehicles, the fair value of the investments must typically be determined using unobservable inputs. No changes were made to IHAM’s valuation policies during the year.

The portfolio investments held by the Partnership and the Consolidated IHAM Vehicles on a consolidated basis are typically valued using two different valuation techniques. The primary valuation technique is a yield analysis, which is typically performed for non-credit impaired debt investments in portfolio companies where the Partnership and the Consolidated IHAM Vehicles do not own a controlling equity position. To determine fair value using a yield analysis, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk. In the yield analysis, IHAM considers the current contractual interest rate, the maturity and other terms of the investment relative to risk of the Partnership and the Consolidated IHAM Vehicles and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the enterprise value of the portfolio company. As debt investments held by the Partnership and the Consolidated IHAM Vehicles are substantially illiquid with no active transaction market, IHAM depends on primary market data, including newly funded transactions, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable. The second valuation technique utilized to determine fair value for investments is the DCF analysis. When using the DCF analysis the expected cash flows associated with the investment are discounted to determine a present value using a discount rate that reflects estimated market return requirements.

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Certain equity investments are fair valued using the NAV based on the Partnership's ownership interests in the underlying portfolio company. IHAM generally utilizes the NAV as the basis for fair value and may, in good faith, apply an appropriate adjustment to the NAV, if deemed necessary. To a lesser extent, IHAM may utilize an analysis of the enterprise value ("EV") of the portfolio company. The EV represents the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The primary method for determining EV uses a multiple analysis whereby appropriate multiples are applied to the portfolio company's EBITDA (generally defined as net income before net interest expense, income tax expense, depreciation and amortization). EBITDA multiples are typically determined based upon review of market comparable transactions and publicly traded comparable companies, if any. The second method for determining EV uses a discounted cash flow analysis whereby future expected cash flows of the portfolio company are discounted to determine a present value using estimated discount rates (typically a weighted average cost of capital based on costs of debt and equity consistent with current market conditions). The EV analysis is performed to determine the value of certain equity investments and to determine if there is credit impairment for debt investments.

The Partnership's investments in the Consolidated IHAM Vehicles are generally valued using the DCF analysis. The fair value of the Partnership's investments in the Consolidated IHAM Vehicles are eliminated in GAAP consolidation.

The following tables present fair value measurements of cash and cash equivalents and investments held by the Partnership and the Consolidated IHAM Vehicles on a consolidated basis as of December 31, 2022:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Held by the Partnership				
Cash and cash equivalents	\$ 5	\$ 5	\$ —	\$ —
Investments not measured at net asset value	\$ 24	\$ —	\$ 4	\$ 20
Investments measured at net asset value (1)	1			
Total investments	\$ 25			
Held by the Consolidated IHAM Vehicles				
Cash and cash equivalents	\$ 499	\$ 499	\$ —	\$ —
Investments not measured at net asset value	\$ 8,973	\$ —	\$ 983	\$ 7,990
Total investments	\$ 8,973			
Unfunded revolving and delayed draw term loan commitments(2)	\$ (14)	\$ —	\$ —	\$ (14)

(1) Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. These investments are in private, closed-end investment vehicles whose investment strategies are to invest in U.S. middle-market companies. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated balance sheets.

(2) The fair value of unfunded revolving and delayed draw loan commitments is included in "accounts payable and other liabilities" in the accompanying consolidated balance sheets.

The following tables present fair value measurements of cash and cash equivalents and investments held by the Partnership and the Consolidated IHAM Vehicles on a consolidated basis as of December 31, 2021:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Held by the Partnership				
Cash and cash equivalents	\$ 8	\$ 8	\$ —	\$ —
Investments not measured at net asset value	\$ 38	\$ —	\$ 9	\$ 29
Investments measured at net asset value (1)	1			
Total investments	\$ 39			

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Held by the Consolidated IHAM Vehicles	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 416	\$ 416	\$ —	\$ —
Investments not measured at net asset value	\$ 5,510	\$ —	\$ 690	\$ 4,820
Total investments	\$ 5,510			
Unfunded revolving and delayed draw term loan commitments(2)	\$ (4)		\$	(4)

(1) Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. These investments are in private, closed-end investment vehicles whose investment strategies are to invest in U.S. middle-market companies. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated balance sheets.

(2) The fair value of unfunded revolving and delayed draw loan commitments is included in “accounts payable and other liabilities” in the accompanying consolidated balance sheets.

The following tables summarize the significant unobservable inputs that IHAM used to value the majority of the investments held by the Partnership and the Consolidated IHAM Vehicles on a consolidated basis and categorized within Level 3 as of December 31, 2022. The tables are not intended to be all-inclusive, but instead capture the significant unobservable inputs relevant to IHAM’s determination of fair values.

As of December 31, 2022					
Level 3 Measurements of the Partnership	Fair Value	Primary Valuation Techniques	Unobservable Input		Weighted Average(1)
			Input	Estimated Range	
Asset Category					
First lien senior secured loans	\$ 7	Yield analysis	Market yield	10.0% - 14.2%	11.2%
	3	Recent transaction price	N/A	N/A	N/A
	1	Enterprise value analysis	EBITDA multiple	4.7x - 7.5x	7.2x
Second lien senior secured loans	8	Yield analysis	Market yield	13.6%	13.6%
Other equity	1	Enterprise value analysis	EBITDA multiple	2.6x	2.6x
	\$ 20				

As of December 31, 2022					
Level 3 Measurements of the Consolidated IHAM Vehicles	Fair Value	Primary Valuation Techniques	Unobservable Input		Weighted Average(1)
			Input	Estimated Range	
Asset Category					
First lien senior secured loans	\$ 7,576	Yield analysis	Market yield	7.3% - 20.2%	11.3%
	123	Recent transaction price	N/A	N/A	N/A
	100	Enterprise value analysis	EBITDA multiple	4.7x - 13.0x	9.1x
	160	Broker quotes and/or 3rd party pricing services	N/A	N/A	N/A
Second lien senior secured loans	26	Yield analysis	Market yield	13.6%	13.6%
Preferred equity	3	Enterprise value analysis	EBITDA multiple	2.6x	2.6x
Other equity	2	Enterprise value analysis	EBITDA multiple	7.0x - 10.8x	9.6x
	\$ 7,990				

(1) Unobservable inputs were weighted by the relative fair value of the investments.

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The following tables summarize the significant unobservable inputs that IHAM used to value the majority of the investments held by the Partnership and the Consolidated IHAM Vehicles on a consolidated basis and categorized within Level 3 as of December 31, 2021. The tables are not intended to be all-inclusive, but instead capture the significant unobservable inputs relevant to IHAM's determination of fair values.

As of December 31, 2021					
Level 3 Measurements of the Partnership	Fair Value	Primary Valuation Techniques	Unobservable Input		
			Input	Estimated Range	Weighted Average(1)
Asset Category					
First lien senior secured loans	\$ 28	Yield analysis	Market yield	4.8% - 25.5%	9.0%
Other equity	1	Enterprise value analysis	Letter of intent purchase price	\$241.46 - \$1,090.00	\$466.14
	<u>\$ 29</u>				

As of December 31, 2021					
Level 3 Measurements of the Consolidated IHAM Vehicles	Fair Value	Primary Valuation Techniques	Unobservable Input		
			Input	Estimated Range	Weighted Average(1)
Asset Category					
First lien senior secured loans	\$ 4,477	Yield analysis	Market yield	3.5% - 21.8%	6.3%
	236	Broker quotes and/or 3rd party pricing services	NA	NA	NA
	59	Enterprise value analysis	EBITDA multiple	3.5x - 16.9x	10.3x
	18	Discounted cash flow analysis	Discount rate	13.6% - 15.7%	14.5%
Second lien senior secured loans	25	Yield analysis	Market yield	10.8%	10.8%
	1	Broker quotes and/or 3rd party pricing services	NA	NA	NA
Other equity	4	Enterprise value analysis	EBITDA multiple	3.5x - 16.9x	8.4x
	<u>\$ 4,820</u>				

(1) Unobservable inputs were weighted by the relative fair value of the investments.

Changes in market yields, discount rates or EBITDA multiples, each in isolation, may change the fair value of certain of the investments held by the Partnership and the Consolidated IHAM Vehicles. Generally, an increase in market yields or discount rates or a decrease in EBITDA multiples may result in a decrease in the fair value of certain of the investments held by the Partnership and the Consolidated IHAM Vehicles.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the investments held by the Partnership and the Consolidated IHAM Vehicles may fluctuate from period to period. Additionally, the fair value of the investments held by the Partnership and the Consolidated IHAM Vehicles may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Partnership or the Consolidated IHAM Vehicles may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Partnership and the Consolidated IHAM Vehicles were required to liquidate the investments in a forced or liquidation sale, the Partnership and the Consolidated IHAM Vehicles could realize significantly less than the value at which the investments have been recorded.

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 as of December 31, 2022.

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The following tables present changes in investments in which significant unobservable inputs (Level 3) were used in determining fair value for the Partnership and the Consolidated IHAM Vehicles as of and for the years ended December 31, 2022 and 2021, respectively:

2022	Partnership		Consolidated IHAM Vehicles	
Balance as of December 31, 2021	\$	29	\$	4,816
Net realized losses		—		(115)
Net unrealized losses		—		(82)
Purchases		6		4,571
Sales		(19)		(1,189)
PIK interest		—		—
Net accretion of discount on securities		—		15
Net transfers in and/or out of Level 3		4		(40)
Balance as of December 31, 2022	\$	20	\$	7,976

2021	Partnership		Consolidated IHAM Vehicles	
Balance as of December 31, 2020	\$	13	\$	1,946
Net realized gains		—		5
Net unrealized gains		2		41
Purchases		24		3,210
Sales		(11)		(411)
PIK interest		—		10
Net accretion of discount on securities		1		12
Net transfers in and/or out of Level 3		—		3
Balance as of December 31, 2021	\$	29	\$	4,816

Investments were transferred into and out of Level 3 during the year ended December 31, 2022 and 2021. Transfers into and out of Level 3 were generally as a result of changes in the observability of significant inputs or available market data for certain portfolio companies.

5. DEBT

Debt of the Partnership

The following table summarizes the Partnership's debt obligations:

Debt Obligations	Maturity Date	As of December 31, 2022				As of December 31, 2021			
		Principal Amount Committed	Principal Outstanding	Carrying Value	Interest Rate	Principal Amount Committed	Principal Outstanding	Carrying Value	Interest Rate
Senior secured revolving credit facility(1)	12/31/2026	\$ 165	\$ 160	\$ 160	SOFR + 3.00%	\$ 125	\$ 125	\$ 125	SOFR + 3.00%
2027 Unsecured Notes(2)(3)	7/14/2027	85	85	84	7.45%	—	—	—	—
2029 Unsecured Notes(2)	7/14/2029	65	65	64	7.55%	—	—	—	—
Subordinated note from Ares Capital Corporation(4)	1/31/2030	500	500	500	SOFR + 6.50%	200	16	16	LIBOR + 6.50%
Total debt obligations		\$ 815	\$ 810	\$ 808		\$ 325	\$ 141	\$ 141	

(1) During 2022, the Partnership amended the senior secured revolving credit facility to, among other things, increase the commitments from \$125 to \$165 and extend the maturity date from December 2024 to December 2026.

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- (2) The Partnership has issued certain unsecured notes (each issuance of which is referred to herein using the “defined term” set forth under the “Debt Obligations” column of the table above and collectively referred to as the “Unsecured Notes”), that pay interest semi-annually and all principal amounts are due upon maturity. The Partnership may redeem the Unsecured Notes prior to maturity, subject to the terms of the indenture governing each Unsecured Notes.
- (3) In December 2022, the Partnership entered into a five-year interest rate swap agreement to mitigate its exposure to adverse fluctuations in interest rates in connection with the 2027 Unsecured Notes. See Note 6 for more information on the interest rate swap.
- (4) In June 2022, the Partnership amended the revolving subordinated note to, among other things, increase the commitments from \$200 to \$500, replace the LIBOR rate with the Secured Overnight Financing Rate (the “SOFR”) plus an applicable credit spread adjustment and extend the maturity date from May 2023 to January 2030.

As of December 31, 2022, the Partnership was in compliance in all material respects with all covenants under its debt obligations.

Debt of the Consolidated IHAM Vehicles

Debt obligations of the Consolidated IHAM Vehicles generally include floating rate notes, deferrable floating rate notes, revolving lines of credit and subordinated notes. Debt obligations of certain Consolidated IHAM Vehicles represent amounts outstanding on revolving credit facilities that are collateralized by the unfunded commitments of the Consolidated IHAM Vehicles' limited partners. Debt obligations of the Consolidated IHAM Vehicles also represent amounts due to holders of debt securities issued by the Consolidated IHAM Vehicles and are collateralized by the assets held by the Consolidated IHAM Vehicles, generally consisting of cash and cash equivalents, senior secured loans and other securities. The assets of one Consolidated IHAM Vehicle may not be used to satisfy the liabilities of another Consolidated IHAM Vehicle. Amounts borrowed under the notes are generally repaid based on available cash flows subject to priority of payments under each Consolidated IHAM Vehicle’s governing documents. Based on the terms of these notes, the creditors of the debt obligations of the Consolidated IHAM Vehicles have no recourse to the Partnership.

The following debt obligations were outstanding and classified as liabilities of the Consolidated IHAM Vehicles:

As of December 31, 2022							
Debt Obligations	Maturity Date Range	Principal Amount Committed	Principal Outstanding	Carrying Value	Weighted Average Remaining Maturity In Years	Weighted Average Effective Rate	Effective Rate Range
Revolving credit facilities(1)	12/18/2023 - 7/20/2033	\$ 5,867	\$ 3,414	\$ 3,416	4.22	6.25%	5.76% - 6.83%
Senior secured notes(2)	4/18/2030 - 4/23/2034	3,556	3,556	3,552	9.41	6.33%	3.03% - 12.66%
Subordinated notes(3)	2/24/2026 - 4/15/2034	283	283	281	8.90	4.12%	5.00%
Total debt obligations of Consolidated IHAM Vehicles		<u>\$ 9,706</u>	<u>\$ 7,253</u>	<u>\$ 7,249</u>			
As of December 31, 2021							
Debt Obligations	Maturity Date Range	Principal Amount Committed	Principal Outstanding	Carrying Value	Weighted Average Remaining Maturity In Years	Weighted Average Effective Rate	Effective Rate Range
Revolving credit facilities(1)	4/26/2023 - 7/20/2033	\$ 3,741	\$ 1,110	\$ 1,110	4.73	2.12%	1.73% - 2.63%
Senior secured notes(2)	1/18/2030 - 10/20/2033	3,551	3,551	3,546	9.85	2.26%	1.13% - 8.55%
Subordinated notes(3)	2/24/2026 - 10/20/2033	288	288	283	8.85	1.65%	5.00%
Total debt obligations of Consolidated IHAM Vehicles		<u>\$ 7,580</u>	<u>\$ 4,949</u>	<u>\$ 4,939</u>			

(1) The interest rate on the borrowings is a floating rate.

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- (2) The interest rate on the borrowings includes both fixed and floating rates.
- (3) Generally represent the most junior capital in certain of the Consolidated IHAM Vehicles and effectively represent equity in such vehicles.

6. DERIVATIVE INSTRUMENTS

In December 2022, in connection with the 2027 Unsecured Notes, the Partnership entered into a five-year interest rate swap agreement to mitigate its exposure to adverse fluctuations in interest rate for a total notional amount of \$85, which matures on July 14, 2027. Under the interest rate swap agreement, the Partnership pays a floating rate based on the prevailing one-month SOFR of 3.78% and receives a fixed interest rate of 7.45%. As of December 31, 2022, the one-month SOFR was 4.36%. For the year ended December 31, 2022, the Partnership recognized \$1 in unrealized losses related to this swap agreement. As of December 31, 2022, this swap agreement had a fair value of \$(1), which is included in the “accounts payable and other liabilities” in the accompanying consolidated balance sheets. Net unrealized gains (losses) on the interest rate swap are included in “net unrealized gains (losses) from foreign currency and other transactions” in the accompanying consolidated statements of operations.

7. COMMITMENTS AND CONTINGENCIES

Indemnification Arrangements

Consistent with standard business practices in the normal course of business, the Partnership and the Consolidated IHAM Vehicles enter into contracts or other arrangements that may contain indemnification or other contingent obligations (both with affiliates and third parties). The Partnership’s maximum exposure under these arrangements is unknown. As of December 31, 2022, the Partnership and the Consolidated IHAM Vehicles had not had any claims or losses pursuant to these arrangements.

Investment Commitments

As of December 31, 2022 and 2021, the Partnership had aggregate unfunded commitments of \$7 and \$5, respectively, to invest in portfolio companies, all of which were revolving loan commitments. As of December 31, 2022 and 2021, the Consolidated IHAM Vehicles had aggregate unfunded commitments of \$706 and \$636, respectively, to invest in portfolio companies, which comprised of delayed draw term loan commitments totaling \$163 and \$156, respectively and revolving loan commitments totaling \$543 and \$480, respectively.

8. RELATED PARTY TRANSACTIONS

Pursuant to the administration agreement, as of December 31, 2022, and 2021, the Partnership had \$0.8 and \$0.5, respectively, in amounts payable to Ares Operations that are included in “accounts payable and other liabilities” in the accompanying consolidated balance sheets. For the years ended December 31, 2022, 2021 and 2020, Ares Operations incurred and the Partnership reimbursed such expenses totaling \$1.0, \$0.6 and \$0.9, respectively, which are included in “other expenses” in the consolidated statement of operations. As of December 31, 2022 and 2021, the Partnership had \$1.6 and \$2.1, respectively, in receivables from certain of these IHAM Vehicles and the amounts are included in “other assets” in the accompanying consolidated balance sheets. The Partnership may also bear certain costs and expenses of the operations of certain of the IHAM Vehicles.

The Partnership is obligated under a certain operating lease, which was previously entered into with Ares Management, the sole member of Ares Capital Management, for office space. The sublease expires in April 2026. For the years ended December 31, 2022, 2021 and 2020 rent expense was \$0.3, \$0.2 and \$0.4, respectively. As of December 31, 2022 and 2021, rent payable to Ares Management was \$0.5 and \$0.6, respectively, and reported within “accounts payable and other liabilities” in the accompanying consolidated balance sheets.

The amortized cost and fair value of the Partnership's investments in other non-consolidated IHAM Vehicles were \$0.3 and \$0.8, respectively, as of December 31, 2022 and \$0.3 and \$0.8, respectively, as of December 31, 2021.

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See Notes 3, 4 and 5 for information regarding other related party transactions.

9. CONSOLIDATION

Investments in Consolidated IHAM Vehicles

IHAM for GAAP purposes only consolidates entities in which the Partnership has a variable interest and, as the general partner or investment manager, has both the power to direct the most significant activities and a potentially significant economic interest. The Partnership's investments in the Consolidated IHAM Vehicles are reported at fair value and represent the Partnership's maximum exposure to loss.

The Partnership's interests in the Consolidated IHAM Vehicles and its respective maximum exposure to loss as presented in the accompanying consolidated balance sheets are as follows:

	As of December 31,			
	2022		2021	
Maximum exposure to loss attributable to the Partnership's investment in Consolidated IHAM Vehicles	\$	2,315	\$	927
Assets of Consolidated IHAM Vehicles	\$	9,566	\$	6,005
Liabilities of Consolidated IHAM Vehicles	\$	8,471	\$	5,737

	For the Years Ended December 31,					
	2022		2021		2020	
Net income (loss) attributable to non-controlling interests in Consolidated IHAM Vehicles	\$	(137)	\$	190	\$	54

Investments in Non-Consolidated IHAM Vehicles

The Partnership holds interests in certain IHAM Vehicles that are not consolidated as the Partnership is not the primary beneficiary. The Partnership's interest in such entities generally is in the form of direct equity interests, fixed fee arrangements or both. The maximum exposure to loss represents the potential loss of assets by the Partnership relating to these non-consolidated entities. The Partnership's investments in the non-consolidated IHAM Vehicles are carried at fair value. As of December 31, 2022 and 2021, the Partnership's investments at fair value in the non-consolidated IHAM Vehicles were \$0.8 and \$0.8, respectively.

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Consolidating Schedules

The following supplemental financial information illustrates the consolidating effects of the Consolidated IHAM Vehicles on the Partnership's balance sheets, results of operations and cash flows:

Consolidating Balance Sheets

	As of December 31, 2022			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Assets				
Investments at fair value	\$ 2,340	\$ —	\$ (2,315)	\$ 25
Cash and cash equivalents	5	—	—	5
Management fee receivable	13	—	(12)	1
Other assets	43	—	(39)	4
<i>Assets of Consolidated IHAM Vehicles</i>				
Investments at fair value	—	8,973	—	8,973
Cash and cash equivalents	—	499	—	499
Interest receivable	—	49	—	49
Other assets	—	45	—	45
Total assets	\$ 2,401	\$ 9,566	\$ (2,366)	\$ 9,601
Liabilities				
Debt	\$ 308	\$ —	\$ —	\$ 308
Subordinated note from Ares Capital Corporation	500	—	—	500
Interest payable	12	—	—	12
Accounts payable and other liabilities	6	—	—	6
<i>Liabilities of Consolidated IHAM Vehicles</i>				
Debt	—	6,968	—	6,968
Subordinated notes	—	1,374	(1,093)	281
Interest payable	—	89	—	89
Payables for open trades	—	8	—	8
Accounts payable and other liabilities	—	32	(15)	17
Total liabilities	826	8,471	(1,108)	8,189
Commitments and contingencies (Note 7)				
Equity				
Contributed capital	1,547	—	—	1,547
Accumulated earnings	61	—	—	61
Net unrealized losses on investments and foreign currency transactions	(33)	—	—	(33)
Non-controlling interests in Consolidated IHAM Vehicles	—	1,095	(1,258)	(163)
Total equity	1,575	1,095	(1,258)	1,412
Total liabilities and equity	\$ 2,401	\$ 9,566	\$ (2,366)	\$ 9,601

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
(in millions, except percentages and as otherwise indicated)

	As of December 31, 2021			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Assets				
Investments at fair value	\$ 966	\$ —	\$ (927)	\$ 39
Cash and cash equivalents	8	—	—	8
Management fee receivable	8	—	(6)	2
Other assets	4	—	(2)	2
<i>Assets of Consolidated IHAM Vehicles</i>				
Investments at fair value	—	5,510	—	5,510
Cash and cash equivalents	—	416	—	416
Interest receivable	—	19	—	19
Other assets	—	60	—	60
Total assets	\$ 986	\$ 6,005	\$ (935)	\$ 6,056
Liabilities				
Debt	\$ 125	\$ —	\$ —	\$ 125
Subordinated note from Ares Capital Corporation	16	—	—	16
Accounts payable and other liabilities	2	—	—	2
<i>Liabilities of Consolidated IHAM Vehicles</i>				
Debt	—	4,656	—	4,656
Subordinated notes	—	983	(700)	283
Interest payable	—	20	—	20
Payables for open trades	—	62	—	62
Accounts payable and other liabilities	—	16	(9)	7
Total liabilities	143	5,737	(709)	5,171
Commitments and contingencies (Note 7)				
Equity				
Contributed capital	765	—	—	765
Accumulated earnings	78	—	—	78
Partners' capital	843	—	—	843
Non-controlling interests in Consolidated IHAM Vehicles	—	268	(226)	42
Total equity	843	268	(226)	885
Total liabilities and equity	\$ 986	\$ 6,005	\$ (935)	\$ 6,056

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
(in millions, except percentages and as otherwise indicated)

Consolidating Statements of Operations

	For the Year Ended December 31, 2022			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Revenues				
Investment income	\$ 188	\$ —	\$ (185)	\$ 3
Management fees and other income	49	—	(46)	3
<i>Revenues from Consolidated IHAM Vehicles</i>				
Investment income	—	594	—	594
Other income	—	7	—	7
Total revenues	<u>237</u>	<u>601</u>	<u>(231)</u>	<u>607</u>
Expenses				
Interest expense	35	—	—	35
Other expenses	14	—	—	14
<i>Expenses of Consolidated IHAM Vehicles</i>				
Interest expense	—	264	—	264
Distributions to subordinated notes	—	127	(95)	32
Management fees and other expenses	—	56	(46)	10
Total expenses	<u>49</u>	<u>447</u>	<u>(141)</u>	<u>355</u>
Net operating income	188	154	(90)	252
Other income (loss)				
Net unrealized losses on investments	(32)	—	31	(1)
Net unrealized losses on foreign currency and other transactions	(1)	—	—	(1)
<i>Other income (loss) from Consolidated IHAM Vehicles</i>				
Net realized losses on investments	—	(12)	—	(12)
Net unrealized losses on investments	—	(279)	—	(279)
Total other loss	<u>(33)</u>	<u>(291)</u>	<u>31</u>	<u>(293)</u>
Net income (loss)	155	(137)	(59)	(41)
Less: Net loss attributable to non-controlling interests in Consolidated IHAM Vehicles	—	(137)	(59)	(196)
Net income attributable to Ivy Hill Asset Management, L.P.	<u>\$ 155</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 155</u>

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
(in millions, except percentages and as otherwise indicated)

	For the Year Ended December 31, 2021			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Revenues				
Investment income	\$ 97	\$ —	\$ (93)	\$ 4
Management fees and other income	31	—	(28)	3
<i>Revenues from Consolidated IHAM Vehicles</i>				
Investment income	—	285	—	285
Other income	—	7	—	7
Total revenues	128	292	(121)	299
Expenses				
Interest expense	5	—	—	5
Other expenses	12	—	—	12
<i>Expenses of Consolidated IHAM Vehicles</i>				
Interest expense	—	100	—	100
Distributions to subordinated notes	—	135	(101)	34
Management fees and other expenses	—	38	(28)	10
Total expenses	17	273	(129)	161
Net operating income	111	19	8	138
<i>Other income (loss)</i>				
Net realized losses on investments	(6)	—	7	1
Net unrealized gains on investments	18	—	(15)	3
<i>Other income (loss) from Consolidated IHAM Vehicles</i>				
Net realized losses on investments	—	(9)	—	(9)
Realized gain on extinguishment of debt	—	89	(35)	54
Net unrealized gains on investments	—	91	—	91
Total other income	12	171	(43)	140
Net income	123	190	(35)	278
Less: Net income attributable to non-controlling interests in Consolidated IHAM Vehicles	—	190	(35)	155
Net income attributable to Ivy Hill Asset Management, L.P.	\$ 123	\$ —	\$ —	\$ 123

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
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	For the Year Ended December 31, 2020			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Revenues				
Investment income	\$ 79	\$ —	\$ (78)	\$ 1
Management fees and other income	28	—	(26)	2
<i>Revenues from Consolidated IHAM Vehicles</i>				
Investment income	—	288	—	288
Other income	—	7	—	7
Total revenues	107	295	(104)	298
Expenses				
Interest expense	8	—	—	8
Other expenses	12	—	—	12
<i>Expenses of Consolidated IHAM Vehicles</i>				
Interest expense	—	119	—	119
Distributions to subordinated notes	—	113	(79)	34
Management fees and other expenses	—	33	(26)	7
Total expenses	20	265	(105)	180
Net operating income	87	30	1	118
Other income (loss)				
Net realized losses on investments	(4)	—	—	(4)
Net unrealized losses on investments	(7)	—	6	(1)
<i>Other income (loss) from Consolidated IHAM Vehicles</i>				
Realized gain on extinguishment of debt	—	50	—	50
Net unrealized losses on investments	—	(26)	—	(26)
Total other income (loss)	(11)	24	6	19
Net income	76	54	7	137
Less: Net income attributable to non-controlling interests in Consolidated IHAM Vehicles	—	54	7	61
Net income attributable to Ivy Hill Asset Management, L.P.	\$ 76	\$ —	\$ —	\$ 76

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
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Consolidating Statements of Cash Flows

	For the Year Ended December 31, 2022			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Cash flows from operating activities:				
Net income (loss)	\$ 155	\$ (137)	\$ (59)	\$ (41)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Net unrealized losses on investments, foreign currency and other transactions	33	—	(31)	2
Net accretion of investments	(1)	—	—	(1)
Allocable to non-controlling interests in Consolidated IHAM Vehicles:				
Net realized losses on investments and foreign currency transactions	—	12	—	12
Net unrealized losses on investments, foreign currency and other transactions	—	279	—	279
Amortization of debt costs	—	6	—	6
Amortization on investments	—	(16)	—	(16)
Payment-in-kind interest	—	(7)	—	(7)
Purchases of investments	—	(5,062)	—	(5,062)
Proceeds from sale or paydown of investments	—	1,318	—	1,318
Changes in operating assets and liabilities:				
Management fees receivable	(6)	—	6	—
Accounts payable and other liabilities	(25)	—	37	12
Cash flows due to changes in other assets and liabilities allocable to non-controlling interests in Consolidated IHAM Vehicles:				
Change in other assets and receivables of the Consolidated IHAM Vehicles	—	(51)	—	(51)
Change in other liabilities and payables of the Consolidated IHAM Vehicles	—	75	(6)	69
Net cash provided by (used in) operating activities	<u>156</u>	<u>(3,583)</u>	<u>(53)</u>	<u>(3,480)</u>
Cash flows from investing activities:				
Purchases of investments	(1,427)	—	1,421	(6)
Proceeds from repayments or sales of investments	24	—	(3)	21
Net cash provided by (used in) investing activities	<u>(1,403)</u>	<u>—</u>	<u>1,418</u>	<u>15</u>
Cash flows from financing activities:				
Borrowings on debt	1,009	—	—	1,009
Repayments of debt	(340)	—	—	(340)
Debt issuance costs	(2)	—	—	(2)
Capital contributions	782	—	—	782
Distributions	(205)	—	—	(205)
Allocable to non-controlling interests in Consolidated IHAM Vehicles				
Borrowings on debt and subordinated notes	—	3,174	(392)	2,782
Repayments of debt and subordinated notes	—	(472)	—	(472)
Capital contributions	—	1,029	(1,029)	—
Distributions	—	(65)	56	(9)
Net cash provided by financing activities	<u>1,244</u>	<u>3,666</u>	<u>(1,365)</u>	<u>3,545</u>
Net change in cash and cash equivalents	(3)	83	—	80
Cash and cash equivalents, beginning of period	8	416	—	424
Cash and cash equivalents, end of period	<u>\$ 5</u>	<u>\$ 499</u>	<u>\$ —</u>	<u>\$ 504</u>
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest by Ivy Hill Asset Management, L.P.	\$ 22	\$ —	\$ —	\$ 22
Cash paid during the period for interest by the Consolidated IHAM Vehicles	\$ —	\$ 187	\$ —	\$ 187

Ivy Hill Asset Management, L.P.
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	For the Year Ended December 31, 2021			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Cash flows from operating activities:				
Net income	\$ 123	\$ 191	\$ (36)	\$ 278
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Net realized losses on investments and foreign currency transactions	6	—	(7)	(1)
Net unrealized gains on investments and foreign currency transactions	(18)	—	15	(3)
Net accretion of investments	(2)	—	—	(2)
Allocable to non-controlling interests in Consolidated IHAM Vehicles:				
Net realized losses on investments and foreign currency transactions	—	9	—	9
Net unrealized gains on investments and foreign currency transactions	—	(91)	—	(91)
Realized gain on extinguishment of debt	—	(89)	35	(54)
Amortization of debt costs	—	2	—	2
Amortization on investments	—	(12)	—	(12)
Payment-in-kind interest	—	(11)	—	(11)
Purchases of investments	—	(3,881)	—	(3,881)
Proceeds from sale or paydown of investments	—	2,745	—	2,745
Changes in operating assets and liabilities:				
Management fees receivable	(1)	—	—	(1)
Accounts payable and other liabilities	(1)	—	2	1
Cash flows due to changes in other assets and liabilities allocable to non-controlling interests in Consolidated IHAM Vehicles:				
Change in other assets and receivables of the Consolidated IHAM Vehicles	—	(30)	—	(30)
Change in other liabilities and payables of the Consolidated IHAM Vehicles	—	2	—	2
Net cash provided by (used in) operating activities	<u>107</u>	<u>(1,165)</u>	<u>9</u>	<u>(1,049)</u>
Cash flows from investing activities:				
Purchases of investments	(544)	—	486	(58)
Proceeds from repayments or sales of investments	245	—	(203)	42
Net cash used in investing activities	<u>(299)</u>	<u>—</u>	<u>283</u>	<u>(16)</u>
Cash flows from financing activities:				
Borrowings on debt	263	—	—	263
Repayments of debt	(271)	—	—	(271)
Capital contributions	296	—	—	296
Distributions	(93)	—	—	(93)
Allocable to non-controlling interests in Consolidated IHAM Vehicles				
Borrowings on debt and subordinated notes	—	2,906	(190)	2,716
Repayments of debt and subordinated notes	—	(2,116)	190	(1,926)
Capital contributions	—	296	(296)	—
Distributions	—	(13)	4	(9)
Net cash provided by financing activities	<u>195</u>	<u>1,073</u>	<u>(292)</u>	<u>976</u>
Net change in cash and cash equivalents	3	(92)	—	(89)
Cash and cash equivalents, beginning of period	5	508	—	513
Cash and cash equivalents, end of period	<u>\$ 8</u>	<u>\$ 416</u>	<u>\$ —</u>	<u>\$ 424</u>
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest by Ivy Hill Asset Management, L.P.	\$ 5	\$ —	\$ —	\$ 5
Cash paid during the period for interest by the Consolidated IHAM Vehicles	\$ —	\$ 100	\$ —	\$ 100

Ivy Hill Asset Management, L.P.
Notes to the Consolidated Financial Statements
(in millions, except percentages and as otherwise indicated)

	For the Year Ended December 31, 2020			
	Partnership	Consolidated IHAM Vehicles	Eliminations	Consolidated
Cash flows from operating activities:				
Net income	\$ 76	\$ 54	\$ 7	\$ 137
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Net realized losses on investments and foreign currency transactions	4	—	—	4
Net unrealized losses on investments and foreign currency transactions	7	—	(6)	1
Allocable to non-controlling interests in Consolidated IHAM Vehicles:				
Net unrealized losses on investments and foreign currency transactions	—	26	—	26
Realized gain on extinguishment of debt	—	(50)	—	(50)
Amortization on investments	—	(13)	—	(13)
Payment-in-kind interest	—	(7)	—	(7)
Purchases of investments	—	(1,666)	—	(1,666)
Proceeds from sale or paydown of investments	—	1,453	—	1,453
Changes in operating assets and liabilities:				
Management fees receivable	(1)	—	—	(1)
Accounts payable and other liabilities	(2)	—	—	(2)
Cash flows due to changes in other assets and liabilities allocable to non-controlling interests in Consolidated IHAM Vehicles:				
Change in other assets and receivables of the Consolidated IHAM Vehicles	—	(2)	—	(2)
Change in other liabilities and payables of the Consolidated IHAM Vehicles	—	(8)	—	(8)
Net cash provided by (used in) operating activities	<u>84</u>	<u>(213)</u>	<u>1</u>	<u>(128)</u>
Cash flows from investing activities:				
Purchases of investments	(547)	—	268	(279)
Proceeds from repayments or sales of investments	343	—	(68)	275
Net cash provided by (used in) investing activities	<u>(204)</u>	<u>—</u>	<u>200</u>	<u>(4)</u>
Cash flows from financing activities:				
Borrowings on debt	235	—	—	235
Repayments of debt	(85)	—	—	(85)
Capital contributions	25	—	—	25
Distributions	(74)	—	—	(74)
Allocable to non-controlling interests in Consolidated IHAM Vehicles				
Borrowings on debt and subordinated notes	—	886	(260)	626
Repayments of debt and subordinated notes	—	(402)	56	(346)
Distributions	—	(10)	3	(7)
Net cash provided by financing activities	<u>101</u>	<u>474</u>	<u>(201)</u>	<u>374</u>
Net change in cash and cash equivalents	(19)	261	—	242
Cash and cash equivalents, beginning of period	23	248	—	271
Cash and cash equivalents, end of period	<u>\$ 4</u>	<u>\$ 509</u>	<u>\$ —</u>	<u>\$ 513</u>
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest by Ivy Hill Asset Management, L.P.	\$ 7	\$ —	\$ —	\$ 7
Cash paid during the period for interest by the Consolidated IHAM Vehicles	\$ —	\$ 107	\$ —	\$ 107

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10. MARKET AND OTHER RISK FACTORS

Due to the nature of the investment strategy of the Partnership and the Consolidated IHAM Vehicles, the investment portfolio held by the Partnership and the Consolidated IHAM Vehicles is subject to market, credit and other risk factors, including, but not limited to, the following:

Market Disruption Risk

Significant changes or volatility in the capital markets may cause the fair value of investments to fluctuate significantly over the life of the investments, which may have a negative effect on the valuations of the investments held by the Partnership and the Consolidated IHAM Vehicles. Investments may decline in value due to factors affecting the securities markets generally or particular industries. The value of an investment may decline due to general market conditions which are not specifically related to such investment, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, impacts from global exogenous events (such as the novel COVID-19 pandemic and the war between Russia and Ukraine), the recent bank failures (as further described under “Liquidity Risk”) and concerns over increasing inflation or adverse investor sentiment generally. Investments may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. These factors are outside of the Partnership’s and the Consolidated IHAM Vehicles’ control and may impact the level of volatility of investment values, as well as the liquidity of investments. While most of the investments held by the Partnership and the Consolidated IHAM Vehicles are illiquid and not intended to be traded, applicable accounting standards require IHAM to assume as part of the valuation process that the investments held by the Partnership and the Consolidated IHAM Vehicles are sold in a principal market to market participants (even if IHAM plans on holding an investment held by the Partnership and the Consolidated IHAM Vehicles through its maturity). Significant changes in the capital markets may also affect the pace of investment activity and the potential for liquidity events involving the investments held by the Partnership and the Consolidated IHAM Vehicles.

Credit Risk

The Partnership and the Consolidated IHAM Vehicles invest in leveraged loan funds, term loans, delayed draw term loans and revolving loans. A majority of the investments held by the Partnership and the Consolidated IHAM Vehicles are subject to restrictions on their resale or are otherwise illiquid. The Partnership and the Consolidated IHAM Vehicles place its cash with financial institutions and, at times, cash held in the checking, money market and repurchase accounts may be in excess of the Federal Deposit Insurance Corporation insured limit.

The Partnership may also invest in CLOs of the Consolidated IHAM Vehicles. CLOs issue securities in tranches (“CLO Securities”) with different payment characteristics. The riskiest portion of the capital structure of a CLO is the subordinated (or residual) tranche, which bears the bulk of defaults from the loans in the CLO and serves to protect the other, more senior tranches from default in all but the most severe circumstances. The risks of an investment in a CLO depend largely on the collateral and the tranche of the CLO in which the Partnership invests.

Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a CLO, holders of more senior tranches would typically be entitled to receive payment in full before the Partnership receives any distribution. After repaying such senior creditors, such CLO may not have any remaining assets to use for repaying its obligation to the Partnership. In the case of tranches ranking equally with the tranches in which the Partnership invests, the Partnership would have to share on an equal basis any distributions with other creditors holding such securities. Therefore, the Partnership may not receive back the full amount of its investment in a CLO.

Payments to holders of CLO Securities may be subject to deferral. If cash flows generated by the underlying assets are insufficient to make all current and, if applicable, deferred payments on CLO Securities, no other assets will be available for payment of the deficiency and, following realization of the underlying assets, the obligations of the Borrower of the related CLO Securities to pay such deficiency will be extinguished.

The market value of CLO Securities may be affected by, among other things, changes in the market value of the underlying assets held by the CLO, changes in the distributions on the underlying assets, defaults and recoveries on the underlying assets, capital gains and losses on the underlying assets, prepayments on underlying assets and the availability, prices and interest rate of underlying assets. Furthermore, the leveraged nature of each subordinated class may magnify the

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adverse impact on such class of changes in the value of the assets, changes in the distributions on the assets, defaults and recoveries on the assets, capital gains and losses on the assets, prepayment on assets and availability, price and interest rates of assets. Finally, CLO Securities are limited recourse, and may not be paid in full and may be subject to up to 100% loss.

Interest Rate Risk

General interest rate fluctuations may have a substantial negative impact on the investments held by the Partnership and the Consolidated IHAM Vehicles and investment opportunities and, accordingly, may have a material adverse effect on the Partnership's and the Consolidated IHAM Vehicles' investment objective and its net income. To the extent the Partnership and the Consolidated IHAM Vehicles borrow money to make investments, the Partnership's and the Consolidated IHAM Vehicles' net income is dependent upon the difference between the rate at which the Partnership and the Consolidated IHAM Vehicles borrow funds and the rate at which the Partnership and the Consolidated IHAM Vehicles invest these funds. If market rates decrease, the Partnership and the Consolidated IHAM Vehicles may earn less interest income from investments made during such lower rate environment. There can be no assurance that a significant change in market interest rates will not have a material adverse effect on the Partnership's and the Consolidated IHAM Vehicles' net income.

LIBOR Rate Risk

National and international regulators and law enforcement agencies have conducted investigations into a number of rates or indices that are deemed to be "reference rates." Actions by such regulators and law enforcement agencies may result in changes to the manner in which certain reference rates are determined, their discontinuance, or the establishment of alternative reference rates. In particular, on July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. As of the date of these financial statements, USD LIBOR is available in five settings (overnight, one-month, three-month, six-month and 12-month). The ICE Benchmark Administration has stated that it will cease to publish all remaining USD LIBOR settings immediately following their publication on June 30, 2023, absent subsequent action by the relevant authorities. As of January 1, 2022, all non-USD LIBOR reference rates in all settings ceased to be published. There can be no assurance that non-USD synthetic LIBOR or USD LIBOR will remain available in the future.

The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee (the "ARRC"), a steering committee comprised of large U.S. financial institutions, has identified SOFR as its preferred alternative rate for LIBOR. On December 6, 2021, the ARRC released a statement selecting and recommending forms of SOFR, along with associated spread adjustments and conforming changes, to replace references to 1-week and 2-month USD LIBOR. IHAM expects that a substantial portion of its future floating rate investments will be linked to SOFR. At this time, it is not possible to predict the effect of the transition to SOFR. Although there have been an increasing number of issuances utilizing SOFR or the Sterling Over Night Index Average (the GBP-LIBOR nominated replacement alternative reference rate that is based on transactions), it is unknown whether SOFR or any other alternative reference rates will attain market acceptance as replacements for LIBOR.

Given the inherent differences between LIBOR and SOFR, or any other alternative reference rates that may be established, the transition from LIBOR may disrupt the overall financial markets and adversely affect the market for LIBOR-based securities, including the portfolios of loan investments held by the Partnership and the Consolidated IHAM Vehicles of LIBOR indexed, floating rate debt securities, or the cost of the debt obligations of the Partnership and the Consolidated IHAM Vehicles. In addition, changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR based securities, including the value and/or transferability of the LIBOR indexed, floating rate investments held by the Partnership and the Consolidated IHAM Vehicles, or the cost of the debt obligations of the Partnership and the Consolidated IHAM Vehicles. Additionally, if as currently expected LIBOR ceases to exist, IHAM may need to renegotiate the relevant credit agreements extending beyond June 30, 2023 with the Partnership's and the Consolidated IHAM Vehicles' lenders and the Partnership's and the Consolidated IHAM Vehicles' portfolio companies that utilize LIBOR as a factor in determining the interest rate to replace LIBOR with SOFR or other alternative reference rates, which could require the Partnership or the Consolidated IHAM Vehicles to incur significant time and expense and may subject the Partnership or the Consolidated IHAM Vehicles to disputes or litigation over the appropriateness or comparability to the relevant replacement reference index.

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Regulatory Risk

The Partnership and the Consolidated IHAM Vehicles are subject to certain legal proceedings, from time to time, in the ordinary course of business. From time to time, the Partnership and the Consolidated IHAM Vehicles may, in the ordinary course of business, be named as defendants in litigation arising from their respective investments and may, as a result, incur significant costs and expenses in connection with such litigation. The Partnership and the Consolidated IHAM Vehicles are also subject to extensive regulation, which may result in regulatory proceedings or investigations against the Partnership and the Consolidated IHAM Vehicles. While the outcome of any such future legal or regulatory proceedings cannot be predicted with certainty, IHAM is not expected that any such future proceedings will have a material effect upon the Partnership's and the Consolidated IHAM Vehicles' financial condition or results of operations.

Liquidity Risk

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems which in turn can create significant volatility in the financial markets. For example, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation ("FDIC") as the receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each placed into receivership. Although a statement by the Department of the Treasury, the U.S. Federal Reserve and the FDIC indicated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit and certain other financial instruments with SVB, Signature Bank or any other financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts thereunder. The Partnership and the Consolidated IHAM Vehicles are not borrowers or parties to any such instruments with SVB, Signature Bank or any other financial institution currently in receivership, however, if any of our lenders or counterparties to any such instruments were to be placed into receivership, the Partnership or the Consolidated IHAM Vehicles may be unable to access such funds or suffer other adverse actions. If any of the Partnership's and the Consolidated IHAM Vehicles' portfolio companies are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to pay their obligations to the Partnership or the Consolidated IHAM Vehicles could be adversely affected. IHAM is unable to predict how any increased volatility caused by the events described above may impact the Partnership or the Consolidated IHAM Vehicles.

11. SUBSEQUENT EVENTS

IHAM evaluated all events or transactions that occurred after December 31, 2022 through the date the consolidated financial statements were issued. There were no subsequent events that occurred during such period that would require disclosure in these consolidated financial statements as of and for the year ended December 31, 2022.