

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

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2021
- 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

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, 2021, based on the closing price on that date of \$19.59 on The NASDAQ Global Select Market, was approximately \$8,659,785,910. As of February 2, 2022, there were 478,883,014 shares of the registrant's common stock outstanding.

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

ARES CAPITAL CORPORATION

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PART I

Item 1. Business

GENERAL

Ares Capital Corporation

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 a specialty finance company that is a closed-end, non-diversified management investment company. We have elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, the “Investment Company Act.” We were founded on April 16, 2004, were initially funded on June 23, 2004 and completed our initial public offering (“IPO”) on October 8, 2004. As of December 31, 2021, we were the largest publicly traded BDC by market capitalization in the United States with approximately \$20.8 billion of total assets.

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

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in U.S. middle-market companies, where we believe the supply of primary capital is limited and the investment opportunities are most attractive. However, we may from time to time invest in larger or smaller companies. We generally use the term “middle-market” to refer to companies with annual EBITDA between \$10 million and \$250 million. As used herein, EBITDA represents net income before net interest expense, income tax expense, depreciation and amortization.

We invest primarily in first lien senior secured loans (including “unitranche” loans, which are loans that combine both senior and subordinated debt, generally in a first lien position), and second lien senior secured loans. In addition to senior secured loans, we also invest in subordinated debt (sometimes referred to as mezzanine debt), which in some cases includes an equity component, and preferred equity. First and second lien senior secured loans generally are senior debt instruments that rank ahead of subordinated debt of a given portfolio company. Subordinated debt and preferred equity are subordinated to senior loans and are generally unsecured. Our investments in corporate borrowers generally range between \$30 million and \$500 million each. However, the investment sizes may be more or less than these ranges and may vary based on, among other things, our capital availability, the composition of our portfolio and general micro- and macro-economic factors.

To a lesser extent, we also make common equity investments, which have generally been non-control equity investments of less than \$20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments.

The proportion of these types of investments will change over time given our views on, among other things, the economic and credit environment in which we are operating. In pursuit of our investment objective we generally seek to self-originate investments and lead the investment process.

The instruments in which we invest typically are not rated by any rating agency, but we believe that if such instruments were rated, they would be below investment grade (rated lower than “Baa3” by Moody’s Investors Service, lower than “BBB-” by Fitch Ratings or lower than “BBB-” by Standard & Poor’s Ratings Services), which, under the guidelines established by these entities, is an indication of having predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as “high yield bonds” or “junk bonds.” We may invest without limit in debt or other securities of any rating, as well as debt or other securities that have not been rated by any nationally recognized statistical rating organization.

We believe that our investment adviser, Ares Capital Management, is able to leverage the current investment platform, resources and existing relationships of Ares Management with financial sponsors, financial institutions, hedge funds and other investment firms to provide us with attractive investment opportunities. For purposes of this document, we refer to Ares Management and its affiliated companies (other than portfolio companies of its affiliated funds) as “Ares.” In addition to deal flow, the Ares investment platform assists our investment adviser in analyzing, structuring and monitoring investments. Ares has been in existence for over 20 years and its partners have an average of approximately 25 years of experience in leveraged

finance, private equity, distressed debt, commercial real estate finance, investment banking and capital markets. We have access to Ares' investment professionals and administrative professionals, who provide assistance in accounting, finance, legal, compliance, operations, information technology and investor relations. As of December 31, 2021, Ares had over 750 investment professionals and over 1,350 administrative professionals.

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

Ares Management Corporation

Ares is a publicly traded, leading global alternative investment manager. As of December 31, 2021, Ares had over 2,100 employees in over 40 offices in more than 15 countries. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its distinct but complementary investment groups in credit, private equity, real estate, secondary solutions and strategic initiatives is a market leader based on assets under management and investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole.

Ares Capital Management LLC

Ares Capital Management, our investment adviser, is served by an origination, investment and portfolio management team of approximately 145 U.S.-based investment professionals as of December 31, 2021 and led by certain partners of the Ares Credit Group: Kipp deVeer, Mitchell Goldstein and Michael Smith. Ares Capital Management leverages off of Ares' investment platform and benefits from the significant capital markets, trading and research expertise of Ares' investment professionals. Ares Capital Management's investment committee has nine members primarily comprised of certain of the U.S.-based partners of the Ares Credit Group.

MARKET OPPORTUNITY

We believe that current market conditions present attractive opportunities for us to invest in middle-market companies, specifically:

- We believe that many commercial and investment banks have de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital markets transactions. In addition, these lenders may be constrained in their ability to underwrite and hold bank loans and high yield securities for middle-market issuers as they seek to meet existing and future regulatory capital requirements. These factors may result in opportunities for alternative funding sources to middle-market companies and therefore more new-issue market opportunities for us.
- We believe the disruption and volatility that occurs periodically in the credit markets reduces capital available to certain capital providers, causing a reduction in competition. Furthermore, in our view, the stable capital solutions provided by direct lenders is increasingly valuable and, as a result, widens the market opportunity for direct lending.
- We believe that there is a lack of market participants that are willing to hold meaningful amounts of certain middle-market loans. As a result, we believe our ability to minimize syndication risk for a company seeking financing by being able to hold our loans without having to syndicate or sell them is a competitive advantage.
- We believe that middle-market companies have faced difficulty in raising debt through the capital markets. This approach to financing may become more difficult to the extent institutional investors seek to invest in larger, more liquid offerings, leaving less competition and fewer financing alternatives for middle-market companies.
- We believe there is a large pool of un-invested private equity capital for middle-market businesses. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and subordinated debt from other sources such as us.

- We believe the middle-market represents a significant portion of the overall economy, and exhibits healthy demand for capital. In addition, due to the fragmented nature of the middle-market and the lack of publicly available information, we believe direct lenders have an opportunity to originate and underwrite investments with more favorable terms, including stronger covenant and reporting packages, as well as better call protection and change of control provisions as compared to the large, broadly syndicated loan market.

COMPETITIVE ADVANTAGES

We believe that we have the following competitive advantages over other capital providers to middle-market companies:

The Ares Platform

Ares operates integrated groups across credit, private equity, real estate, secondary solutions and strategic initiatives. We believe our affiliation with Ares provides a distinct competitive advantage through Ares' originations, due diligence and marketing activities. In particular, we believe that the Ares platform provides us with an advantage through its deal flow generation and investment evaluation process. Ares' asset management platform also provides additional market information, company knowledge and industry insight that benefit our investment and due diligence process. Ares' professionals maintain extensive financial sponsor and intermediary relationships, which provide valuable insight and access to transactions and information.

Seasoned Investment Team

The investment professionals in the Ares Credit Group and members of our investment adviser's investment committee have significant experience investing across market cycles. This experience provides us with a competitive advantage in identifying, originating, investing in and managing a portfolio of investments in middle-market companies.

Broad Origination Strategy

We focus on self-originating most of our investments by pursuing a broad array of investment opportunities in middle-market companies. We also leverage off of the extensive relationships of the broader Ares platform, including relationships with the portfolio companies in the IHAM Vehicles (as defined below), to identify investment opportunities. Additionally, our size and scale provide the opportunity to source attractive investments in some of our existing portfolio companies. Collectively, we believe these advantages allow for enhanced asset selectivity as we believe there is a significant relationship between proprietary deal origination and credit performance. We believe that this allows for asset selectivity and that there is a significant relationship between proprietary deal origination and credit performance. We believe that our focus on generating proprietary deal flow and lead investing also gives us greater control over capital structure, deal terms, pricing and documentation and enables us to actively manage our portfolio investments. Moreover, by leading the investment process, we are often able to secure controlling positions in credit tranches, thereby providing additional control in investment outcomes. We also have originated substantial proprietary deal flow from middle-market intermediaries, which often allows us to act as the sole or principal source of institutional capital to the borrower.

Scale and Flexible Transaction Structuring

We believe that being one of the largest BDCs makes us a more desirable and flexible capital provider, especially in competitive markets. We are flexible with the types of investments we make and the terms associated with those investments. We believe this approach and experience enables our investment adviser to identify attractive investment opportunities throughout economic cycles and across a company's capital structure so we can make investments consistent with our stated investment objective and preserve principal while seeking appropriate risk adjusted returns. In addition, we have the flexibility to provide "one stop" financing with the ability to invest capital across the balance sheet and syndicate and hold larger investments than many of our competitors. We believe that the ability to underwrite, syndicate and hold larger investments benefits our stockholders by (a) potentially increasing net income and earnings through leadership of the investment process and making commitments in excess of our final investment, (b) increasing originated deal flow flexibility, (c) broadening market relationships and deal flow, (d) allowing us to optimize our portfolio composition and (e) allowing us to provide capital to a broader spectrum of middle-market companies, which we believe currently have limited access to capital from traditional lending sources. In addition, we believe that the ability to provide capital at every level of the balance sheet provides a strong value proposition to middle-market borrowers which supports meaningful deal sourcing and relative value analysis capabilities.

Experience with and Focus on Middle-Market Companies

Ares has historically focused on investments in middle-market companies and we benefit from this experience. In sourcing and analyzing deals, our investment adviser benefits from Ares' extensive network of relationships focused on middle-market companies, including management teams, members of the investment banking community, private equity groups and other investment firms with whom Ares has had long-term relationships. We believe this network enables us to identify well-positioned prospective portfolio company investments. The Ares Credit Group works closely with Ares' other investment professionals. As of December 31, 2021, Ares oversaw a portfolio of investments in over 3,100 companies, over 925 alternative credit investments and over 470 properties across over 60 industries, which provides access to an extensive network of relationships and insights into industry trends and the state of the capital markets.

Disciplined Investment Philosophy

In making its investment decisions, our investment adviser has adopted Ares' long-standing, consistent, credit-based investment approach that was developed over 20 years ago by its founders. Specifically, our investment adviser's investment philosophy, portfolio construction and portfolio management involve an assessment of the overall macroeconomic environment and financial markets and company-specific research and analysis. Its investment approach emphasizes capital preservation, low volatility and minimization of downside risk. In addition to engaging in extensive due diligence from the perspective of a long-term investor, our investment adviser's approach seeks to reduce risk in investments by focusing on:

- businesses with strong franchises and sustainable competitive advantages;
- industries with positive long-term dynamics;
- businesses and industries with cash flows that are dependable and predictable;
- management teams with demonstrated track records and appropriate economic incentives;
- rates of return commensurate with the perceived risks;
- securities or investments that are structured with appropriate terms and covenants; and
- businesses backed by experienced private equity sponsors.

Extensive Industry Focus

We seek to concentrate our investing activities in industries with a history of predictable and dependable cash flows and in which the Ares investment professionals have had extensive investment experience. Ares investment professionals have developed long-term relationships with management teams and management consultants in over 60 industries, and have accumulated substantial information and identified potential trends within these industries. In turn, we benefit from these relationships, information and identification of potential trends in making investments.

OPERATING AND REGULATORY STRUCTURE

Our investment activities are managed by our investment adviser and supervised by our board of directors, a majority of whom are independent of Ares and its affiliates. Our investment adviser is registered under the Investment Advisers Act of 1940, or the "Advisers Act." Under our Second Amended and Restated Investment Advisory and Management Agreement with Ares Capital Management, referred to herein as our "investment advisory and management agreement," we have agreed to pay our investment adviser base management fees based on our total assets, as defined under the Investment Company Act (other than cash and cash equivalents, but including assets purchased with borrowed funds) ("base management fees"), fees based on our net investment income ("income based fees") and fees based on our net capital gains ("capital gains incentive fees"). See "Investment Advisory and Management Agreement." Ares Operations provides us with certain administrative and other services necessary for us to operate pursuant to an Amended and Restated Administration Agreement, referred to herein as our "administration agreement." See "Administration Agreement."

We have elected to be regulated as a BDC under the Investment Company Act and have elected to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"). As with other companies regulated by the Investment Company Act, we are required to comply with certain substantive regulatory requirements. For example, we are not generally permitted to co-invest in any portfolio company in which a fund managed by

Ares or any of its downstream affiliates (other than us and our downstream affiliates) is also co-investing. On January 18, 2017, we received an order from the Securities and Exchange Commission (the “SEC”) that permits us and other BDCs and registered closed-end management investment companies managed by Ares to co-invest in portfolio companies with each other and with affiliated investment funds (the “Co-investment Exemptive Order”). Co-investments made under the Co-investment Exemptive Order are subject to compliance with certain conditions and other requirements, which could limit our ability to participate in a co-investment transaction. In addition, we are relying on a conditional exemptive order issued by the SEC on April 8, 2020 (the “Exemptive Relief”) that permits a BDC with an effective Co-investment Exemptive Order to allow an affiliated investment fund to participate in a follow-on investment in a portfolio company where such affiliated investment fund is not already invested. Although this relief expired on December 31, 2020, on January 5, 2021, the SEC stated that until March 31, 2022, it will not recommend enforcement action against any BDC with an existing co-investment order that relies on the Exemptive Relief. We may also otherwise co-invest with funds managed by Ares or any of its downstream affiliates, subject to compliance with existing regulatory guidance, applicable regulations and our allocation procedures. There can be no guarantee that the Co-investment Exemptive Order will be further extended.

Also, while we may borrow funds to make investments, our ability to use debt is limited in certain significant aspects. See “Regulation.” In particular, because we obtained the required approvals under Section 61(a)(2) of the Investment Company Act, we must have at least 150% asset coverage calculated pursuant to the Investment Company Act in order to incur debt or issue preferred stock (which we refer to collectively as “senior securities”) (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources.”

As of December 31, 2021, our asset coverage was 179%.

In addition, as a consequence of our being a RIC under the Code, for U.S. federal income tax purposes, our asset growth is dependent on our ability to raise equity capital through the issuance of common stock. RICs generally must distribute substantially all of their investment company taxable income (as defined under the Code) to stockholders as dividends in order to preserve their status as a RIC and not to be subject to additional U.S. federal corporate-level income taxes. This requirement, in turn, generally prevents us from using our earnings to support our operations, including making new investments.

INVESTMENTS

Ares Capital Corporation Portfolio

We have built an investment portfolio of primarily first and second lien senior secured loans, subordinated debt, preferred equity and, to a lesser extent, common equity investments in private middle-market companies. Our portfolio is well diversified by industry sector and its concentration to any single issuer is limited.

Our debt investments in corporate borrowers generally range between \$30 million and \$500 million each. However, the sizes of our investments may be more or less than these ranges and may vary based on, among other things, our capital availability, the composition of our portfolio and general micro- and macro-economic factors.

Our common equity investments have generally been non-control equity investments of less than \$20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments.

The proportion of these types of investments will change over time given our views on, among other things, the economic and credit environment in which we are operating. In pursuit of our investment objective we generally seek to self-originate investments and lead the investment process, which may result in us making commitments with respect to indebtedness or securities of a potential portfolio company in excess of our expected final hold size. In such situations, while we may initially agree to fund up to a certain dollar amount of an investment, we may subsequently syndicate or sell a portion of such amount (including, without limitation, to vehicles managed by our portfolio company, IHAM), such that we are left with a smaller investment than what was reflected in our original commitment. In addition to originating investments, we may also acquire investments in the secondary market (including purchases of a portfolio of investments).

We make senior secured loans primarily in the form of first lien loans (including “unitranche” loans, which are loans that combine both senior and subordinated debt, generally in a first lien position) and second lien loans. Our senior secured loans generally have terms of three to 10 years and our subordinated debt investments generally have a term of up to 10 years. However, we may invest in loans and securities with any maturity or duration. In connection with our senior secured loans, we

generally receive a security interest in certain of the assets of the borrower and consequently such assets serve as collateral in support of the repayment of such senior secured loans. Senior secured loans are generally exposed to the least amount of credit risk because they typically hold a senior position with respect to scheduled interest and principal payments and security interests in assets of the borrower. In connection with our senior secured loans, we may be provided opportunities to invest in equity interests of the borrower, typically in the form of an equity co-investment. However, unlike subordinated debt, senior secured loans typically do not receive any stock, warrants to purchase stock or other yield enhancements. Senior secured loans may include both revolving lines of credit and term loans.

Structurally, subordinated debt usually ranks junior in priority of payment to senior secured loans and is often unsecured. However, subordinated debt ranks senior to preferred and common equity in a borrower's capital structure. Subordinated debt investments generally offer lenders fixed returns in the form of interest payments and will often provide lenders an opportunity to participate in the capital appreciation of a borrower, if any, through an equity interest. This equity interest typically takes the form of preferred equity, an equity co-investment and/or warrants. The preferred equity, equity co-investment and warrants (if any) associated with a subordinated debt investment typically allow lenders to receive repayment of their debt principal on an agreed upon amortization schedule or at maturity while retaining their equity interest in the borrower. Equity issued in connection with subordinated debt also may include a "put" feature, which permits the holder to sell its equity interest back to the borrower at a price determined through an agreed formula.

In making an equity investment, in addition to considering the factors discussed under "—Investment Selection" below, we also consider the anticipated timing of a liquidity event, such as a public offering, sale of the company or redemption of our equity securities.

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

Senior Direct Lending Program

We have established a joint venture with Varagon Capital Partners ("Varagon") to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle-market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. and other partners. The joint venture is called the Senior Direct Lending Program, LLC (d/b/a the "Senior Direct Lending Program" or the "SDLP"). In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. The SDLP may generally commit and hold individual loans of up to \$350 million. We may directly co-invest with the SDLP to accommodate larger transactions. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of ours and Varagon (with approval from a representative of each required).

We provide capital to the SDLP in the form of subordinated certificates (the "SDLP Certificates"), and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of December 31, 2021, we and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates. The SDLP Certificates pay a coupon equal to London Interbank Offered Rate ("LIBOR") plus a stated spread and also entitle the holders thereof to receive a portion of the excess cash flow from the loan portfolio, which may result in a return to the holders of the SDLP Certificates that is greater than the stated coupon. The SDLP Certificates are junior in right of payment to the senior notes and intermediate funding notes.

As of December 31, 2021, we and Varagon and its clients had agreed to make capital available to the SDLP of \$6.2 billion in the aggregate, of which \$1.4 billion is to be made available from us. We will continue to provide capital to the SDLP in the form of SDLP Certificates, and Varagon and its clients will provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. This capital will only be committed to the SDLP upon approval of transactions by the investment committee of the SDLP as discussed above.

For more information on the SDLP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Portfolio and Investment Activity—Senior Direct Lending Program" and Note 4 to our consolidated financial statements for the year ended December 31, 2021.

Ivy Hill Asset Management, L.P.

As of December 31, 2021, our portfolio company, Ivy Hill Asset Management, L.P. (“IHAM”), an asset management services company and an SEC-registered investment adviser, managed 20 vehicles and served as the sub-manager/sub-servicer for one other vehicle (such vehicles are collectively referred to as the “IHAM Vehicles”). As of December 31, 2021, IHAM had assets under management of approximately \$9.5 billion. As of December 31, 2021, the amortized cost and fair value of our investment in IHAM was \$781 million and \$936 million, respectively. In connection with IHAM’s registration as a registered investment adviser, on March 30, 2012, we received exemptive relief from the SEC allowing us to, subject to certain conditions, own directly or indirectly up to 100% of IHAM’s outstanding equity interests and make additional investments in IHAM. From time to time, IHAM or certain IHAM Vehicles may purchase investments from us or sell investments to us, in each case for a price equal to the fair market value of such investments determined at the time of such transactions.

Industry Composition

We generally seek to invest in companies in the industries in which Ares’ investment professionals have direct expertise. The industries in the table listed below are where we have focused our investing activities; however, we may invest in other industries if we are presented with attractive opportunities.

The industrial and geographic compositions of our portfolio at fair value as of December 31, 2021 and 2020 were as follows:

Industry	As of December 31,	
	2021	2020
Software & Services	21.9 %	15.1 %
Health Care Services	10.8	17.3
Commercial & Professional Services	9.2	8.0
Diversified Financials	7.5	6.0
Insurance Services	5.8	4.0
Investment Funds and Vehicles(1)	5.2	7.5
Capital Goods	4.8	5.1
Automobiles & Components	4.6	5.5
Power Generation	4.5	5.2
Consumer Durables & Apparel	4.4	6.3
Consumer Services	3.9	7.1
Retailing and Distribution	2.8	1.9
Media & Entertainment	2.2	0.5
Food & Beverage	2.2	2.2
Materials	2.0	1.7
Other	8.2	6.6
Check	100.0 %	100.0 %

- (1) Includes our investment in the SDLP, which had made first lien senior secured loans to 19 and 23 different borrowers as of December 31, 2021 and 2020, respectively. The portfolio companies in the SDLP are in industries similar to the companies in our portfolio.

Geographic Region	As of December 31,	
	2021	2020
West(1)	31.2 %	24.9 %
Midwest	27.9	26.0
Southeast	17.2	22.6
Mid-Atlantic	14.5	16.7
Northeast	4.8	7.1
International	4.4	2.7
Total	100.0 %	100.0 %

(1) Includes our investment in the SDLP, which represented 4.9% and 7.2% of the total investment portfolio at fair value as of December 31, 2021 and 2020, respectively.

As of December 31, 2021, loans on non-accrual status represented 0.8% and 0.5% of the total investments at amortized cost and at fair value, respectively. As of December 31, 2020, loans on non-accrual status represented 3.3% and 2.0% of the total investments at amortized cost and at fair value, respectively.

Since our IPO on October 8, 2004 through December 31, 2021, our exited investments resulted in an asset level realized gross internal rate of return to us of approximately 14% (based on original cash invested, net of syndications, of approximately \$36.6 billion and total proceeds from such exited investments of approximately \$46.9 billion). Internal rate of return is the discount rate that makes the net present value of all cash flows related to a particular investment equal to zero. Internal rate of return is gross of expenses related to investments as these expenses are not allocable to specific investments. Investments are considered to be exited when the original investment objective has been achieved through the receipt of cash and/or non-cash consideration upon the repayment of a debt investment or sale of an investment or through the determination that no further consideration was collectible and, thus, a loss may have been realized. Approximately 57% of these exited investments resulted in an asset level realized gross internal rate of return to us of 10% or greater.

Additionally, since our IPO on October 8, 2004 through December 31, 2021, our realized gains have exceeded our realized losses by approximately \$1.0 billion (excluding a one-time gain on the acquisition of Allied Capital Corporation (“Allied Capital”) in April 2010 (the “Allied Acquisition”) and realized gains/losses from the extinguishment of debt and other assets). For the same time period, our average annualized net realized gain rate was approximately 1.0% (excluding a one-time gain on the Allied Acquisition and realized gains/losses from the extinguishment of debt and other assets). Net realized gain/loss rates for a particular period are the amount of net realized gains/losses during such period divided by the average quarterly investments at amortized cost in such period.

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

INVESTMENT SELECTION

Ares’ investment philosophy was developed over 20 years ago and has remained consistent and relevant throughout a number of economic cycles. We are managed using a similar investment philosophy used by the investment professionals of Ares in respect of its other investment funds.

This investment philosophy involves, among other things:

- an assessment of the overall macroeconomic environment and financial markets and how such assessment may impact industry and asset selection;
- company-specific research and analysis; and
- with respect to each individual company, an emphasis on capital preservation, low volatility and minimization of downside risk.

The foundation of Ares' investment philosophy is intensive credit investment analysis, a portfolio management discipline based on both market technicals and fundamental value-oriented research, and diversification strategy. Ares also recognizes the importance of considering environmental, social and governance ("ESG") factors in the investment-decision making process in accordance with its ESG policy. We follow a rigorous investment process based on:

- a comprehensive analysis of issuer creditworthiness, including a quantitative and qualitative assessment of the issuer's business;
- an evaluation of management and its economic incentives;
- an analysis of business strategy and industry trends; and
- an in-depth examination of capital structure, financial results and projections.

We seek to identify those companies exhibiting superior fundamental risk-reward profiles and strong defensible business franchises while focusing on the relative value of the investment across the industry as well as for the specific company.

Intensive Due Diligence

The process through which an investment decision is made involves extensive research into the target company, its industry, its growth prospects and its ability to withstand adverse conditions. If the senior investment professional responsible for the potential transaction determines that an investment opportunity should be pursued, we will engage in an intensive due diligence process. Approximately 40-50% of the investments initially reviewed by us proceed to this phase. Though each transaction will involve a somewhat different approach, the regular due diligence steps generally undertaken include:

- meeting with the target company's management team to get a detailed review of the business, and to probe for potential weaknesses in business prospects;
- checking management's backgrounds and references;
- performing a detailed review of historical financial performance, including performance through various economic cycles, and the quality of earnings;
- reviewing both short and long term projections of the business, and sensitizing them for both upside and downside risk;
- visiting headquarters and company operations and meeting with top and middle-level executives;
- contacting customers and vendors to assess both business prospects and standard practices;
- conducting a competitive analysis, and comparing the issuer to its main competitors on an operating, financial, market share and valuation basis;
- researching the industry for historic growth trends and future prospects as well as to identify future exit alternatives (including available Wall Street research, industry association literature and general news);
- assessing asset value and the ability of physical infrastructure and information systems to handle anticipated growth; and
- investigating legal risks and financial and accounting systems.

Selective Investment Process

After an investment has been identified and preliminary diligence has been completed, a credit research and analysis report is prepared. This report is reviewed by the senior investment professional in charge of the potential investment. If such senior and other investment professionals are in favor of the potential investment, then it is first presented to the investment committee on a preliminary basis.

After the investment committee approves continued work on the potential investment, a more extensive due diligence process is employed by the transaction team. Additional due diligence with respect to any investment may be conducted on our behalf by attorneys, independent accountants, and other third party consultants and research firms prior to the closing of the investment, as appropriate on a case-by-case basis. Approximately 10-15% of all investments initially reviewed by us will be presented to the investment committee. Approval of an investment for funding requires the approval of the majority of the investment committee of our investment adviser, although unanimous consent is sought.

Issuance of Formal Commitment

Once we have determined that a prospective portfolio company is suitable for investment, we work with the management and/or sponsor of that company and its other capital providers, including senior, junior and equity capital providers, if any, to finalize the structure of the investment. Approximately 3-5% of the investments initially reviewed by us eventually result in the issuance of formal commitments and the closing of such transactions.

Investments

We invest in portfolio companies primarily in the form of first lien senior secured loans (including “unitranche” loans which are loans that combine both senior and subordinated debt, generally in a first lien position), second lien senior secured loans, subordinated debt and preferred equity. The first and second lien senior secured loans generally have terms of three to 10 years. In connection with our first and second lien senior secured loans, we generally receive security interests in certain assets of our portfolio companies that could serve as collateral in support of the repayment of such loans. First and second lien senior secured loans generally have floating interest rates, which may have interest rate floors, and also may provide for some amortization of principal and excess cash flow payments, with the remaining principal balance due at maturity.

We structure our subordinated debt investments primarily as unsecured subordinated loans that provide for relatively higher fixed interest rates. The subordinated debt investments generally have terms of up to 10 years. These loans typically have interest-only payments, with amortization of principal, if any, deferred to the later years of the subordinated debt investment. In some cases, we may enter into loans that, by their terms, convert into equity or additional debt or defer payments of interest (or at least cash interest) for the first few years after our investment. Also, in some cases our subordinated debt will be secured by a subordinated lien on some or all of the assets of the borrower.

In some cases, our debt and preferred equity investments may provide for a portion of the interest or dividends payable to be payment-in-kind (“PIK”). To the extent interest or dividends are PIK, they will be payable through the increase of the principal amount of the loan or preferred equity by the amount of interest or dividend due on the then-outstanding aggregate principal amount of such loan or preferred equity and is generally collected upon repayment of the outstanding principal or redemption of the equity, as applicable.

In the case of our first and second lien senior secured loans, subordinated debt and preferred equity investments, we tailor the terms of the investment to the facts and circumstances of the transaction and the prospective portfolio company, negotiating a structure that aims to protect our rights and manage our risk while creating incentives for the portfolio company to achieve its business plan and improve its profitability. For example, in addition to generally seeking a senior position in the capital structure of our portfolio companies, we will seek, where appropriate, to limit the downside potential of our investments by:

- targeting a total return on our investments (including from both interest and potential equity appreciation) that compensates us for credit risk;
- incorporating call protection and interest rate floors for floating rate loans into the investment structure; and
- negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, consistent with preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights, including either observation or participation rights.

We generally require financial covenants and terms that require an issuer to reduce leverage, thereby enhancing credit quality. These methods include: (a) maintenance leverage covenants requiring a decreasing ratio of indebtedness to cash flow over time, (b) maintenance cash flow covenants requiring an increasing ratio of cash flow to the sum of interest expense and capital expenditures and (c) indebtedness incurrence prohibitions, limiting a company’s ability to take on additional

indebtedness. In addition, by including limitations on asset sales and capital expenditures we may be able to prevent a borrower from changing the nature of its business or capitalization without our consent.

Our subordinated debt investments may include equity features, such as warrants or options to buy a minority interest in the portfolio company. Warrants we receive with our debt investments may require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure the warrants to provide provisions protecting our rights as a minority-interest holder, as well as puts, or rights to sell such securities back to the portfolio company, upon the occurrence of specified events. In many cases, we also obtain registration rights in connection with these equity interests, which may include demand and “piggyback” registration rights.

We believe that our focus on generating proprietary deal flow and lead investing gives us greater control over the capital structures and investment terms described above and enables us to actively manage our investments. Moreover, by leading the investment process, we are often able to secure controlling positions in loan tranches, thereby providing additional control in investment outcomes.

To a lesser extent, we also make common equity investments, which have generally been non-control equity investments of less than \$20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments.

ACQUISITION OPPORTUNITIES

We believe that there may be opportunity for further consolidation in our industry. From time to time, we evaluate potential strategic opportunities, including acquisitions of:

- asset portfolios;
- other private and public finance companies, business development companies and asset managers; and
- selected secondary market assets.

We have been in, and from time to time may engage in, discussions with counterparties in respect of various potential strategic acquisition and investment transactions, including potential acquisitions of other finance companies, business development companies and asset managers. Some of these transactions could be material to our business and, if completed, could be difficult to integrate, result in increased leverage or dilution and/or subject us to unexpected liabilities. However, none of these discussions has progressed to the point at which the completion of any such transaction could be deemed to be probable or reasonably certain as of the date of this Annual Report. Completion of any such transaction would be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our board of directors, any required third party consents and, in certain cases, the approval of our stockholders. We cannot predict how quickly the terms of any such transaction could be finalized, if at all. Accordingly, there can be no assurance that such transaction would be completed. In connection with evaluating potential strategic acquisition and investment transactions, we may incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

ON-GOING RELATIONSHIPS WITH AND MONITORING OF PORTFOLIO COMPANIES

We closely monitor each investment we make, maintain a regular dialogue with both the management team and other stakeholders and seek specifically tailored financial reporting. In addition, senior investment professionals may take board seats or obtain board observation rights in connection with our portfolio companies. As of December 31, 2021, of our 387 portfolio companies, we were entitled to board seats or board observation rights on 22% of these companies and these companies represented approximately 33% of our portfolio at fair value.

In addition to covenants and other contractual rights and through board participation, when appropriate, we seek to enhance portfolio company performance post-investment by actively working with management on strategic and operating initiatives where there is an opportunity to do so. We often introduce managers of companies in which we have invested to other portfolio companies to capitalize on complementary business activities and best practices.

We believe that our focus on generating proprietary deal flow gives us greater control over capital structure and investment terms and lead investing enhances our ability to closely monitor each investment we make.

Our investment adviser employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our investment adviser grades the credit risk of all investments on a scale of 1 to 4 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i.e., at the time of origination or acquisition), although it may also take into account under certain circumstances the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors. The grade of a portfolio investment may be reduced or increased over time. The following is a description of each investment grade:

Investment grade	Description
4	Involves the least amount of risk to our initial cost basis. The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit.
3	Involves a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3.
2	Indicates that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. For investments graded 2, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company.
1	Indicates that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition, and the portfolio company likely has materially declining performance. For debt investments with an investment grade of 1, most or all of the debt covenants are out of compliance and payments are substantially delinquent. For investments graded 1, it is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit. For investments graded 1, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company.

As of December 31, 2021, the weighted average grade of our portfolio at fair value was 3.1. For more information on our portfolio investment grades, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Portfolio and Investment Activity."

MANAGERIAL ASSISTANCE

As a BDC, we must offer, and must provide upon request, significant managerial assistance to certain of our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. Ares Operations may provide all or a portion of this assistance pursuant to our administration agreement, the costs of which will be reimbursed by us. We may receive fees for these services.

COMPETITION

Our primary competitors include public and private funds, commercial and investment banks, commercial finance companies, other BDCs and private equity funds, each of which we compete with for financing opportunities. Some of our competitors are substantially larger and have considerably greater financial and marketing resources than we do. For example, some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider more investments and establish more relationships than we do. Furthermore, many of our competitors are not subject to the regulatory restrictions that the Investment Company Act imposes on us as a BDC. For more information concerning the competitive risks we face, see "Risk Factors—Risks Relating to Our Business—We operate in a highly competitive market for investment opportunities."

We believe that the relationships of the members of our investment adviser's investment committee and of the partners of Ares enable us to learn about, and compete effectively for, financing opportunities with attractive middle-market companies in the industries in which we seek to invest. We believe that Ares' professionals' deep and long-standing direct sponsor relationships and the resulting proprietary transaction opportunities that these relationships often present, provide valuable insight and access to transactions and information. We use the industry information of Ares' investment professionals to which we have access to assess investment risks and determine appropriate pricing for our investments in portfolio companies.

STAFFING

We do not currently have any employees and do not expect to have any employees. Services necessary for our business are provided by individuals who are employees or affiliates of our investment adviser, Ares Capital Management, and our administrator, Ares Operations, each of which is a subsidiary of Ares Management, pursuant to the terms of our investment advisory and management agreement and our administration agreement, respectively, each as described below. Each of our executive officers is an employee or affiliate of our investment adviser or our administrator. Our day-to-day investment activities are managed by our investment adviser. Most of the services necessary for the origination of our investment portfolio are provided by investment professionals employed by Ares Capital Management. Ares Capital Management had approximately 145 U.S.-based investment professionals as of December 31, 2021 who focus on origination, transaction development, investment and the ongoing monitoring of our investments. See “Investment Advisory and Management Agreement” below. We reimburse both our investment adviser and our administrator for a certain portion of expenses incurred in connection with such staffing, as described in more detail below. Because we have no employees, Ares Capital does not have a formal employee relations policy.

INVESTMENT ADVISORY AND MANAGEMENT AGREEMENT

Management Services

Ares Capital Management serves as our investment adviser and is registered as an investment adviser under the Advisers Act. Subject to the overall supervision of our board of directors, our investment adviser manages the day-to-day operations of, and provides investment advisory and management services to, Ares Capital. Under the terms of the investment advisory and management agreement, our investment adviser:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments we make (including performing due diligence on our prospective portfolio companies);
- closes and monitors the investments we make;
- determines the investments and other assets that we purchase, retain or sell; and
- provides us with such other investment advisory and research and related services as we may from time to time reasonably require.

Ares Capital Management’s services to us under the investment advisory and management agreement are not exclusive, and it is free to furnish similar services to other entities. Similarly, our investment adviser or its affiliates may directly or indirectly manage funds or other investment vehicles with investment objectives similar to ours. Accordingly, we may compete with these Ares funds or other investment vehicles managed by our investment adviser and its affiliates for capital and investment opportunities. Ares Capital Management endeavors to allocate investment opportunities in a fair and equitable manner, and in any event consistent with any fiduciary duties owed to Ares Capital. Nevertheless, it is possible that we may not be given the opportunity to participate in certain investments made by investment funds or other investment vehicles managed by our investment adviser or its affiliates. See “Risk Factors—Risks Relating to Our Business—There are significant potential conflicts of interest that could impact our investment returns.”

Base Management Fee

Pursuant to the investment advisory and management agreement and subject to the overall supervision of our board of directors, our investment adviser provides investment advisory and management services to us. For providing these services, our investment adviser receives fees from us consisting of a base management fee, an income based fee and a capital gains incentive fee.

Effective June 21, 2019, in connection with our board of directors’ approval of the modification of the asset coverage requirement applicable to senior securities from 200% to 150%, the investment advisory and management agreement was amended to reduce our annual base management fee rate from 1.5% to 1.0% on all assets financed using leverage over 1.0x debt to equity. For all assets financed using leverage up to 1.0x debt to equity, the annual base management fee rate remains at 1.5%. The base management fee is based on the average value of our total assets (other than cash or cash equivalents but

including assets purchased with borrowed funds) at the end of the two most recently completed calendar quarters and is calculated by applying the applicable fee rate. The base management fee is payable quarterly in arrears.

Income Based Fee

The income based fee is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income, as defined in the investment advisory and management agreement, for the quarter. Pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the administration agreement, and any interest expense and dividends paid on any outstanding preferred stock, but excluding the income based fee and capital gains incentive fee accrued under U.S. generally accepted accounting principles (“GAAP”). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities, accrued income that we have not yet received in cash. Our investment adviser is not under any obligation to reimburse us for any part of the income based fees it received that were based on accrued interest that we never actually received. See “Risk Factors—Risks Relating to Our Business—There are significant potential conflicts of interest that could impact our investment returns” and “Risk Factors—Risks Relating to Our Business—We may be obligated to pay our investment adviser certain fees even if we incur a loss.”

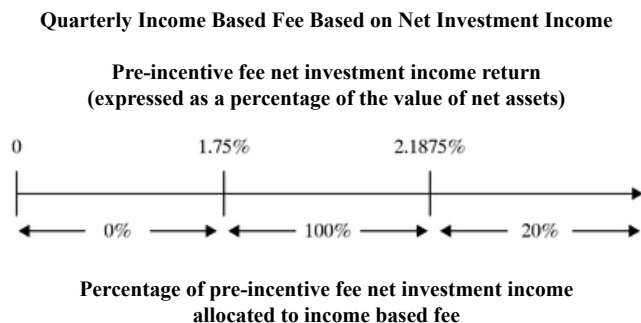
Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses, unrealized capital appreciation, unrealized capital depreciation or income tax expense related to realized gains and losses. Because of the structure of the income based fee, it is possible that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

Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets (defined as total assets less indebtedness and before taking into account any income based fees and capital gains incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed “hurdle rate” of 1.75% per quarter. If market credit spreads rise, we may be able to invest our funds in debt instruments that provide for a higher return, which may increase our pre-incentive fee net investment income and make it easier for our investment adviser to surpass the fixed hurdle rate and receive an income based fee based on such net investment income. To the extent we have retained pre-incentive fee net investment income that has been used to calculate the income based fee, it is also included in the amount of our total assets (other than cash and cash equivalents but including assets purchased with borrowed funds) used to calculate the base management fee.

We pay our investment adviser an income based fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows:

- No income based fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed the hurdle rate;
- 100% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter. We refer to this portion of our pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.1875%) as the “catch-up” provision. The “catch-up” is meant to provide our investment adviser with 20% of the pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeded 2.1875% in any calendar quarter; and
- 20% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.1875% in any calendar quarter.

The following is a graphical representation of the calculation of the income based fee:



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

Capital Gains Incentive Fee

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

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

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

The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in our portfolio as of the applicable capital gains incentive fee calculation date and (b) the accreted or amortized cost basis of such investment.

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

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

Payment of Our Expenses

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

Duration, Termination and Amendment

At a meeting of our board of directors on May 26, 2021, our board of directors, including a majority of the directors who are not "interested persons" of the Company as defined in the Investment Company Act, voted to approve the continuation of our investment advisory and management agreement, which extended the terms of the agreement until June 6, 2022. Such meeting was held via videoconference pursuant to the exemptive relief granted under SEC Release No. 33897, dated June 19, 2020. Our board of directors ratified the approval of the continuation of our investment advisory and management agreement during an in-person meeting on October 21, 2021. See "Regulation."

Unless terminated earlier, our investment advisory and management agreement will renew for successive annual periods if approved annually by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, and, in either case, approval by a majority of our directors who are not "interested persons" of the Company (as defined in the Investment Company Act). Our investment advisory and management agreement will automatically terminate in the event of its assignment (as defined in the Investment Company Act). The investment advisory and management agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

In voting to approve the investment advisory and management agreement, our independent directors consulted in executive session with their independent legal counsel regarding the approval of such agreement. In reaching a decision to approve the investment advisory and management agreement, our board of directors reviewed a significant amount of information and considered, among other things:

- (i) the nature, extent and quality of the services provided to the Company by our investment adviser;
- (ii) the advisory fees paid by the Company under the investment advisory and management agreement as compared to the advisory fees paid by other funds and accounts managed by our investment adviser with similar investment strategies as well as the fees and expenses of comparable BDCs;
- (iii) the long- and short-term investment performance of the Company and our investment adviser;
- (iv) the costs of the services provided by our investment adviser (including the base management fee, the income based fee and the capital gains incentive fee (including the applicable hurdle rates and conditions for the deferral of fee payments) and expense ratios) under the investment advisory and management agreement and comparative data based on publicly available information;
- (v) the potential for, and sharing of, economies of scale in investment management given the directly originated nature of the Company's investment portfolio and resources dedicated by our investment adviser thereto;

- (vi) our investment adviser's pro forma profitability with respect to managing the Company based on financial information provided by our investment adviser;
- (vii) additional benefits to be derived by our investment adviser and its affiliates as a result of our relationship with our investment adviser; and
- (viii) various other matters, including the alignment of interests of our stockholders.

In voting to approve the investment advisory and management agreement, our board of directors, including all of the directors who are not "interested persons," of the Company, made the following conclusions:

- **Nature, Extent and Quality of Services.** Our board of directors considered the nature, extent and quality of the investment selection process employed by our investment adviser, including the flow of transaction opportunities resulting from Ares Capital Management's investment professionals' significant capital markets, trading and research expertise, the employment of Ares Capital Management's investment philosophy, diligence procedures, credit recommendation process, investment structuring, and ongoing relationships with and monitoring of portfolio companies, in light of the investment objective of the Company. Our board of directors also considered our investment adviser's personnel and their prior experience in connection with the types of investments made by us, including such personnel's network of relationships with intermediaries focused on U.S. middle-market companies and other companies in which we may make investments. Our board of directors also considered the benefit and increasing costs of our investment adviser continuing to be able to recruit and retain top talent. In addition, our board of directors considered the other terms and conditions of the investment advisory and management agreement, including that the substantive terms of the investment advisory and management agreement (other than the fees payable thereunder, which our board of directors reviewed separately) are generally the same as those of comparable BDCs described in the available market data and that it would be difficult to obtain similar services of similar quality on a comparable basis from other third party service providers or through an internally managed structure. In addition, our board of directors considered the fact that we have the ability to terminate the investment advisory and management agreement without penalty upon 60 days' written notice to our investment adviser. Our board of directors further determined that our investment adviser is served by a dedicated origination, transaction development and investment team of investment professionals, and that these investment professionals have historically focused on investments in U.S. middle-market companies and other companies in which we may make investments, which experience and relationships coincide with our investment objective and generally equal or exceed those of the management teams or investment advisers of other comparable BDCs described in the available market data.
- **Investment Performance.** Our board of directors reviewed the long-term and short-term investment performance of the Company and our investment adviser, as well as comparative data based on publicly available information with respect to the long-term and short-term investment performance of other externally managed BDCs and their investment advisers. Our board of directors noted the longevity and consistency of the Company's investment performance and determined that our investment adviser was delivering results consistent with the investment objective of the Company and that the Company's investment performance was generally above average when compared to comparable BDCs, including based on one, three and five year time periods. Our board of directors further determined that in light of the performance history of the Company, our investment adviser's extensive experience with our particular investment objectives and policies and our investment adviser's commitment to the Company, our investment adviser was well-positioned to manage our investment performance, including through the volatile market conditions caused by the novel Coronavirus ("COVID-19") pandemic, supply chain disruptions and inflationary pressures, with the approval of the investment advisory and management agreement.
- **Costs of the Services Provided to the Company.** Our board of directors considered (i) comparative data based on publicly available information with respect to services rendered and the advisory fees (including the base management fee, income based fee and capital gains incentive fee or similar fees (including applicable hurdle rates, other payment conditions and/or fee waivers)) of other BDCs with similar investment objectives, our operating expenses and expense ratios compared to other BDCs of similar size and with similar investment objectives and (ii) the administrative services that our administrator will provide to us at cost. Further, our board of directors considered comparative information with respect to the advisory fees paid by the Company as compared to the advisory fees paid by other funds and accounts managed by our investment adviser with similar investment strategies, and considered the rationale for the differences in fees, including, but not limited to, differences in investment objectives and investment strategies as well as the regulated nature of the Company.

- **Economies of Scale.** Our board of directors considered information about the potential for our stockholders to experience economies of scale as we grow in size.

In view of the wide variety of material factors that our board of directors considered in connection with its evaluation of the investment advisory and management agreement, it is not practical to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Our board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of our board of directors. Rather, our board of directors based its approval on the totality of information presented to, and the investigation conducted by, it. In considering the factors discussed above, individual directors may have given different weights to different factors.

Based on the information reviewed and the factors discussed above, our directors (including those directors who are not “interested persons” of the Company) concluded that the terms of the investment advisory and management agreement, including the fee rates thereunder, are fair and reasonable in relation to the services provided and approved the investment advisory and management agreement as being in the best interests of the Company and its stockholders.

Conflicts of interest may arise if our investment adviser seeks to change the terms of our investment advisory and management agreement, including, for example, the amount of the base management fee, the income based fee, the capital gains incentive fee or other compensation terms. Material amendments to our investment advisory and management agreement must be approved by the affirmative vote of the holders of a majority of our outstanding voting securities and by a majority of our independent directors, and we may from time to time decide it is appropriate to seek the requisite approval to change the terms of the agreement.

Indemnification

The investment advisory and management agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, our investment adviser, its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other persons affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) arising from the rendering of our investment adviser’s services under the investment advisory and management agreement or otherwise as our investment adviser.

Organization of our Investment Adviser

Our investment adviser is a Delaware limited liability company that is registered as an investment adviser under the Advisers Act. The principal executive offices of Ares Capital Management are located at 2000 Avenue of the Stars, 12th Floor, Los Angeles, California 90067.

ADMINISTRATION AGREEMENT

We are also party to an administration agreement, referred to herein as the “administration agreement”, with our administrator, Ares Operations. Our board of directors approved the continuation of our administration agreement on May 26, 2021, which extended the term of the agreement until June 1, 2022. Pursuant to the administration agreement, Ares Operations furnishes us with office equipment and clerical, bookkeeping and record keeping services at our office facilities. Under the administration agreement, Ares Operations also performs, or oversees the performance of, our required administrative services, which include, among other things, providing assistance in accounting, legal, compliance, operations, technology and investor relations, being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, Ares Operations assists us in determining and publishing our net asset value, assists us in providing managerial assistance to our portfolio companies, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the administration agreement are equal to an amount based upon our allocable portion of Ares Operations’ overhead and other expenses (including travel expenses) incurred by Ares Operations in performing its obligations under the administration agreement, including our allocable portion of the compensation, rent and other expenses of certain of our officers (including our chief compliance officer, chief financial officer, chief accounting officer, general counsel, secretary, treasurer and assistant treasurer) and their respective staffs. The administration agreement may be terminated by either party without penalty upon 60 days’ written notice to the other party.

For the years ended December 31, 2021 and 2020, we incurred \$15 million and \$13 million, respectively, in administrative fees. As of December 31, 2021 and 2020, \$4 million and \$3 million, respectively, of the administrative fees were unpaid and included in “accounts payable and other liabilities” in the accompanying consolidated balance sheets.

Indemnification

The administration agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Ares Operations, its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other persons or entities affiliated with it are entitled to indemnification from us for any damages, liabilities, costs and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) arising from the rendering of Ares Operations’ services under the administration agreement or otherwise as our administrator.

LICENSE AGREEMENT

Ares Management LLC, the sole member of Ares Capital Management, has granted us a non-exclusive, royalty-free license to use the name “Ares” pursuant to a license agreement. Under this agreement, we will have a right to use the Ares name for so long as Ares Capital Management remains our investment adviser. Other than with respect to this limited license, we have no legal right to the “Ares” name.

LEVERAGE

We may from time to time borrow funds to make investments, a practice known as “leverage,” to attempt to increase returns to our stockholders. With certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as calculated in accordance with the Investment Company Act, equals at least 150% after such borrowing (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us).

The amount of leverage that we employ at any particular time will depend on our investment adviser’s and our board of directors’ assessments of market and other factors at the time of any proposed borrowing. As of February 2, 2022, we had \$10.6 billion in total aggregate principal amount of debt outstanding under the various debt instruments. See “Risk Factors—Risks Relating to Our Business—We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us.” For more information on our debt, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources” as well as Note 5 and Note 15 to our consolidated financial statements for the year ended December 31, 2021.

We may from time to time seek to retire or repurchase our common stock through cash purchases, as well as retire, cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. The amounts involved may be material.

REGULATION

We have elected to be regulated as a BDC under the Investment Company Act and have elected to be treated as a RIC under the Code. As with other companies regulated by the Investment Company Act, a BDC must adhere to certain substantive regulatory requirements. The Investment Company Act contains prohibitions and restrictions relating to certain transactions between BDCs and certain affiliates (including any investment advisers or sub-advisers), principal underwriters and certain affiliates of those affiliates or underwriters. Among other things, we generally cannot co-invest in any portfolio company in which a fund managed by Ares or any of its downstream affiliates other than us and our downstream affiliates) is also co-investing. On January 18, 2017, we received the Co-investment Exemptive Order from the SEC that permits us and other business development companies and registered closed-end management investment companies managed by Ares to co-invest in portfolio companies with each other and with affiliated investment funds. Co-investments made under the Co-investment Exemptive Order are subject to compliance with certain conditions and other requirements contained in the Co-investment Exemptive Order, which could limit our ability to participate in a co-investment transaction. In addition, we are relying on the Exemptive Relief that permits a BDC with an effective Co-investment Exemptive Order to allow an affiliated investment fund to participate in a follow-on investment in a portfolio company where such affiliated investment fund is not already invested. Although this relief expired on December 31, 2020, on January 5, 2021, the SEC stated that, until March 31, 2022, it will not recommend enforcement action against any BDC with an existing co-investment order that relies on the Exemptive Relief. We may also co-invest with funds managed by Ares or any of its downstream affiliates, subject to compliance with existing

regulatory guidance, applicable regulations and our allocation procedures. There can be no guarantee that the Co-investment Exemptive Order will be further extended.

The Investment Company Act contains certain restrictions on certain types of investments we may make. Specifically, we may only invest up to 30% of our portfolio in entities that are not considered “eligible portfolio companies” (as defined in the Investment Company Act), including companies located outside of the United States, entities that are operating pursuant to certain exceptions under the Investment Company Act, and publicly traded entities whose public equity market capitalization exceeds the levels provided for under the Investment Company Act.

The Investment Company Act also requires that a majority of our directors be persons other than “interested persons,” as that term is defined in Section 2(a)(19) of the Investment Company Act, referred to herein as “independent directors.” In addition, the Investment Company Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless that change is approved by holders of at least a majority of our outstanding voting securities. Under the Investment Company Act, the vote of holders of at least a “majority of outstanding voting securities” means the vote of the holders of the lesser of: (a) 67% or more of the outstanding shares of our common stock present at a meeting or represented by proxy if holders of more than 50% of the shares of our common stock are present or represented by proxy or (b) more than 50% of the outstanding shares of our common stock.

Under the Investment Company Act, we are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current net asset value per share of our common stock if our board of directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. Pursuant to approval granted at a special meeting of stockholders held on August 13, 2021, we currently are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on August 13, 2022.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly traded securities of our portfolio companies. We may enter into hedging transactions to manage the risks associated with interest rate and currency fluctuations. We may purchase or otherwise receive warrants or options to purchase the common stock of our portfolio companies in connection with acquisition financings or other investments. In connection with such an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances.

We also do not intend to acquire securities issued by any investment company that exceed the limits imposed by the Investment Company Act. Under these limits, we generally cannot acquire more than 3% of the voting stock of any investment company (as defined in the Investment Company Act), invest more than 5% of the value of our total assets in the securities of one investment company or invest more than 10% of the value of our total assets in the securities of investment companies in the aggregate unless certain conditions are met. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might subject our stockholders to additional expenses.

We are currently allowed to borrow amounts or issue debt securities or preferred stock, which we refer to collectively as “senior securities,” such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 150% immediately after such borrowing (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us).

PRIVACY PRINCIPLES

We endeavor to maintain the privacy of our recordholders and to safeguard their non-public personal information. The following information is provided to help our recordholders understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we will not receive any non-public personal information about recordholders of our common stock, although certain of our recordholders’ non-public information may become available to us. The non-public personal information that we may receive falls into the following categories:

- information we receive from recordholders, whether we receive it orally, in writing or electronically. This includes recordholders’ communications to us concerning their investment;
- information about recordholders’ transactions and history with us; and

- other general information that we may obtain about recordholders, such as demographic and contact information such as address.

We disclose non-public personal information about recordholders:

- to our affiliates (such as our investment adviser and administrator) and their employees for everyday business purposes;
- to our service providers (such as our accountants, attorneys, custodians, transfer agent, underwriters and proxy solicitors) and their employees, as is necessary to service recordholder accounts or otherwise provide the applicable service;
- to comply with court orders, subpoenas, lawful discovery requests or other legal or regulatory requirements; or
- as allowed or required by applicable law or regulation.

When we share non-public recordholder personal information referred to above, the information is made available for limited business purposes and under controlled circumstances designed to protect our recordholders' privacy. We do not permit use of recordholder information for any non-business or marketing purpose, nor do we permit third parties to rent, sell, trade or otherwise release or disclose information to any other party.

Our service providers, such as our investment adviser, administrator and transfer agent, are required to maintain physical, electronic, and procedural safeguards to protect recordholder non-public personal information, to prevent unauthorized access or use and to dispose of such information when it is no longer required.

Personnel of affiliates may access recordholder information only for business purposes. The degree of access is based on the sensitivity of the information and on personnel need for the information to service a recordholder's account or comply with legal requirements.

If a recordholder ceases to be a recordholder, we will adhere to the privacy policies and practices as described above. We may choose to modify our privacy policies at any time. Before we do so, we will notify recordholders and provide a description of our privacy policy.

In the event of a corporate change in control resulting from, for example, a sale to, or merger with, another entity, or in the event of a sale of assets, we reserve the right to transfer non-public personal information of holders of our securities to the new party in control or the party acquiring assets.

AVAILABLE INFORMATION

We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This information is available free of charge by calling us collect at (310) 201-4200 or on our website at www.arescapitalcorp.com. Information contained on our website is not incorporated into this Annual Report and you should not consider such information to be part of this Annual Report. Such information is also available from the EDGAR database on the SEC's website at <http://www.sec.gov>.

Item 1A. Risk Factors

RISK FACTORS

You should carefully consider the risk factors described below, together with all of the other information included in this Annual Report, including our consolidated financial statements and the related notes thereto, before you decide whether to make an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. If any of the following events occur, our business, financial condition and results of operations could be materially adversely affected. In such case, the net asset value of our common stock and the trading price, if any, of our securities could decline, and you may lose all or part of your investment.

RISK FACTOR SUMMARY

The following is a summary of the principal risks that you should carefully consider before investing in our securities.

- The capital markets may experience periods of disruption and instability, including supply chain disruption and inflation. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations.
- The COVID-19 pandemic has caused severe disruptions in the global economy, including supply chain disruptions, which have had, and may continue to have, a negative impact on our portfolio companies and our business and operations.
- Global economic, political and market conditions, including uncertainty about the financial stability of the United States, could have a significant adverse effect on our business, financial condition and results of operations.
- A failure on our part to maintain our status as a BDC may significantly reduce our operating flexibility and a failure to maintain our status as a RIC may subject us to additional corporate-level income taxes and reduce earnings available from which to pay dividends.
- We are dependent upon certain key personnel of Ares for our future success and upon their access to other Ares investment professionals.
- We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us.
- We operate in a highly competitive market for investment opportunities.
- There are significant potential conflicts of interest that could impact our investment returns.
- We are exposed to risks associated with changes in interest rates, including the transition away from LIBOR and the adoption of alternative reference rates.
- Most of our portfolio investments are not publicly traded and, as a result, the fair value of these investments may not be readily determinable. Additionally, to the extent that we need liquidity and need to sell assets, the lack of liquidity in our investments may adversely affect our business.
- Our financial condition and results of operations could be negatively affected if a significant investment fails to perform as expected.
- Declines in market prices and liquidity in the corporate debt markets can result in significant net unrealized depreciation of our portfolio, which in turn would reduce our net asset value.
- Economic recessions or downturns, including as a result of the COVID-19 pandemic, could impair our portfolio companies and harm our operating results.

- Our investments, which are primarily in middle-market companies, may be risky and we could lose all or part of our investment.
- Our portfolio companies may be highly leveraged.
- Our shares of common stock may trade at a price above or below net asset value. If our common stock trades at a discount to net asset value, our ability to raise capital may be limited.
- Our ability to grow depends on our ability to raise capital.
- Our asset coverage requirement is 150%, which may increase the risk of investing with us.
- Cybersecurity risks and cyber incidents may adversely affect our business or the business of our portfolio companies by causing a disruption to our operations or the operations of our portfolio companies, a compromise or corruption of our confidential information or the confidential information of our portfolio companies and/or damage to our business relationships or the business relationships of our portfolio companies, all of which could negatively impact the business, financial condition and operating results of us or our portfolio companies.

RISKS RELATING TO OUR BUSINESS

The capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations.

From time to time, capital markets may experience periods of disruption and instability, including as recently as 2020 as a result of the COVID-19 pandemic. In addition, between 2008 and 2009, the global capital markets were unstable as evidenced by periodic disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. Despite actions of the U.S. federal government and foreign governments, these events contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. There can be no assurance these market conditions will not continue or worsen in the future, including as a result of COVID-19, as discussed below.

Equity capital may be difficult to raise during such periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. We generally seek approval from our stockholders so that we have the flexibility to issue up to 25% of our then outstanding shares of our common stock at a price below net asset value. Pursuant to approval granted at a special meeting of stockholders held on August 13, 2021, we are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on August 13, 2022.

Volatility and dislocation in the capital markets can also create a challenging environment in which to raise or access debt capital. The reappearance of market conditions similar to those experienced during portions of 2020 and from 2008 through 2009 for any substantial length of time could make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in rising rate environments. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

Significant disruption or volatility in the capital markets may also have a negative effect on the valuations of our investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity). Significant disruption or volatility in the capital markets may also affect the pace of our investment activity and the potential for liquidity events involving our investments. Thus, the illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity.

purposes. An inability to raise or access capital could have a material adverse effect on our business, financial condition or results of operations.

The COVID-19 pandemic has caused severe disruptions in the global economy, including supply chain disruptions, which have had, and may continue to have, a negative impact on our portfolio companies and our business and operations.

The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in the equity and debt markets. The COVID-19 pandemic and restrictive measures taken during the course of the pandemic to contain or mitigate its spread have caused, and are continuing to cause, business shutdowns, or the re-introduction of business shutdowns, cancellations of events and restrictions on travel, significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions, labor shortages, increased inflationary pressure and overall economic and financial market instability both globally and in the United States. Many states, including those in which we and our portfolio companies operate, have issued orders requiring the closure of, or certain restrictions on the operation of certain businesses. Such actions and effects remain ongoing and the ultimate duration and severity of the COVID-19 pandemic, including COVID-19 variants, such as the recent Delta and Omicron variants, remain uncertain. While several countries, as well as certain states, counties and cities in the United States, relaxed the public health restrictions throughout 2021 partly as a result of the introduction of vaccines, recurring COVID-19 outbreaks caused by different virus variants continue to lead to the re-introduction of certain restrictions in certain states in the United States and globally. Even after the COVID-19 pandemic subsides, the U.S. economy and most other major global economies may continue to experience a recession, and our business and operations, as well as the business and operations of our portfolio companies, could be materially adversely affected by a prolonged recession in the U.S. and other major markets.

The COVID-19 pandemic (including the restrictive measures taken in response thereto) has to date (i) created significant business disruption issues for certain of our portfolio companies, and (ii) materially and adversely impacted the value and performance of certain of our portfolio companies. The COVID-19 pandemic is having a particularly adverse impact on industries in which certain of our portfolio companies operate, including energy, hospitality, travel, retail and restaurants. As a result of the COVID-19 pandemic and other factors, supply chains worldwide have been, and continue to be, interrupted, slowed or rendered inoperable, which have also adversely impacted certain of our portfolio companies' operating results. Certain of our portfolio companies in other industries have also been significantly impacted. The COVID-19 pandemic is continuing as of the filing date of this Annual Report, and its extended duration may have further adverse impacts on our portfolio companies after December 31, 2021, including for the reasons described below. Although the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") on March 27, 2020, which contains provisions intended to mitigate the adverse economic effects of the COVID-19 pandemic, and a second and third stimulus package on December 27, 2020 and March 11, 2021, respectively, which provided \$900 billion and \$1.9 trillion, respectively, in resources to small businesses and individuals as well as certain industries and state and local governments that have been adversely affected by the COVID-19 pandemic, it is uncertain whether, or how much, our portfolio companies have benefited or may benefit from such legislation or any other subsequent legislation intended to provide financial relief or assistance. As a result of this disruption and the pressures on their liquidity, certain of our portfolio companies, particularly in the beginning of the COVID-19 pandemic, drew on a higher percentage of the available revolving loans made available by us. While the levels of draw on available revolving loans have generally returned to pre-COVID-19 pandemic levels, some of our portfolio companies with such available revolving loans may draw or continue to draw on such loans at a higher level than before the COVID-19 pandemic, subject to availability under the terms of such loans.

The effects described above on our portfolio companies have, for certain of our portfolio companies to date, impacted their ability to make payments on their loans on a timely basis and in many cases have required us to amend certain terms of their loans, including payment terms. In addition, an extended duration of the COVID-19 pandemic may impact the ability of our portfolio companies to continue making their loan payments on a timely basis or meeting their loan covenants. The inability of portfolio companies to make timely payments or meet loan covenants may in the future require us to undertake similar amendment actions with respect to other of our investments or to restructure our investments. The amendment or restructuring of our investments may include the need for us to make additional investments in our portfolio companies (including debt or equity investments) beyond any existing commitments, exchange debt for equity, or change the payment terms of our loans to permit an affected portfolio company to pay a portion of its interest through PIK, which would defer the cash collection of such interest and add it to the principal balance, which would generally be due upon repayment of the outstanding principal.

The COVID-19 pandemic has adversely impacted the fair value of certain of our investments, including those reported as of December 31, 2021, and the values reported may differ materially from the values that we may ultimately realize with respect to our investments. The impact of the COVID-19 pandemic may not yet be fully reflected in the fair value of our

investments as our valuations, and particularly valuations of private investments and private companies, are inherently uncertain, may fluctuate over short periods of time and are often based on estimates, comparisons and qualitative evaluations of private information that is often from a time period earlier, generally two to three months, than the quarter for which we are reporting. Additionally, we may not have yet received information or certifications from our portfolio companies that indicate the full and ongoing extent of declining performance or non-compliance with debt covenants, as applicable, as a result of the COVID-19 pandemic. As a result, our valuations, including those reported as of December 31, 2021, may not show the complete or continuing impact of the COVID-19 pandemic and the resulting restrictive measures taken in response thereto. In addition, write downs in the value of our investments have reduced, and any additional write downs may further reduce, our net asset value (and, as a result, our asset coverage calculation). Accordingly, we may incur additional net unrealized or realized losses after December 31, 2021, which could have a material adverse effect on our business, financial condition and results of operations.

Despite actions of the U.S. federal government and foreign governments, the uncertainty surrounding the COVID-19 pandemic, including uncertainty regarding existing or future variants and other factors, has contributed to significant volatility in the global public equity markets and global debt capital markets, including the market price of shares of our common stock and the trading prices of our issued debt securities. Market conditions may make it difficult for us to raise equity capital because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. Pursuant to approval granted at a special meeting of stockholders, held on August 13, 2021, we are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. This stockholder approval expires on August 13, 2022. Moreover, these market conditions may make it difficult to access or obtain new indebtedness with similar terms to our existing indebtedness or otherwise have a negative effect on our cost of capital. See “Risk Factors-Risks Relating to Our Business-The capital markets may experience periods of disruption and instability.

A failure on our part to maintain our status as a BDC may significantly reduce our operating flexibility.

If we fail to maintain our status as a BDC, we might be regulated as a closed-end investment company that is required to register under the Investment Company Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under our outstanding indebtedness, which could have a material adverse effect on our business, financial condition or results of operations.

We are dependent upon certain key personnel of Ares for our future success and upon their access to other Ares investment professionals.

We depend on the diligence, skill, judgment, network of business contacts and personal reputations of certain key personnel of the Ares Credit Group and our future success depends on their continued service. We also depend, to a significant extent, on access to the investment professionals of other groups within Ares, the information and deal flow generated by Ares’ investment professionals in the course of their investment and portfolio management activities, as well as the support of senior business operations professionals of Ares.

The departure or misconduct of any of these individuals, or of a significant number of the investment professionals or partners of Ares, could have a material adverse effect on our business, financial condition or results of operations. In addition, we cannot assure you that Ares Capital Management will remain our investment adviser or that we will continue to have access to Ares’ investment professionals or its information and deal flow. Further, there can be no assurance that Ares Capital will replicate its own or Ares’ historical success, and we caution you that our investment returns could be substantially lower than the returns achieved by other Ares-managed funds.

Our financial condition and results of operations depend on our ability to manage future growth effectively.

Our ability to achieve our investment objective depends on our ability to acquire suitable investments and monitor and administer those investments, which depends, in turn, on our investment adviser’s ability to identify, invest in and monitor companies that meet our investment criteria.

Accomplishing this result on a cost-effective basis is largely a function of the structuring of our investment process and the ability of our investment adviser to provide competent, attentive and efficient services to us. Our executive officers and the members of our investment adviser’s investment committee have substantial responsibilities in connection with their roles at Ares and with the other Ares funds, as well as responsibilities under the investment advisory and management agreement. They may also be called upon to provide significant managerial assistance to certain of our portfolio companies. These demands on

their time, which will increase as the number of investments grow, may distract them or slow the rate of investment. In order for us to grow, Ares will need to hire, train, supervise, manage and retain new employees. However, we cannot assure you that Ares will be able to do so effectively. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition and results of operations.

Our ability to grow depends on our ability to raise capital.

We will need to periodically access the capital markets to raise cash to fund new investments in excess of our repayments, and we may also need to access the capital markets to refinance existing debt obligations to the extent such maturing obligations are not repaid with availability under our revolving credit facilities or cash flows from operations. We have elected to be treated as a RIC and operate in a manner so as to qualify for the U.S. federal income tax treatment applicable to RICs. Among other things, in order to maintain our RIC status, we must distribute to our stockholders on a timely basis generally an amount equal to at least 90% of our investment company taxable income, and, as a result, such distributions will not be available to fund investment originations or repay maturing debt. We must continue to borrow from financial institutions and issue additional securities to fund our growth. Unfavorable economic or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by lenders not to extend credit to us. An inability to successfully access the capital markets may limit our ability to refinance our existing debt obligations as they come due and/or to fully execute our business strategy and could limit our ability to grow or cause us to have to shrink the size of our business, which could decrease our earnings, if any.

In addition, we are currently allowed to borrow amounts or issue debt securities or preferred stock, which we refer to collectively as “senior securities,” such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 150% immediately after such borrowing (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). Such requirement, in certain circumstances, may restrict our ability to borrow or issue debt securities or preferred stock. The amount of leverage that we employ will depend on our investment adviser’s and our board of directors’ assessments of market and other factors at the time of any proposed borrowing or issuance of senior securities. We cannot assure you that we will be able to maintain or increase the amount available to us under our current Facilities (as defined below), obtain other lines of credit or issue senior securities at all or on terms acceptable to us.

Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital.

We may issue senior securities or borrow money from banks or other financial institutions, up to the maximum amount permitted by the Investment Company Act. As a BDC, we are currently permitted to incur indebtedness or issue senior securities only in amounts such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 150% after each such incurrence or issuance (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). If the value of our assets declines, we may be unable to satisfy this test, which may prohibit us from paying dividends and could prevent us from maintaining our status as a RIC or may prohibit us from repurchasing shares of our common stock. In addition, our inability to satisfy this test could cause an event of default under our existing indebtedness. If we cannot satisfy this test, we may be required to sell a portion of our investments at a time when such sales may be disadvantageous and, depending on the nature of our leverage, repay a portion of our indebtedness. Accordingly, any failure to satisfy this test could have a material adverse effect on our business, financial condition or results of operations. As of December 31, 2021, our asset coverage calculated in accordance with the Investment Company Act was 179%. Also, to generate cash for funding new investments, we may in the future seek to issue additional debt or to securitize certain of our loans. The Investment Company Act may impose restrictions on the structure of any such securitization.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current net asset value per share of our common stock if our board of directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. Any such sale would be dilutive to the net asset value per share of our common stock. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any commission or discount). If our common stock trades at a discount to net asset value, this restriction could adversely affect our ability to raise capital.

Pursuant to approval granted at a special meeting of stockholders held on August 13, 2021, we are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on August 13, 2022.

We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us.

Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. We currently borrow under the Facilities and have issued or assumed other senior securities, and in the future may borrow from, or issue additional senior securities to, banks, insurance companies, funds, institutional investors and other lenders and investors. Lenders and holders of such senior securities have fixed dollar claims on our consolidated assets that are superior to the claims of our common stockholders or any preferred stockholders. If the value of our consolidated assets increases, then leveraging would cause the net asset value per share of our common stock to increase more sharply than it would have had we not incurred leverage.

Conversely, if the value of our consolidated assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not incurred leverage. Similarly, any increase in our consolidated income in excess of consolidated interest payable on the borrowed funds would cause our net income to increase more than it would had we not incurred leverage, while any decrease in our consolidated income would cause net income to decline more sharply than it would have had we not incurred leverage. Such a decline could negatively affect our ability to make common stock dividend payments. There can be no assurance that a leveraging strategy will be successful.

As of December 31, 2021, we had approximately \$2.7 billion of outstanding borrowings under the Facilities, approximately \$791 million aggregate principal amount of unsecured convertible notes outstanding comprised of \$388 million aggregate principal amount of unsecured convertible notes that mature on February 1, 2022 (the “2022 Convertible Notes”) and \$403 million aggregate principal amount of unsecured convertible notes that mature on March 1, 2024 (the “2024 Convertible Notes”) and together with the 2022 Convertible Notes, the “Convertible Unsecured Notes”) and approximately \$7.6 billion in aggregate principal amount outstanding of senior unsecured notes comprised of \$750 million in aggregate principal amount of senior unsecured notes that mature on February 10, 2023 and bear interest at a rate of 3.500% (the “2023 Notes”), \$900 million in aggregate principal amount of senior unsecured notes that mature on June 10, 2024 and bear interest at a rate of 4.200% (the “2024 Notes”), \$600 million in aggregate principal amount of senior unsecured notes that mature on March 1, 2025 and bear interest at a rate of 4.250% (the “March 2025 Notes”), \$1,250 million in aggregate principal amount of senior unsecured notes that mature on July 15, 2025 and bear interest at a rate of 3.250% (the “July 2025 Notes”), \$1,150 million in aggregate principal amount of senior unsecured notes that mature on January 15, 2026 and bear interest at a rate of 3.875% (the “January 2026 Notes”), \$1,000 million in aggregate principal amount of senior unsecured notes that mature on July 15, 2026 and bear interest at a rate of 2.150% (the “July 2026 Notes”), \$500 million in aggregate principal amount of senior unsecured notes that mature on June 15, 2027 and bear interest at a rate of 2.875% (the “2027 Notes”), \$1,250 million in aggregate principal amount of senior unsecured notes that mature on June 15, 2028 and bear interest at a rate of 2.875% (the “2028 Notes”) and \$700 million in aggregate principal amount of senior unsecured notes that mature on November 15, 2031 and bear interest at a rate of 3.200% (the “2031 Notes”) and together with the 2023 Notes, the 2024 Notes, the March 2025 Notes, the July 2025 Notes, the January 2026 Notes, the July 2026 Notes, the 2028 Notes, the “Unsecured Notes”). In order for us to cover our annual interest payments on our outstanding indebtedness at December 31, 2021, we must achieve annual returns on our December 31, 2021 total assets of at least 1.6%. The weighted average stated interest rate charged on our principal amount of outstanding indebtedness as of December 31, 2021 was 3.1%. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments,” as well as Note 15 to our consolidated financial statements for the year ended December 31, 2021 for subsequent events relating to the Unsecured Notes and the 2022 Convertible Notes. We intend to continue borrowing under the Facilities in the future and we may increase the size of the Facilities or issue additional debt securities or other evidences of indebtedness (although there can be no assurance that we will be successful in doing so). For more information on our indebtedness, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources.” Our ability to service our debt depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. The amount of leverage that we employ at any particular time will depend on our investment adviser’s and our board of directors’ assessments of market and other factors at the time of any proposed borrowing. We are currently allowed to borrow amounts such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 150% after such borrowing (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us).

The Facilities, the Convertible Unsecured Notes and the Unsecured Notes impose financial and operating covenants that restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our status as a RIC. A failure to renew the Facilities or to add new or replacement debt facilities or to issue additional debt securities or other evidences of indebtedness could have a material adverse effect on our business, financial condition and results of operations.

The following table illustrates the effect on return to a holder of our common stock of the leverage created by our use of borrowing at the weighted average stated interest rate of 3.1% as of December 31, 2021, together with (a) our total value of net assets as of December 31, 2021; (b) approximately \$11.1 billion in aggregate principal amount of indebtedness outstanding as of December 31, 2021 and (c) hypothetical annual returns on our portfolio of minus 15% to plus 15%.

Assumed Return on Portfolio (Net of Expenses)(1)	-15.00 %	-10.00 %	-5.00 %	— %	5.00 %	10.00 %	15.00 %
Corresponding Return to Common Stockholders(2)	-39.11 %	-27.36 %	-15.60 %	-3.85 %	7.90 %	19.65 %	31.41 %

(1) The assumed portfolio return is required by SEC regulations and is not a prediction of, and does not represent, our projected or actual performance. Actual returns may be greater or less than those appearing in the table. Pursuant to SEC regulations, this table is calculated as of December 31, 2021. As a result, it has not been updated to take into account any changes in assets or leverage since December 31, 2021.

(2) In order to compute the “Corresponding Return to Common Stockholders,” the “Assumed Return on Portfolio” is multiplied by the total value of our assets at December 31, 2021 to obtain an assumed return to us. From this amount, the interest expense (calculated by multiplying the weighted average stated interest rate of 3.1% by the approximately \$11.1 billion of principal debt outstanding) is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets as of December 31, 2021 to determine the “Corresponding Return to Common Stockholders.”

In addition to regulatory requirements that restrict our ability to raise capital, the Facilities, the Convertible Unsecured Notes and the Unsecured Notes contain various covenants that, if not complied with, could accelerate repayment under the Facilities, the Convertible Unsecured Notes and the Unsecured Notes, thereby materially and adversely affecting our liquidity, financial condition and results of operations.

The agreements governing the Facilities, the Convertible Unsecured Notes and the Unsecured Notes require us to comply with certain financial and operational covenants. These covenants may include, among other things:

- restrictions on the level of indebtedness that we are permitted to incur in relation to the value of our assets;
- restrictions on our ability to incur liens; and
- maintenance of a minimum level of stockholders’ equity.

As of the date of this Annual Report, we are in compliance in all material respects with the covenants of the Facilities, the Convertible Unsecured Notes and the Unsecured Notes. However, our continued compliance with these covenants depends on many factors, some of which are beyond our control. For example, depending on the condition of the public debt and equity markets and pricing levels, unrealized depreciation in our portfolio may increase in the future. Any such increase could result in our inability to comply with our obligation to restrict the level of indebtedness that we are able to incur in relation to the value of our assets or to maintain a minimum level of stockholders’ equity.

Accordingly, although we believe we will continue to be in compliance, there are no assurances that we will continue to comply with the covenants in the Facilities, the Convertible Unsecured Notes and the Unsecured Notes. Failure to comply with these covenants could result in a default under the Facilities, the Convertible Unsecured Notes or the Unsecured Notes, that, if we were unable to obtain a waiver from the lenders or holders of such indebtedness, as applicable, such lenders or holders could accelerate repayment under such indebtedness and thereby have a material adverse impact on our business, financial condition and results of operations.

We operate in a highly competitive market for investment opportunities.

A number of entities compete with us to make the types of investments that we make in middle-market companies. We compete with other BDCs, public and private funds, commercial and investment banks, commercial financing companies, insurance companies, hedge funds, and, to the extent they provide an alternative form of financing, private equity funds. Some of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition,

some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the Investment Company Act imposes on us as a BDC and that the Code imposes on us as a RIC. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to pursue attractive investment opportunities from time to time.

We do not seek to compete primarily based on the interest rates we offer and we believe that some of our competitors may make loans with interest rates that are comparable to or lower than the rates we offer. Rather, we compete with our competitors based on our existing investment platform, seasoned investment professionals, experience and focus on middle-market companies, disciplined investment philosophy, extensive industry focus and flexible transaction structuring. For a more detailed discussion of these competitive advantages, see “Business—Competitive Advantages.”

We may lose investment opportunities if we do not match our competitors’ pricing, terms and structure. The loss of such investment opportunities may limit our ability to grow or cause us to have to shrink the size of our portfolio, which could decrease our earnings. If we match our competitors’ pricing, terms and structure, we may experience decreased net interest income and increased risk of credit loss. As a result of operating in such a competitive environment, we may make investments that are on less favorable terms than what we may have originally anticipated, which may impact our return on these investments.

There are significant potential conflicts of interest that could impact our investment returns.

Conflicts may arise in allocating and structuring investments, time, services, expenses or resources among the investment activities of Ares funds, Ares, other Ares-affiliated entities and the employees of Ares. Certain of our executive officers and directors, and members of the investment committee of our investment adviser, serve or may serve as officers, directors or principals of other entities and affiliates of our investment adviser and investment funds managed by our investment adviser or its affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in our or our stockholders’ best interests or may require them to devote time to services for other entities, which could interfere with the time available to provide services to us. Members of our investment adviser’s investment committee may have significant responsibilities for other Ares funds. Similarly, although the professional staff of our investment adviser will devote as much time to the management of us as appropriate to enable our investment adviser to perform its duties in accordance with the investment advisory and management agreement, the investment professionals of our investment adviser may have conflicts in allocating their time and services among us, on the one hand, and investment vehicles managed by our investment adviser or one or more of its affiliates, on the other hand. These activities could be viewed as creating a conflict of interest insofar as the time and effort of the professional staff of our investment adviser and its officers and employees will not be devoted exclusively to our business but will instead be allocated between our business and the management of these other investment vehicles.

In addition, certain Ares funds may have investment objectives that compete or overlap with, and may from time to time invest in asset classes similar to those targeted by, Ares Capital. Consequently, we, on the one hand, and these other entities, on the other hand, may from time to time pursue the same or similar capital and investment opportunities. Ares and our investment adviser endeavor to allocate investment opportunities in a fair and equitable manner, and in any event consistent with any fiduciary duties owed to Ares Capital. Nevertheless, it is possible that we may not be given the opportunity to participate in certain investments made by investment funds managed by investment managers affiliated with Ares (including our investment adviser). In addition, there may be conflicts in the allocation of investments among us and the funds managed by investment managers affiliated with Ares (including our investment adviser) or one or more of our controlled affiliates or among the funds they manage, including investments made pursuant to the Co-investment Exemptive Order. Further, such other Ares-managed funds may hold positions in portfolio companies in which Ares Capital has also invested. Such investments may raise potential conflicts of interest between Ares Capital and such other Ares-managed funds, particularly if Ares Capital and such other Ares-managed funds invest in different classes or types of securities or investments of the same underlying portfolio company. In that regard, actions may be taken by such other Ares-managed funds that are adverse to Ares Capital’s interests, including, but not limited to, during a restructuring, bankruptcy or other insolvency proceeding or similar matter occurring at the underlying portfolio company.

We have from time to time sold assets to IHAM and certain of the IHAM Vehicles and, as part of our investment strategy, we may offer to sell additional assets to vehicles managed by one or more of our affiliates (including IHAM) or we may purchase assets from vehicles managed by one or more of our affiliates (including IHAM). In addition, vehicles managed by one or more of our affiliates (including IHAM) may offer assets to or may purchase assets from one another. While assets may be sold or purchased at prices that are consistent with those that could be obtained from third parties in the marketplace,

and although these types of transactions generally require approval of one or more independent parties, there may be an inherent conflict of interest in such transactions between us and funds managed by one of our affiliates (including our investment adviser).

We pay a base management fee, an income based fee and a capital gains incentive fee to our investment adviser, and reimburse our investment adviser for certain expenses it incurs. Ares, from time to time, incurs fees, costs, and expenses on behalf of more than one fund. To the extent such fees, costs, and expenses are incurred for the account or benefit of more than one fund, each such fund will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of its investment in the activity or entity to which such expense relates (subject to the terms of each fund's governing documents) or in such other manner as Ares considers fair and equitable under the circumstances such as the relative fund size or capital available to be invested by such funds. Where a fund's governing documents do not permit the payment of a particular expense, Ares will generally pay such fund's allocable portion of such expense. In addition, investors in our common stock will invest on a gross basis and receive distributions on a net basis after expenses, resulting in, among other things, a lower rate of return than one might achieve if distributions were made on a gross basis.

Our investment adviser's base management fee is based on a percentage of our total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) and, consequently, our investment adviser may have conflicts of interest in connection with decisions that could affect our total assets, such as decisions as to whether to incur indebtedness or to make future investments. We are currently allowed to borrow amounts such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 150% after such borrowing (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). Accordingly, our investment adviser may have conflicts of interest in connection with decisions to use increased leverage permitted under our asset coverage requirement applicable to senior securities, as the incurrence of such additional indebtedness would result in an increase in the base management fees payable to our investment adviser and may also result in an increase in the income based fees and capital gains incentive fees payable to our investment adviser.

The income based fees payable by us to our investment adviser that relate to our pre-incentive fee net investment income is computed and paid on income that may include interest that is accrued but not yet received in cash. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of such fee will become uncollectible. Our investment adviser is not under any obligation to reimburse us for any part of the income based fees it received that were based on accrued interest that we never actually receive.

Our investment advisory and management agreement renews for successive annual periods if approved by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not "interested persons" of us as defined in Section 2(a)(19) of the Investment Company Act. However, both we and our investment adviser have the right to terminate the agreement without penalty upon 60 days' written notice to the other party. Moreover, conflicts of interest may arise if our investment adviser seeks to change the terms of our investment advisory and management agreement, including, for example, the terms for compensation to our investment adviser. While any material change to the investment advisory and management agreement must be submitted to stockholders for approval under the Investment Company Act, we may from time to time decide it is appropriate to seek stockholder approval to change the terms of the agreement.

We are party to an administration agreement with our administrator, Ares Operations, a subsidiary of Ares Management, pursuant to which our administrator furnishes us with administrative services and we pay our administrator at cost our allocable portion of overhead and other expenses (including travel expenses) incurred by our administrator in performing its obligations under our administration agreement, including our allocable portion of the compensation, rent, and other expenses of certain of our officers (including our chief compliance officer, chief financial officer, chief accounting officer, general counsel, secretary, treasurer and assistant treasurer) and their respective staffs, but not investment professionals.

Our portfolio company, IHAM, is party to an administration agreement, referred to herein as the "IHAM administration agreement," with Ares Operations. Pursuant to the IHAM administration agreement, our administrator provides IHAM with administrative services and IHAM reimburses our administrator for all of the actual costs associated with such services, including its allocable portion of our administrator's overhead and the cost of our administrator's officers and respective staff in performing its obligations under the IHAM administration agreement. Prior to entering into the IHAM administration agreement, IHAM was party to a services agreement with our investment adviser, pursuant to which our investment adviser provided similar services.

As a result of the arrangements described above, there may be times when the management team of Ares Management (including those members of management focused primarily on managing Ares Capital) has interests that differ from those of our stockholders, giving rise to a conflict.

Our stockholders may have conflicting investment, tax and other objectives with respect to their investments in us. The conflicting interests of individual stockholders may relate to or arise from, among other things, the nature of our investments, the structure or the acquisition of our investments, and the timing of dispositions of our investments. As a consequence, conflicts of interest may arise in connection with decisions made by our investment adviser, including with respect to the nature or structuring of our investments, that may be more beneficial for one stockholder than for another stockholder, especially with respect to stockholders' individual tax situations. In selecting and structuring investments appropriate for us, our investment adviser will consider the investment and tax objectives of the Company and our stockholders, as a whole, not the investment, tax or other objectives of any stockholder individually.

We may be subject to additional corporate-level income taxes if we fail to maintain our status as a RIC.

We have elected to be treated as a RIC under the Code and operate in a manner so as to qualify for the U.S. federal income tax treatment applicable to RICs. As a RIC, we generally will not pay U.S. federal corporate-level income taxes on our income and net capital gains that we distribute to our stockholders as dividends on a timely basis. We will be subject to U.S. federal corporate-level income tax on any undistributed income and/or gains. To maintain our status as a RIC, we must meet certain source of income, asset diversification and annual distribution requirements. We may also be subject to certain U.S. federal excise taxes, as well as state, local and foreign taxes.

To maintain our RIC status, we must timely distribute an amount equal to at least 90% of our investment company taxable income (as defined by the Code, which generally includes net ordinary income and net short term capital gains) to our stockholders (the "Annual Distribution Requirement"). We have the ability to pay a large portion of our dividends in shares of our stock, and as long as a portion of such dividend is paid in cash and other requirements are met, such stock dividends will be taxable as a dividend for U.S. federal income tax purposes. This may result in our U.S. stockholders having to pay tax on such dividends, even if no cash is received, and may result in our non-U.S. stockholders being subject to withholding tax in respect of amounts distributed in our stock. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the Investment Company Act and financial covenants under our indebtedness that could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to maintain our status as a RIC and, thus, may be subject to corporate-level income tax on all of our income and/or gains.

To maintain our status as a RIC, in addition to the Annual Distribution Requirement, we must also meet certain annual source of income requirements at the end of each taxable year and asset diversification requirements at the end of each calendar quarter. Failure to meet these requirements may result in our having to (a) dispose of certain investments quickly or (b) raise additional capital to prevent the loss of RIC status. Because most of our investments are in private companies and are generally illiquid, any such dispositions may be at disadvantageous prices and may result in losses. Also, the rules applicable to our qualification as a RIC are complex with many areas of uncertainty. Accordingly, no assurance can be given that we have qualified or will continue to qualify as a RIC. If we fail to maintain our status as a RIC for any reason and become subject to regular "C" corporation income tax, the resulting corporate-level income taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. Such a failure would have a material adverse effect on us and on any investment in us. Certain provisions of the Code provide some relief from RIC disqualification due to failures of the source of income and asset diversification requirements, although there may be additional taxes due in such cases. We cannot assure you that we would qualify for any such relief should we fail the source of income or asset diversification requirements.

We may have difficulty paying our required distributions under applicable tax rules if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we generally are required to include in income certain amounts that we have not yet received in cash, such as original issue discount, which may arise, for example, if we receive warrants in connection with the making of a loan, or PIK interest representing contractual interest added to the loan principal balance and due at the end of the loan term. Such original issue discount or PIK interest is included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash, including, for example, amounts attributable to hedging and foreign currency transactions.

Since, in certain cases, we may recognize income before or without receiving cash in respect of such income, we may have difficulty meeting the U.S. federal income tax requirement to distribute generally an amount equal to at least 90% of our

investment company taxable income to maintain our status as a RIC. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify as a RIC and thus be subject to additional corporate-level income taxes. Such a failure could have a material adverse effect on us and on any investment in us.

We are exposed to risks associated with changes in interest rates.

General interest rate fluctuations may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our investment objective and our net investment income. Because we borrow money and may issue debt securities or preferred stock to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. If market rates decrease we may earn less interest income from investments made during such lower rate environment. From time to time, we may also enter into certain hedging transactions to mitigate our exposure to changes in interest rates. In the past, we have entered into certain hedging transactions, such as interest rate swap agreements, to mitigate our exposure to adverse fluctuations in interest rates, and we may do so again in the future. In addition, we may increase our floating rate investments to position the portfolio for rate increases. However, we cannot assure you that such transactions will be successful in mitigating our exposure to interest rate risk. There can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

Trading prices tend to fluctuate more for fixed-rate securities that have longer maturities. Although we have no policy governing the maturities of our investments, under current market conditions we expect that we will invest in a portfolio of debt generally having maturities of up to 10 years. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. This means that we are subject to greater risk (other things being equal) than a fund invested solely in shorter-term securities. A decline in the prices of the debt we own could adversely affect the trading price of our common stock. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock.

Most of our portfolio investments are not publicly traded and, as a result, the fair value of these investments may not be readily determinable.

A large percentage of our portfolio investments are not publicly traded. The fair value of investments that are not publicly traded may not be readily determinable. We value these investments quarterly at fair value as determined in good faith by our board of directors based on, among other things, the input of our management and audit committee and independent valuation firms that have been engaged at the direction of our board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12-month period (with certain de minimis exceptions). The valuation process is conducted at the end of each fiscal quarter, with a portion (based on value) of our valuations of portfolio companies without readily available market quotations subject to review by an independent valuation firm each quarter. However, we may use these independent valuation firms to review the value of our investments more frequently, including in connection with the occurrence of significant events or changes in value affecting a particular investment. In addition, our independent registered public accounting firm obtains an understanding of, and performs select procedures relating to, our investment valuation process within the context of performing the integrated audit.

The types of factors that may be considered in valuing our investments include the enterprise value of the portfolio company (the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flows, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to similar publicly traded securities, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments would trade in their principal markets and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate our valuation. Because such valuations, and particularly valuations of private investments and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these investments existed and may differ materially from the values that we may ultimately realize. Our net asset value per share could be adversely affected if our determinations regarding the fair value of these investments are higher than the values that we realize upon disposition of such investments.

The lack of liquidity in our investments may adversely affect our business.

As we generally make investments in private companies, substantially all of these investments are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of our investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we could realize significantly less than the value at which we have recorded our investments or could be unable to dispose of our investments in a timely manner. In addition, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we or an affiliated manager of Ares has material non-public information regarding such portfolio company.

Our financial condition and results of operations could be negatively affected if a significant investment fails to perform as expected.

Our investment portfolio includes investments that may be significant individually or in the aggregate. If a significant investment in one or more companies fails to perform as expected, such a failure could have a material adverse effect on our business, financial condition and operating results, and the magnitude of such effect could be more significant than if we had further diversified our portfolio.

We are subject to risks related to corporate social responsibility.

Our business (including that of our portfolio companies) faces increasing public scrutiny related to ESG activities, which are increasingly considered to contribute to the long-term sustainability of a company's performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions.

We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as diversity, equity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, our relationship with existing and future portfolio companies, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations.

Additionally, new regulatory initiatives related to ESG that are applicable to us and our portfolio companies could adversely affect our business. For example, in May 2018, the European Commission adopted an "action plan on financing sustainable growth." The action plan is, among other things, designed to define and reorient investment toward sustainability. The action plan contemplates: establishing EU labels for green financial products; increasing disclosure requirements in the financial services sector around ESG and strengthening the transparency of companies on their ESG policies and introducing a 'green supporting factor' in the EU prudential rules for banks and insurance companies to incorporate climate risks into banks' and insurance companies' risk management policies. There is a risk that a significant reorientation in the market following the implementation of these and further measures could be adverse to our portfolio companies if they are perceived to be less valuable as a consequence of, e.g., their carbon footprint or "greenwashing" (i.e., the holding out of a product as having green or sustainable characteristics where this is not, in fact, the case). We and our portfolio companies are subject to the risk that similar measures might be introduced in other jurisdictions in the future. In addition, the SEC has announced that it may require disclosure of certain ESG-related matters. At this time, there is uncertainty regarding the scope of such proposals or when they would become effective (if at all). Compliance with any new laws or regulations increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we or our portfolio companies conduct our businesses and adversely affect our profitability.

Changes in laws or regulations governing our operations or the operations of our portfolio companies, changes in the interpretation thereof or enacted laws or regulations, such as the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the Small Business Credit Availability Act (the "SBCAA"), could require changes to certain business practices of us or our portfolio companies, negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies.

We and our portfolio companies are subject to regulation by laws and regulations at the local, state, federal and, in some cases, foreign levels. These laws and regulations, as well as their interpretation, may be changed from time to time, and new laws and regulations may be enacted. Accordingly, any change in these laws or regulations, changes in their interpretation, or enacted laws or regulations could require changes to certain business practices of us or our portfolio companies, negatively

impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies.

On July 21, 2010, President Obama signed into law the Dodd-Frank Act, certain aspects of which were amended by the 2018 Economic Growth, Regulatory Relief, and Consumer Protection Act. In addition, U.S. regulatory agencies continue to consider changes to regulations promulgated under the Dodd-Frank Act. Although the full impact of the Dodd-Frank Act on us and our portfolio companies may not be known for an extended period of time, the Dodd-Frank Act, including the rules implementing its provisions and the interpretation of those rules relating to capital, margin, trading and clearance and settlement of derivatives, may negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies, intensify the regulatory supervision of us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies.

On February 3, 2017, President Trump signed Executive Order 13772 announcing the new Administration's policy to regulate the U.S. financial system in a manner consistent with certain "Core Principles," including regulation that is efficient, effective and appropriately tailored. The Executive Order directed the Secretary of the Treasury, in consultation with the heads of the member agencies of the Financial Stability Oversight Council, to report to the President on the extent to which existing laws, regulations and other government policies promote the Core Principles and to identify any laws, regulations or other government policies that inhibit federal regulation of the U.S. financial system. On June 12, 2017, the U.S. Department of the Treasury published the first of several reports in response to the Executive Order on the depository system covering banks and other savings institutions. On October 6, 2017, the Treasury released a second report outlining ways to streamline and reform the U.S. regulatory system for capital markets, followed by a third report, on October 26, 2017, examining the current regulatory framework for the asset management and insurance industries. The Treasury released a fourth report on July 31, 2018 describing recommendations relating to non-bank financial institutions, financial technology and innovation. Subsequent reports are expected to address retail and institutional investment products and vehicles.

On May 24, 2018, President Trump signed into law the Economic Growth, Regulatory Relief, and Consumer Protection Act, which increased from \$50 billion to \$250 billion the asset threshold for designation of "systemically important financial institutions" or "SIFIs" subject to enhanced prudential standards set by the Federal Reserve, staggering application of this change based on the size and risk of the covered bank holding company. On July 17, 2018, the House of Representatives passed the JOBS and Investor Confidence Act, which includes 32 pieces of legislation intended to help small businesses, entrepreneurs and investors by reforming capital markets. The proposed legislation includes provisions to expand the definition of "accredited investors," extend on-ramp exemptions for emerging growth companies (EGCs) and ease securities regulations on initial public offerings. The legislation was forwarded to the Senate for consideration, where no further action was taken, although it may be reintroduced in the future. At this time it is not possible to determine the potential impact of these new laws and proposals on us.

On March 23, 2018, the SBCAA was signed into law. The SBCAA, among other things, modified the applicable provisions of the Investment Company Act to reduce the required asset coverage ratio applicable to a BDC from 200% to 150% subject to certain approval, time and disclosure requirements (including either stockholder approval or approval of a "required majority" of its board of directors). On June 21, 2018, our board of directors, including a "required majority" of our board of directors, approved the application of the modified asset coverage requirement set forth in Section 61(a)(2) of the Investment Company Act, as amended by the SBCAA. As a result, effective on June 21, 2019, our asset coverage requirement applicable to senior securities was reduced from 200% to 150% (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us), and the risks associated with an investment in us may increase.

Additionally, legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U.S. federal income taxation are constantly under review by legislators and by the Internal Revenue Service ("IRS") and the U.S. Treasury Department. At the end of 2021, the Build Back Better Act included proposals that, if adopted, would have changed the corporate statutory and effective tax rate. While there are no immediate prospects for the Build Back Better Act to become law, future tax acts tend to draw upon earlier proposals. We are unable to predict the content or timing of adoption of any such proposal. Previously, the Tax Cuts and Jobs Act of 2017 significantly changed U.S. tax law and tax rates. We cannot predict how future tax proposals and changes in the Tax Cuts and Jobs Act, or regulations or other guidance issued under it, might affect us, our business, our stockholders, or our portfolio companies in the long-term. New legislation and any U.S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U.S. federal income tax consequences to us and our stockholders of such qualification, or could have other adverse consequences. Stockholders are urged to consult with their tax advisor regarding tax legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in our securities.

Changes to United States tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

There has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. There continues to exist significant uncertainty about the future relationship between the U.S. and other countries with respect to such trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the U.S. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

The discontinuation of LIBOR may adversely affect the value of the LIBOR-indexed, floating-rate debt securities in our portfolio or the cost of our borrowings.

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. On November 30, 2020, ICE Benchmark Administration ("IBA"), the administrator of LIBOR tenors, with the support of the U.S. Federal Reserve and the FCA, announced plans to consult on ceasing publication of USD LIBOR on December 31, 2021 for only the one-week and two-month USD LIBOR, and on June 30, 2023 for all other USD LIBOR tenors. The U.S. Federal Reserve concurrently issued a statement advising banks to stop new USD LIBOR issuances by the end of 2021. On March 5, 2021, the IBA confirmed its intention to cease publication of (i) one-week and two-month USD LIBOR tenors after December 31, 2021 and (ii) remaining USD LIBOR tenors after June 30, 2023.

On the same day, the FCA, as supervisor of IBA, made its announcement on the future cessation and loss of representativeness of the LIBOR benchmarks. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is expected to replace U.S. dollar LIBOR with a new index calculated by short-term repurchase agreements, backed by Treasury securities (the "Secured Overnight Financing Rate," or "SOFR"), plus a recommended spread adjustment as LIBOR's replacement. Although there have been certain issuances utilizing SOFR or the Sterling Over Night Index Average (an 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 our portfolio of LIBOR-indexed, floating-rate debt securities, or the cost of our borrowings. 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 debt securities in our portfolio, or the cost of our borrowings. Additionally, if as currently expected LIBOR ceases to exist, we may need to renegotiate the credit agreements extending beyond June 30, 2023, with our credit facility lenders and our portfolio companies that utilize LIBOR as a factor in determining the interest rate to replace LIBOR with SOFR or other alternative reference rates. The transition from LIBOR to SOFR or other alternative reference rates may also introduce operational risks in our accounting, financial reporting, loan servicing, liability management and other aspects of our business. We are assessing the impact of a transition from LIBOR; however, we cannot reasonably estimate the impact of the transition at this time.

Additionally, the phase-out or replacement of LIBOR may decrease the demand for floating-rate loans, which could adversely impact our business and financial condition. We may need to renegotiate the credit agreements extending beyond June 30, 2023 with our credit facility lenders and our 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 us to incur significant expense and may subject us to disputes or litigation over the appropriateness or comparability to the relevant replacement reference index. The transition from LIBOR to SOFR or other alternative reference rates may also introduce operational risks in our accounting, financial reporting, loan servicing, liability management and other aspects of our business. We are assessing the impact of a transition from LIBOR; however, we cannot reasonably estimate the impact of the transition at this time.

Our investment adviser's liability is limited under the investment advisory and management agreement, and we are required to indemnify our investment adviser against certain liabilities, which may lead our investment adviser to act in a riskier manner on our behalf than it would when acting for its own account.

Our investment adviser has not assumed any responsibility to us other than to render the services described in the investment advisory and management agreement, and it will not be responsible for any action of our board of directors in declining to follow our investment adviser's advice or recommendations. Pursuant to the investment advisory and management agreement, our investment adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other persons affiliated with it will not be liable to us for their acts under the investment advisory and management agreement, absent willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. We have agreed to indemnify, defend and protect our investment adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other persons or entities affiliated with it with respect to all damages, liabilities, costs and expenses arising out of or otherwise based upon the performance of any of our investment adviser's duties or obligations under the investment advisory and management agreement or otherwise as an investment adviser for us, and not arising out of willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties under the investment advisory and management agreement. These protections may lead our investment adviser to act in a riskier manner when acting on our behalf than it would when acting for its own account. See "Risk Factors—Risks Relating to Our Investments—Our investment adviser's fee structure may induce it to make certain investments on our behalf, including speculative investments."

We may be obligated to pay our investment adviser certain fees even if we incur a loss.

Our investment adviser is entitled to income based fees for each fiscal quarter in an amount equal to a percentage of the excess of our pre-incentive fee net investment income for that quarter (before deducting any income based fee and capital gains incentive fees and certain other items) above a threshold return for that quarter. Our pre-incentive fee net investment income for income based fee purposes excludes realized and unrealized capital losses or depreciation and income taxes related to realized gains that we may incur in the fiscal quarter, even if such capital losses or depreciation and income taxes related to realized gains result in a net loss on our statement of operations for that quarter. Thus, we may be required to pay our investment adviser income based fees for a fiscal quarter even if there is a decline in the value of our portfolio or the net asset value of our common stock or we incur a net loss for that quarter.

Under the investment advisory and management agreement, we will defer cash payment of any income based fee and the capital gains incentive fee otherwise earned by our investment adviser if, during the most recent four full calendar quarter periods ending on or prior to the date such payment is to be made, the sum of (a) our aggregate distributions to our stockholders and (b) our change in net assets (defined as total assets less indebtedness and before taking into account any income based fees or capital gains incentive fees accrued during the period) is less than 7.0% of our net assets (defined as total assets less indebtedness) at the beginning of such period. These calculations will be adjusted for any share issuances or repurchases. Any such deferred fees will be carried over for payment in subsequent calculation periods to the extent such payment can then be made under the investment advisory and management agreement.

If a portfolio company defaults on a loan that is structured to provide interest, it is possible that accrued and unpaid interest previously used in the calculation of income based fees will become uncollectible. Our investment adviser is not under any obligation to reimburse us for any part of income based fees it received that was based on accrued income that we never receive.

RISKS RELATING TO OUR INVESTMENTS

Declines in market prices and liquidity in the corporate debt markets can result in significant net unrealized depreciation of our portfolio, which in turn would reduce our net asset value.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by or under the direction of our board of directors. We may take into account the following types of factors, if relevant, in determining the fair value of our investments: the enterprise value of a portfolio company (the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time), the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to similar publicly traded securities, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments would trade in their principal markets and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate our valuation. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity). As a result, volatility in the capital markets can also adversely affect our investment valuations. Decreases in the market values or fair values of our investments are recorded as unrealized depreciation. The effect of all of these factors on our portfolio can reduce our net asset value (and, as a result our asset coverage calculation) by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized and/or unrealized losses, which could have a material adverse effect on our business, financial condition or results of operations.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

As the COVID-19 pandemic has demonstrated, many of our portfolio companies may be susceptible to economic downturns or recessions and may be unable to repay our loans during these periods. Therefore, during these periods our non-performing assets may increase and the value of our portfolio may decrease if we are required to write down the values of our investments. Adverse economic conditions may also decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results. We experienced to some extent such effects as a result of the economic downturn that occurred in 2020 as a result of the COVID-19 pandemic and from 2008 through 2009 and may experience such effects again in any future downturn or recession.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its assets representing collateral for its obligations, which could trigger cross defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt investments that we hold and the value of any equity securities we own. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company.

Inflation may adversely affect the business, results of operations and financial condition of our portfolio companies.

Certain of our portfolio companies are in industries that may be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest and principal on our loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized or unrealized losses and therefore reduce our net assets resulting from operations.

Investments in privately held middle-market companies involve significant risks.

We primarily invest in privately held U.S. middle-market companies. Investments in privately held middle-market companies involve a number of significant risks, including the following:

- these companies may have limited financial resources and may be unable to meet their obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing our investment;

- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- they typically depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse effect on such portfolio company and, in turn, on us;
- there is generally little public information about these companies. These companies and their financial information are generally not subject to the Exchange Act (as defined below) and other regulations that govern public companies, and we may be unable to uncover all material information about these companies, which may prevent us from making a fully informed investment decision and cause us to lose money on our investments;
- they generally have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- we, our executive officers, directors and our investment adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in our portfolio companies and may, as a result, incur significant costs and expenses in connection with such litigation;
- changes in laws and regulations (including the tax laws), as well as their interpretations, may adversely affect their business, financial structure or prospects; and
- they may have difficulty accessing the capital markets to meet future capital needs.

Our debt investments may be risky and we could lose all or part of our investment.

The debt that we invest in is typically not initially rated by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than "Baa3" by Moody's Investors Service, lower than "BBB-" by Fitch Ratings or lower than "BBB-" by Standard & Poor's Ratings Services), which under the guidelines established by these entities is an indication of having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as "high yield bonds" or "junk bonds." Therefore, our investments may result in an above average amount of risk and volatility or loss of principal. While the debt we invest in is often secured, such security does not guarantee that we will receive principal and interest payments according to the terms of the loan, or that the value of any collateral will be sufficient to allow us to recover all or a portion of the outstanding amount of the loan should we be forced to enforce our remedies.

Some of the loans in which we may invest may be "covenant-lite" loans, which means the loans contain fewer covenants than other loans (in some cases, none) and may not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. An investment by us in a covenant-lite loan may potentially hinder the ability to reprice credit risk associated with the issuer and reduce the ability to restructure a problematic loan and mitigate potential loss. We may also experience delays in enforcing our rights under covenant-lite loans. As a result of these risks, our exposure to losses may be increased, which could result in an adverse impact on our net income and net asset value.

We also may invest in assets other than first and second lien and subordinated debt investments, including high-yield securities, U.S. government securities, credit derivatives and other structured securities and certain direct equity investments. These investments entail additional risks that could adversely affect our investment returns.

Investments in equity securities, many of which are illiquid with no readily available market, involve a substantial degree of risk.

We may purchase common and other equity securities. Although common stock has historically generated higher average total returns than fixed income securities over the long-term, common stock also has experienced significantly more volatility in those returns. The equity securities we acquire may fail to appreciate and may decline in value or become worthless and our ability to recover our investment will depend on the underlying portfolio company's success. Investments in equity securities involve a number of significant risks, including:

- any equity investment we make in a portfolio company could be subject to further dilution as a result of the issuance of additional equity interests and to serious risks as a junior security that will be subordinate to all indebtedness (including trade creditors) or senior securities in the event that the issuer is unable to meet its obligations or becomes subject to a bankruptcy process;
- to the extent that the portfolio company requires additional capital and is unable to obtain it, we may not recover our investment; and
- in some cases, equity securities in which we invest will not pay current dividends, and our ability to realize a return on our investment, as well as to recover our investment, will be dependent on the success of the portfolio company. Even if the portfolio company is successful, our ability to realize the value of our investment may be dependent on the occurrence of a liquidity event, such as a public offering or the sale of the portfolio company. It is likely to take a significant amount of time before a liquidity event occurs or we can otherwise sell our investment. In addition, the equity securities we receive or invest in may be subject to restrictions on resale during periods in which it could be advantageous to sell them.

There are special risks associated with investing in preferred securities, including:

- preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If we own a preferred security that is deferring its distributions, we may be required to report income for tax purposes before we receive such distributions;
- preferred securities are subordinated to debt in terms of priority to income and liquidation payments, and therefore will be subject to greater credit risk than debt;
- preferred securities may be substantially less liquid than many other securities, such as common stock or U.S. government securities; and
- generally, preferred security holders have no voting rights with respect to the issuing company, subject to limited exceptions.

Additionally, when we invest in first lien senior secured loans (including “unitranche” loans, which are loans that combine both senior and subordinated debt, generally in a first lien position), second lien senior secured loans or subordinated debt, we may acquire warrants or other equity securities as well. Our goal is ultimately to dispose of such equity interests and realize gains upon our disposition of such interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

We may invest, to the extent permitted by law, in the equity securities of investment funds that are operating pursuant to certain exceptions to the Investment Company Act and in advisers to similar investment funds and, to the extent we so invest, will bear our ratable share of any such company’s expenses, including management and performance fees. We will also remain obligated to pay the base management fee, income based fee and capital gains incentive fee to our investment adviser with respect to the assets invested in the securities and instruments of such companies. With respect to each of these investments, each of our common stockholders will bear his or her share of the base management fee, income based fee and capital gains incentive fee due to our investment adviser as well as indirectly bearing the management and performance fees and other expenses of any such investment funds or advisers.

There may be circumstances in which our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, a bankruptcy court might recharacterize our debt holding as an equity investment and subordinate all or a portion of our claim to that of other creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower’s business or exercise control over the borrower. For example, we could become subject to a lender’s liability claim, if, among other things, we actually render significant managerial assistance.

Our portfolio companies may incur debt or issue equity securities that rank equally with, or senior to, our investments in such companies.

Our portfolio companies may have, or may be permitted to incur, other debt, or issue other equity securities, that rank equally with, or senior to, our investments. By their terms, such instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which we are entitled to receive payments in respect of our investments. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company typically are entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such holders, the portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of securities ranking equally with our investments, we would have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

The rights we may have with respect to the collateral securing any junior priority loans we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements (including agreements governing “first out” and “last out” structures) that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that senior obligations are outstanding, we may forfeit certain rights with respect to the collateral to the holders of the senior obligations. These rights may include the right to commence enforcement proceedings against the collateral, the right to control the conduct of such enforcement proceedings, the right to approve amendments to collateral documents, the right to release liens on the collateral and the right to waive past defaults under collateral documents. We may not have the ability to control or direct such actions, even if as a result our rights as junior lenders are adversely affected.

When we are a debt or minority equity investor in a portfolio company, we are often not in a position to exert influence on the entity, and other equity holders and management of the company may make decisions that could decrease the value of our investment in such portfolio company.

When we make debt or minority equity investments, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the other equity holders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of our investment.

Our portfolio companies may be highly leveraged.

Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies’ ability to finance their future operations and capital needs. As a result, these companies’ flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company’s income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

Our investment adviser’s fee structure may induce it to make certain investments on our behalf, including speculative investments.

The fees payable by us to our investment adviser may create an incentive for our investment adviser to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which income based fees payable to our investment adviser are determined, which are calculated as a percentage of the return on invested capital, may encourage our investment adviser to use leverage to increase the return on our investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor the holders of our common stock and the holders of securities convertible into our common stock. In addition, our investment adviser will receive the capital gains incentive fee based, in part, upon net capital gains realized on our investments. Unlike income based fees, there is no hurdle rate applicable to the capital gains incentive fee. As a result, our investment adviser may have a tendency to invest more in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

The income based fees are computed and paid on income that has been accrued but not yet received in cash, including as a result of investments with a deferred interest feature such as debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the income based fee will become uncollectible. Our

investment adviser is not under any obligation to reimburse us for any part of the fees it received that were based on such accrued interest that we never actually received.

Because of the structure of the income based fees, it is possible that we may have to pay income based fees in a quarter during which we incur a loss. For example, if we receive pre-incentive fee net investment income in excess of the hurdle rate for a quarter, we will pay the applicable income based fees even if we have incurred a loss in that quarter due to realized and/or unrealized capital losses. In addition, if market interest rates rise, our investment adviser may be able to invest our funds in debt instruments that provide for a higher return, which would increase our pre-incentive fee net investment income and make it easier for our investment adviser to surpass the fixed hurdle rate and receive income based fees.

Our investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy contemplates potential investments in foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes (potentially at confiscatory levels), less liquid markets, less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Although we expect most of our investments will be U.S. dollar denominated, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us.

We may expose ourselves to risks if we engage in hedging transactions.

We have and may in the future enter into hedging transactions, which may expose us to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Use of these hedging instruments may include counter-party credit risk.

Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price.

The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to (or be able to) establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations. See also “Risk Factors—Risks Relating to Our Business—We are exposed to risks associated with changes in interest rates.”

In November 2020, the SEC adopted a rulemaking regarding the ability of a BDC (or a registered investment company) to use derivatives and other transactions that create future payment or delivery obligations (except reverse repurchase agreements and similar financing transactions). Under the newly adopted rules, BDCs that use derivatives will be subject to a value-at-risk leverage limit, a derivatives risk management program and testing requirements and requirements related to board reporting. These new requirements will apply unless the BDC qualifies as a “limited derivatives user,” as defined under the adopted rules. Under the new rule, a BDC may enter into an unfunded commitment agreement that is not a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable

belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts.

RISKS RELATING TO OUR COMMON STOCK AND PUBLICLY TRADED NOTES

Our shares of common stock have traded at a discount from net asset value and may do so again, which could limit our ability to raise additional equity capital.

Shares of closed-end investment companies frequently trade at a market price that is less than the net asset value that is attributable to those shares. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share may decline. It is not possible to accurately predict whether any shares of our common stock will trade at, above, or below net asset value. In the recent past (including during much of 2020), the stocks of BDCs as an industry, including at times shares of our common stock, have traded below net asset value and during much of 2009 traded at near historic lows as a result of concerns over liquidity, leverage restrictions and distribution requirements. See “Risk Factors—Risks Relating to Our Business—The capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business and operations.” When our common stock is trading below its net asset value per share, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining approval for such issuance from our stockholders and our independent directors. Pursuant to approval granted at a special meeting of stockholders held on August 13, 2021, we currently are permitted to sell or otherwise issue shares of our common stock at a price below net asset value, subject to certain limitations and determinations that must be made by our board of directors. Such stockholder approval expires on August 13, 2022.

There is a risk that investors in our common stock may not receive dividends or that our dividends may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments.

In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. Certain of the Facilities may also limit our ability to declare dividends if we default under certain provisions. Further, if we invest a greater amount of assets in non-income producing securities, it could reduce the amount available for distribution and may also inhibit our ability to make required interest payments to holders of our debt, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of our debt agreements.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse effect on the price of our common stock.

The Maryland General Corporation Law (the “MGCL”), our charter and our bylaws contain provisions that may discourage, delay or make more difficult a change in control of Ares Capital or the removal of our directors. We are subject to the Maryland Business Combination Act (the “Business Combination Act”), subject to any applicable requirements of the Investment Company Act. Our board of directors has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our board, including approval by a majority of our disinterested directors. If the resolution exempting business combinations is repealed or our board or disinterested directors do not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and may increase the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act (the “Control Share Acquisition Act”) acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Acquisition Act, subject to any applicable requirements of the Investment Company Act, the Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and may increase the difficulty of consummating such an offer.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our board of directors into three classes serving staggered three-year terms, and provisions of our charter authorizing our board of directors to classify or reclassify shares of our stock into one or more classes or series, to cause the issuance of additional shares of our stock, and to amend our charter from time to time, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may discourage, delay, defer, make more difficult or prevent a transaction or a change in control that might otherwise be in stockholders' best interest.

Our bylaws designate the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the U.S. District Court for the District of Maryland, Baltimore Division, will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf, (ii) any Internal Corporate Claim, as such term is defined in Section 1-101(p) of the MGCL, including, without limitation, (a) any action asserting a claim of breach of any duty owed by any of our directors or officers or other employees to us or to our stockholders or (b) any action asserting a claim against us or any of our directors or officers or other employees arising pursuant to any provision of the MGCL or our charter or bylaws or (iii) any action asserting a claim against us or any of our directors or officers or other employees that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in our shares shall be deemed to have notice of and to have consented and waived any objection to this exclusive forum provision of our bylaws, as the same may be amended from time to time. Our board of directors, without stockholder approval, adopted this exclusive forum provision so that we can respond to such litigation more efficiently, reduce the costs associated with our responses to such litigation, particularly litigation that might otherwise be brought in multiple forums, and make it less likely that plaintiffs' attorneys will be able to employ such litigation to coerce us into otherwise unjustified settlements. However, this exclusive forum provision may limit a stockholder's ability to bring a claim in a judicial forum that such stockholder believes is favorable for disputes with us or our directors, officers or other employees, if any, and may discourage lawsuits against us and our directors, officers or other employees, if any. We believe the risk of a court declining to enforce this exclusive forum provision is remote, as the General Assembly of Maryland has specifically amended the MGCL to authorize the adoption of such provision. However, if a court were to find such provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings notwithstanding that the MGCL expressly provides that the charter or bylaws of a Maryland corporation may require that any Internal Corporate Claim be brought only in courts sitting in one or more specified jurisdictions, we may incur additional costs that we do not currently anticipate associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations.

Investing in our common stock may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive and, therefore, an investment in our securities may not be suitable for someone with lower risk tolerance.

The market price of our common stock may fluctuate significantly.

The capital and credit markets have experienced periods of extreme volatility and disruption over the past several years (including throughout much of 2020 and 2021 as a result of the COVID-19 pandemic). The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of publicly traded RICs, BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- price and volume fluctuations in the overall stock market from time to time;
- the inclusion or exclusion of our common stock from certain indices;
- changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to RICs or BDCs;

- loss of our RIC status;
- our ability to manage our capital resources effectively;
- changes in our earnings or variations in our operating results;
- changes in the value of our portfolio of investments;
- any shortfall in investment income or net investment income or any increase in losses from levels expected by investors or securities analysts;
- departure of Ares' key personnel;
- short-selling pressure with respect to shares of our common stock or BDCs generally;
- future sales of our securities convertible into or exchangeable or exercisable for our common stock or the conversion of such securities, including the Convertible Unsecured Notes;
- uncertainty surrounding the strength of the U.S. economy;
- uncertainty between the U.S. and other countries with respect to trade policies, treaties, and tariffs; and
- general economic trends and other external factors.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If our stock price fluctuates significantly, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

We may in the future determine to issue preferred stock, which could adversely affect the market value of our common stock.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any dividends or other payments to our common stockholders, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). In addition, under the Investment Company Act, preferred stock constitutes a "senior security" for purposes of the asset coverage test.

The net asset value per share of our common stock may be diluted if we sell shares of our common stock in one or more offerings at prices below the then current net asset value per share of our common stock or securities to subscribe for or convertible into shares of our common stock.

At a special meeting of stockholders held on August 13, 2021, subject to certain determinations required to be made by our board of directors, our stockholders approved our ability to sell or otherwise issue shares of our common stock, in an amount not exceeding 25% of our then outstanding common stock, at a price below the then current net asset value per share during a period that began on August 13, 2021 and expires on August 13, 2022.

In addition, at our 2009 annual stockholders meeting, our stockholders approved a proposal authorizing us to sell or otherwise issue warrants or securities to subscribe for or convertible into shares of our common stock subject to certain limitations (including, without limitation, that the number of shares issuable does not exceed 25% of our then outstanding common stock and that the exercise or conversion price thereof is not, at the date of issuance, less than the greater of the market value per share and the net asset value per share of our common stock). The authorization granted to sell or issue warrants or securities to subscribe for or convertible into shares of our common stock has no expiration.

Any decision to sell shares of our common stock below its then current net asset value per share or securities to subscribe for or convertible into shares of our common stock would be subject to the determination by our board of directors that such issuance is in our and our stockholders' best interests.

If we were to sell shares of our common stock below its then current net asset value per share, such sales would result in an immediate dilution to the net asset value per share of our common stock. This dilution would occur as a result of the sale of shares at a price below the then current net asset value per share of our common stock and a proportionately greater decrease in the stockholders' interest in our earnings and assets and their voting interest in us than the increase in our assets resulting from such issuance. Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted.

In addition, if we issue warrants or securities to subscribe for or convertible into shares of our common stock, subject to certain limitations, the exercise or conversion price per share could be less than net asset value per share at the time of exercise or conversion (including through the operation of anti-dilution protections). Because we would incur expenses in connection with any issuance of such securities, such issuance could result in a dilution of the net asset value per share at the time of exercise or conversion. This dilution would include reduction in net asset value per share as a result of the proportionately greater decrease in the stockholders' interest in our earnings and assets and their voting interest than the increase in our assets resulting from such issuance.

Further, if our current stockholders do not purchase any shares to maintain their percentage interest when we issue new shares, regardless of whether such offering is above or below the then current net asset value per share, their voting power will be diluted.

Our stockholders will experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan.

All dividends declared in cash payable to stockholders that are participants in our dividend reinvestment plan are automatically reinvested in shares of our common stock. As a result, our stockholders that opt out of our dividend reinvestment plan will experience dilution in their ownership percentage of our common stock over time.

Our stockholders may experience dilution upon the conversion of the Convertible Unsecured Notes.

As of December 31, 2021, the 2022 Convertible Notes are convertible into shares of our common stock beginning on August 1, 2021 and the 2024 Convertible Notes are convertible into shares of our common stock beginning on December 1, 2023 or, under certain circumstances, earlier. To the extent the 2022 Convertible Notes are converted, the Company has elected to settle in cash for all conversion dates after August 1, 2021. As of December 31, 2021, the conversion price of the 2022 Convertible Notes was effectively \$18.99 per share and the conversion price of the 2024 Convertible Notes was effectively \$19.88 per share, in each case taking into account certain de minimis adjustments that will be made on the conversion date and subject to further adjustment in certain circumstances. If we elect to deliver shares of common stock upon a conversion at the time our tangible book value per share exceeds the conversion price in effect at such time, our stockholders may incur dilution. In addition, our stockholders will experience dilution in their ownership percentage of common stock upon our issuance of common stock in connection with the conversion of the Convertible Unsecured Notes and any dividends paid on our common stock will also be paid on shares issued in connection with such conversion after such issuance.

Our stockholders may receive shares of our common stock as dividends, which could result in adverse cash flow consequences to them.

In order to satisfy the Annual Distribution Requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion could be as low as 20%) and certain requirements are met, the entire distribution would be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder would be taxed on 100% of the fair market value of the shares received as part of the dividend on the date a stockholder received it in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, or the availability of such common stock for sale (including as a result of the conversion of our Convertible Unsecured Notes into common stock), could adversely affect the prevailing market

prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

The trading market or market value of our publicly issued debt securities may fluctuate.

Our publicly issued debt securities may or may not have an established trading market. We cannot assure holders of our debt securities that a trading market for our publicly issued debt securities will ever develop or be maintained if developed. In addition to our creditworthiness, many factors may materially adversely affect the trading market for, and market value of, our publicly issued debt securities. These factors include, but are not limited to, the following:

- the time remaining to the maturity of these debt securities;
- the outstanding principal amount of debt securities with terms identical to these debt securities;
- the ratings assigned by national statistical ratings agencies;
- the general economic environment;
- the supply of such debt securities trading in the secondary market, if any;
- the redemption or repayment features, if any, of these debt securities;
- the level, direction and volatility of market interest rates generally; and
- market rates of interest higher or lower than rates borne by the debt securities.

Holders of our debt securities should also be aware that there may be a limited number of buyers if and when they decide to sell their debt securities. This too may materially adversely affect the market value of the debt securities or the trading market for the debt securities.

Terms relating to redemption may materially adversely affect our noteholders' return on any debt securities that we may issue.

If our noteholders' debt securities are redeemable at our option, we may choose to redeem their debt securities at times when prevailing interest rates are lower than the interest rate paid on their debt securities. In addition, if our noteholders' debt securities are subject to mandatory redemption, we may be required to redeem their debt securities also at times when prevailing interest rates are lower than the interest rate paid on their debt securities. In this circumstance, our noteholders may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as their debt securities being redeemed.

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

Our credit ratings are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities. Our credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities.

GENERAL RISK FACTORS

Global economic, political and market conditions, including uncertainty about the financial stability of the United States, could have a significant adverse effect on our business, financial condition and results of operations.

Downgrades by rating agencies to the U.S. government's credit rating or concerns about its credit and deficit levels in general could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock.

Deterioration in the economic conditions in the Eurozone and other regions or countries globally and the resulting instability in global financial markets may pose a risk to our business. Financial markets have been affected at times by a number of global macroeconomic events, including the following: large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non-performing loans on the balance sheets of European banks, the effect of the United Kingdom (the “U.K.”) leaving the European Union (the “EU”), instability in the Chinese capital markets and the COVID-19 pandemic. Global market and economic disruptions have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations. We cannot assure you that market disruptions in Europe and other regions or countries, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe or elsewhere negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected. Moreover, there is a risk of both sector-specific and broad-based corrections and/or downturns in the equity and credit markets. Any of the foregoing could have a significant impact on the markets in which we operate and could have a material adverse impact on our business prospects and financial condition.

Various social and political circumstances in the U.S. and around the world (including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the U.S. and worldwide. Such events, including rising trade tensions between the United States and China, other uncertainties regarding actual and potential shifts in U.S. and foreign, trade, economic and other policies with other countries, escalating border tensions between Russia and Ukraine, and the COVID-19 pandemic, could adversely affect our business, financial condition or results of operations. These market and economic disruptions could negatively impact the operating results of our portfolio companies.

Additionally, the Federal Reserve may raise, or may announce its intention to raise, the Federal Funds Rate in 2022. These developments, along with the United States government’s credit and deficit concerns, global economic uncertainties and market volatility and the impacts of COVID-19, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets and capital markets on favorable terms.

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the interest rates payable on the debt investments we make, the default rates on such investments, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

We are dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition or results of operations.

Our business is dependent on our and third parties’ communications and information systems. Further, in the ordinary course of our business we or our investment adviser may engage certain third party service providers to provide us with services necessary for our business. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third-party service providers, could cause delays or other problems in our business activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and

- cyber-attacks.

These events, in turn, could have a material adverse effect on our business, financial condition and operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

Cybersecurity risks and cyber incidents may adversely affect our business or the business of our portfolio companies by causing a disruption to our operations or the operations of our portfolio companies, a compromise or corruption of our confidential information or the confidential information of our portfolio companies and/or damage to our business relationships or the business relationships of our portfolio companies, all of which could negatively impact the business, financial condition and operating results of us or our portfolio companies.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the information resources of us or our portfolio companies. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems or those of our portfolio companies for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusions, including by computer hackers, nation-state affiliated actors, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. We and our investment adviser's employees have been and expect to continue to be the target of fraudulent calls, emails and other forms of potentially malicious or otherwise negatively impacting activities. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to business relationships.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. As our and our portfolio companies' reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided by Ares Management and third-party service providers, and the information systems of our portfolio companies. Ares Management has implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that a cyber incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. Even the most well-protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we and our service providers may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us and our service providers to entirely mitigate this risk. Cybersecurity risks require continuous and increasing attention and other resources from us to, among other actions, identify and quantify these risks, upgrade and expand our technologies, systems and processes to adequately address such risks. Such attention diverts time and other resources from other activities and there is no assurance that our efforts will be effective.

In addition, cybersecurity has become a top priority for global lawmakers and regulators, and some jurisdictions have proposed or enacted laws requiring companies to notify regulators and individuals of data security breaches involving certain types of personal data. If we fail to comply with the relevant and increasing complex laws and regulations, we could suffer financial losses, a disruption of our business, liability to investors, regulatory intervention or reputational damage.

Ineffective internal controls could impact our business and operating results.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and we could fail to meet our financial reporting obligations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are currently located at 245 Park Avenue, 44th Floor, New York, New York 10167. We are party to office leases pursuant to which we are leasing office facilities from third parties.

Item 3. Legal Proceedings

We are not subject to any material pending legal proceedings, and no such proceedings are known to be contemplated.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

PRICE RANGE OF COMMON STOCK AND DISTRIBUTIONS

Our common stock is traded on The NASDAQ Global Select Market under the symbol “ARCC.” Our common stock has historically traded at prices both above and below our net asset value per share. It is not possible to predict whether our common stock will trade at, above or below net asset value. See “Risk Factors—Risks Relating to Our Common Stock and Publicly Traded Notes—Our shares of common stock have traded at a discount from net asset value and may do so again, which could limit our ability to raise additional equity capital.”

The following table sets forth, for each fiscal quarter for the fiscal years ended December 31, 2021, 2020 and 2019, the net asset value per share of our common stock, the range of high and low closing sales prices of our common stock, the closing sales price as a premium (discount) to net asset value and the dividends or distributions declared by us.

	Net Asset Value(1)	Price Range		High Sales Price Premium (Discount) to Net Asset Value(2)	Low Sales Price Premium (Discount) to Net Asset Value(2)	Cash Dividend Per Share(3)
		High	Low			
Year ended December 31, 2019						
First Quarter	\$ 17.21	\$ 17.48	\$ 15.28	1.57 %	(11.21)%	\$ 0.48 (4)
Second Quarter	\$ 17.27	\$ 18.12	\$ 17.22	4.92 %	(0.29)%	\$ 0.40
Third Quarter	\$ 17.26	\$ 19.19	\$ 17.99	11.18 %	4.23 %	\$ 0.40
Fourth Quarter	\$ 17.32	\$ 19.02	\$ 18.10	9.82 %	4.50 %	\$ 0.40
Year ended December 31, 2020						
First Quarter	\$ 15.58	\$ 19.23	\$ 8.08	23.43 %	(48.14)%	\$ 0.40
Second Quarter	\$ 15.83	\$ 16.20	\$ 9.13	2.34 %	(42.32)%	\$ 0.40
Third Quarter	\$ 16.48	\$ 15.02	\$ 13.27	(8.86)%	(19.48)%	\$ 0.40
Fourth Quarter	\$ 16.97	\$ 17.28	\$ 13.82	1.83 %	(18.56)%	\$ 0.40
Year ended December 31, 2021						
First Quarter	\$ 17.45	\$ 19.23	\$ 16.51	10.20 %	(5.39)%	\$ 0.40
Second Quarter	\$ 18.16	\$ 19.97	\$ 18.29	9.97 %	0.72 %	\$ 0.40
Third Quarter	\$ 18.52	\$ 20.43	\$ 19.52	10.31 %	5.40 %	\$ 0.41
Fourth Quarter	\$ 18.96	\$ 21.70	\$ 19.66	14.45 %	3.69 %	\$ 0.41

- (1) Net asset value per share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per share on the date of the high and low closing sales prices. The net asset values shown are based on outstanding shares at the end of the relevant quarter.
- (2) Calculated as the respective high or low closing sales price less net asset value, divided by net asset value (in each case, as of the applicable quarter).
- (3) Represents the dividend or distribution declared in the relevant quarter.
- (4) Consists of a quarterly dividend of \$0.40 per share and additional quarterly dividends of \$0.02 per share, all of which were declared in the first quarter of 2019 and paid on March 29, 2019, June 28, 2019, September 30, 2019 and December 27, 2019 to stockholders of record as of March 15, 2019, June 14, 2019, September 16, 2019 and December 16, 2019, respectively.

On February 2, 2022, the last reported closing sales price of our common stock on The NASDAQ Global Select Market was \$22.22 per share, which represented a premium of approximately 17.19% to the net asset value per share reported by us as of December 31, 2021.

HOLDERS

As of February 2, 2022, there were 1,183 holders of record of our common stock (including Cede & Co.).

DIVIDEND/DISTRIBUTION POLICY

We currently intend to distribute dividends or make distributions to our stockholders on a quarterly basis out of assets legally available for distribution. We may also distribute additional dividends or make additional distributions to our stockholders from time to time. Our quarterly and additional dividends or distributions, if any, will be determined by our board of directors.

To maintain our RIC status under the Code, we must timely distribute an amount equal to at least 90% of our investment company taxable income (as defined by the Code, which generally includes net ordinary income and net short term capital gains) to our stockholders. In addition, we generally will be required to pay an excise tax equal to 4% on certain undistributed taxable income unless we distribute in a timely manner an amount at least equal to the sum of (i) 98% of our ordinary income recognized during a calendar year and (ii) 98.2% of our capital gain net income, as defined by the Code, recognized during a calendar year and (iii) any income recognized, but not distributed, in preceding years. The taxable income on which we pay excise tax is generally distributed to our stockholders in the next tax year. Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income for distribution in the following year, and pay any applicable excise tax. For the years ended December 31, 2021, 2020 and 2019, we recorded a net excise tax expense of \$24 million, \$17 million and \$15 million, respectively. We cannot assure you that we will achieve results that will permit the payment of any cash distributions. We maintain an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a cash dividend, stockholders’ cash dividends will be automatically reinvested in additional shares of our common stock, unless they specifically opt out of the dividend reinvestment plan so as to receive cash dividends. See “Dividend Reinvestment Plan.”

RECENT SALES OF UNREGISTERED EQUITY SECURITIES

We did not sell any securities during the period covered by this Annual Report that were not registered under the Securities Act of 1933, as amended.

ISSUER PURCHASES OF EQUITY SECURITIES

Dividend Reinvestment Plan

During the quarter ended December 31, 2021, as a part of our dividend reinvestment plan for our common stockholders, we did not purchase any shares of our common stock in the open market in order to satisfy the reinvestment portion of our dividends.

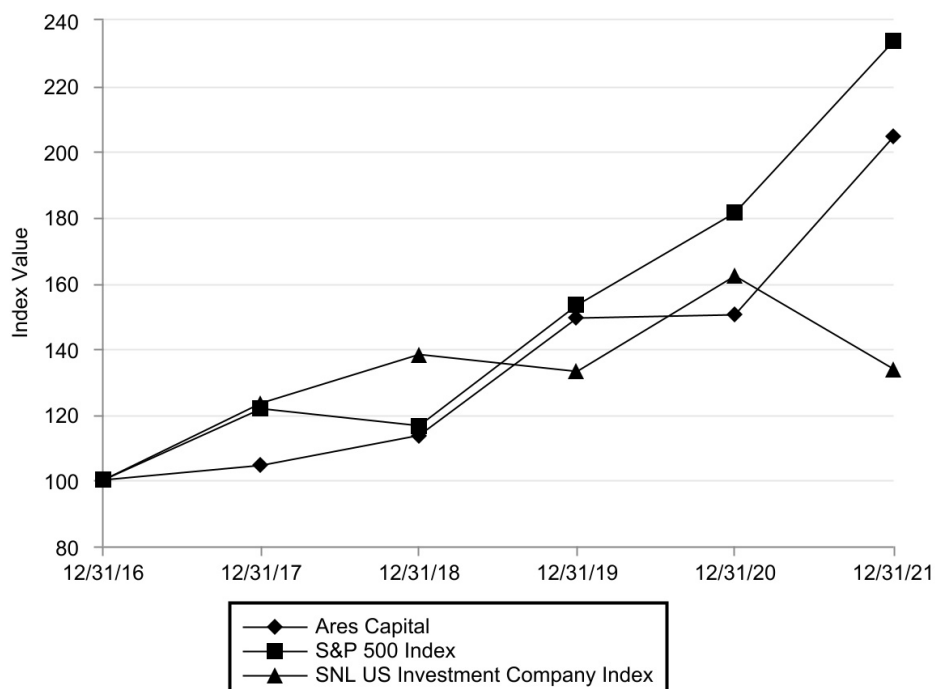
Stock Repurchase Program

In February 2021, our board of directors authorized an amendment to our stock repurchase program to extend the expiration date of the program from February 15, 2021 to February 15, 2022. Under the stock repurchase program, we may repurchase up to \$500 million in the aggregate of our outstanding common stock in the open market at certain thresholds below its net asset value per share, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The timing, manner, price and amount of any share repurchases will be determined by us, in our sole discretion, based upon the evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors. The stock repurchase program will be in effect through February 15, 2022, unless extended or until the approved dollar amount has been used to repurchase shares. The stock repurchase program does not require us to repurchase any specific number of shares of common stock or any shares of common stock at all. Consequently, we cannot assure stockholders that any specific number of shares of common stock, if any, will be repurchased under the stock repurchase program. The stock repurchase program may be suspended, extended, modified or discontinued at any time. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments,” as well as Note 15 to our consolidated financial statements for the year ended December 31, 2021 for a subsequent event relating to our stock repurchase program.

During the quarter ended December 31, 2021, there were no repurchases of our common stock under our stock repurchase program. As of December 31, 2021, the approximate dollar value of shares that may yet be purchased under the program was \$500 million.

COMPARISON OF CUMULATIVE TOTAL RETURN AMONG ARES CAPITAL CORPORATION, S&P 500 INDEX AND SNL US INVESTMENT COMPANY INDEX

Total Return Performance



SOURCE: S&P Global Market Intelligence

NOTES: Assumes \$100 invested on December 31, 2016 in Ares Capital, the S&P 500 Index and the SNL US Investment Company Index. Assumes all dividends are reinvested on the respective dividend payment dates without commissions.

	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21
Ares Capital	100.00	104.53	113.71	149.24	150.20	204.54
S&P 500 Index	100.00	121.83	116.49	153.17	181.35	233.41
SNL US Investment Company Index	100.00	123.36	138.31	132.94	162.04	133.69

The stock performance graph and other information above shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act, as amended.

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear, directly or indirectly, based on the assumptions set forth below. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this Form 10-K contains a reference to our fees or expenses, we will pay such fees and expenses out of our net assets and, consequently, stockholders will indirectly bear such fees or expenses as investors in us.

Stockholder transaction expenses (as a percentage of offering price):		
Sales load	—	(1)
Offering expenses	—	(2)
Dividend reinvestment plan expenses	Up to \$15 Transaction Fee	(3)
Total stockholder transaction expenses paid	—	(4)
Annual expenses (as a percentage of consolidated net assets attributable to common stock)(5):		
Base management fees	3.24 %	(6)
Income based fees and capital gains incentive fees	4.80 %	(7)
Interest payments on borrowed funds	4.61 %	(8)
Other expenses	0.87 %	(9)
Acquired fund fees and expenses	1.28 %	(10)
Total annual expenses	14.80 %	(11)

- (1) In the event that shares of our common stock are sold to or through underwriters, the applicable prospectus or prospectus supplement will disclose the applicable sales load (underwriting discount or commission). Purchases of shares of our common stock on the secondary market are not subject to sales charges but may be subject to brokerage commissions or other charges. The table does not include any sales load that stockholders may have paid in connection with their purchase of shares of our common stock.
- (2) The applicable prospectus or prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the offering expenses borne by us as a percentage of the offering price.
- (3) The expenses of the dividend reinvestment plan are included in “Other expenses.” The plan administrator’s fees under the plan are paid by us. If a participant elects by notice to the plan administrator in advance of termination to have the plan administrator sell part or all of the shares held by the plan administrator in the participant’s account and remit the proceeds to the participant, the plan administrator is authorized to deduct a transaction fee of up to \$15 plus a \$0.12 per share fee from the proceeds. See “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Issuer Purchases of Equity Securities—Dividend Reinvestment Plan” for more information.
- (4) The applicable prospectus or prospectus supplement will disclose the offering price and the total stockholder transaction expenses as a percentage of the offering price.
- (5) The “consolidated net assets attributable to common stock” used to calculate the percentages in this table is our average net assets of \$8.1 billion for the year ended December 31, 2021.
- (6) Our base management fee is calculated at an annual rate of 1.5% based on the average value of our total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) at the end of the two most recently completed calendar quarters; provided, however, the base management fee is calculated at an annual rate of 1.0% on the average value of our total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) that exceeds the product of (A) 200% and (B) our net asset value at the end of the most recently completed calendar quarter. See “Business—Investment Advisory and Management Agreement.”
- (7) This item represents our investment adviser’s income based fees and capital gains incentive fees based on actual income based fees for the year ended December 31, 2021 and the capital gains incentive fee expense accrued in accordance with GAAP for the year ended December 31, 2021, even though the capital gains incentive fee actually payable under the investment advisory and management agreement as of December 31, 2021 was \$26 million.

GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Company Act or the investment advisory and management agreement. This GAAP accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital depreciation included in the calculation of the capital gains incentive fee actually payable under the investment advisory and management agreement plus the aggregate cumulative unrealized capital appreciation. If such amount is positive at the end of a period, then GAAP requires us to record a capital gains incentive fee equal to 20% of such cumulative amount, less the aggregate amount of actual capital gains incentive fees paid or capital gains incentive fees accrued under GAAP in all prior periods. The resulting accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. There can be no assurance that such unrealized capital appreciation will be realized in the future or that the amount accrued for will ultimately be paid.

For purposes of this table, we have assumed that these fees will be payable (in the case of the capital gains incentive fee) and that they will remain constant, although they are based on our performance and will not be paid unless we achieve certain goals. We expect to invest or otherwise utilize all of the net proceeds from securities registered under our registration statement pursuant to a particular prospectus supplement within three months of the date of the offering pursuant to such prospectus supplement and may have capital gains and interest income that could result in the payment of these fees to our investment adviser in the first year after completion of such offerings. Since our IPO through December 31, 2021, the average quarterly fees accrued related to income based fees and capital gains incentive fees (including capital gains incentive fees accrued under GAAP even though they may not be payable) have been approximately 0.68% of our weighted average net assets for such period (2.72% on an annualized basis). For more detailed information about income based fees and capital gains incentive fees previously incurred by us, please see Note 3 to our consolidated financial statements for the year ended December 31, 2021.

Income based fees are payable quarterly in arrears in an amount equal to 20% of our pre-incentive fee net investment income (including interest that is accrued but not yet received in cash), subject to a 1.75% quarterly (7.0% annualized) hurdle rate and a “catch-up” provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, our investment adviser receives no income based fees until our net investment income equals the hurdle rate of 1.75% but then receives, as a “catch-up,” 100% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875%. The effect of this provision is that, if pre-incentive fee net investment income exceeds 2.1875% in any calendar quarter, our investment adviser will receive 20% of our pre-incentive fee net investment income as if a hurdle rate did not apply.

Capital gains incentive fees are payable annually in arrears in an amount equal to 20% of our realized capital gains on a cumulative basis from inception through the end of the year, if any, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of capital gains incentive fees paid in all prior years.

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

These calculations will be adjusted for any share issuances or repurchases.
See “Business—Investment Advisory and Management Agreement.”

- (8) “Interest payments on borrowed funds” represents our interest expenses estimated based on our actual interest and credit facility expenses incurred for the year ended December 31, 2021. During the year ended December 31, 2021, our average outstanding borrowings were approximately \$9.4 billion and cash paid for interest expense was \$310 million. We had outstanding borrowings of approximately \$11.1 billion (with a carrying value of approximately \$11.0 billion) as of December 31, 2021. This item is based on the assumption that our borrowings and interest costs after an

offering will remain similar to those prior to such offering. The amount of leverage that we may employ at any particular time will depend on, among other things, our investment adviser's and our board of directors' assessment of market and other factors at the time of any proposed borrowing. See "Risk Factors—Risks Relating to Our Business—We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us." We are currently allowed to borrow amounts such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 150% after such borrowing (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources."

- (9) Includes our overhead expenses, including payments under our administration agreement based on our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement, and income taxes. Such expenses are estimated based on actual "Other expenses" for the year ended December 31, 2021. The holders of shares of our common stock (and not the holders of our debt securities or preferred stock, if any) indirectly bear the cost associated with our annual expenses. See "Business—Administration Agreement."
- (10) Our stockholders indirectly bear the expenses of underlying funds or other investment vehicles that would be investment companies under section 3(a) of the Investment Company Act but for the exceptions to that definition provided for in sections 3(c)(1) and 3(c)(7) of the Investment Company Act ("Acquired Funds") in which we invest. This amount is estimated based on the estimated annual fees and operating expenses of Acquired Funds in which the Company is invested as of December 31, 2021. Certain of these Acquired Funds are subject to management fees, which generally range from 1% to 2.5% of total net assets, or incentive fees, which generally range between 15% and 25% of net profits. When applicable, fees and operating expenses estimates are based on historic fees and operating expenses for the Acquired Funds. For those Acquired Funds with little or no operating history, fees and operating expenses are estimates based on expected fees and operating expenses stated in the Acquired Funds' offering memorandum, private placement memorandum or other similar communication without giving effect to any performance. Future fees and operating expenses for these Acquired Funds may be substantially higher or lower because certain fees and operating expenses are based on the performance of the Acquired Funds, which may fluctuate over time. Also included with the amount is an estimate of the annual fees and operating expenses of the SDLP. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Portfolio and Investment Activity—Senior Direct Lending Program" and Note 4 to our consolidated financial statements for the year ended December 31, 2021 for more information on the SDLP. The annual fees and operating expenses of the SDLP were estimated based on the funded portfolio of the SDLP as of December 31, 2021 and include interest payments on the senior notes and intermediate funding notes provided by Varagon and its clients, which represent 83% of such expenses.
- (11) Total annual expenses as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage and increase our total assets. The SEC requires that the "Total annual expenses" percentage be calculated as a percentage of net assets (defined as total assets less indebtedness and before taking into account any income based fees or capital gains incentive fees accrued during the period), rather than the total assets, including assets that have been funded with borrowed monies.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that we would have no additional leverage, that none of our assets are cash or cash equivalents and that our annual operating expenses would remain at the levels set forth in the table above. Income based fees and the capital gains incentive fees under the investment advisory and management agreement, which, assuming a 5% annual return, would either not be payable or have an insignificant impact on the expense amounts shown below, are not included in the example, except as specifically set forth below. Transaction expenses are not included in the following example.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a \$1,000 common stock investment, assuming a 5% annual return (none of which is subject to the capital gains incentive fee)(1)	(\$102)	(\$292)	(\$461)	(\$814)
You would pay the following expenses on a \$1,000 common stock investment, assuming a 5% annual return resulting entirely from net realized capital gains (all of which is subject to the capital gains incentive fee)(2)	(\$112)	(\$319)	(\$502)	(\$876)

- (1) Assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation.
- (2) Assumes no unrealized capital depreciation and a 5% annual return resulting entirely from net realized capital gains and not otherwise deferrable under the terms of the investment advisory and management agreement and therefore subject to the capital gains incentive fee.

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. If we were to achieve sufficient returns on our investments, including through the realization of capital gains, to trigger income based fees or capital gains incentive fees of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our board of directors authorizes and we declare a cash dividend, participants in our dividend reinvestment plan who have not otherwise elected to receive cash will receive a number of shares of our common stock determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Issuer Purchases of Equity Securities—Dividend Reinvestment Plan” for additional information regarding our dividend reinvestment plan.

This example and the expenses in the table above should not be considered a representation of our future expenses as actual expenses (including the cost of debt, if any, and other expenses) that we may incur in the future and such actual expenses may be greater or less than those shown.

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

Information about our senior securities (including preferred stock, debt securities and other indebtedness) is shown in the following tables as of the end of the last ten fiscal years. The report of our independent registered public accounting firm, KPMG LLP, on the senior securities table as of December 31, 2021, is attached as an exhibit to this annual report on Form 10-K. The “-” indicates information that the SEC expressly does not require to be disclosed for certain types of senior securities.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Revolving Credit Facility				
Fiscal 2021	\$ 1,507	\$ 1,792	\$ —	N/A
Fiscal 2020	1,180	1,824	—	N/A
Fiscal 2019	2,250	2,042	—	N/A
Fiscal 2018	1,064	2,362	—	N/A
Fiscal 2017	395	2,415	—	N/A
Fiscal 2016	571	2,296	—	N/A
Fiscal 2015	515	2,213	—	N/A
Fiscal 2014	170	2,292	—	N/A
Fiscal 2013	—	—	—	N/A
Fiscal 2012	—	—	—	N/A
Revolving Funding Facility				
Fiscal 2021	\$ 762	\$ 1,792	\$ —	N/A
Fiscal 2020	1,027	1,824	—	N/A
Fiscal 2019	638	2,042	—	N/A
Fiscal 2018	520	2,362	—	N/A
Fiscal 2017	600	2,415	—	N/A
Fiscal 2016	155	2,296	—	N/A
Fiscal 2015	250	2,213	—	N/A
Fiscal 2014	324	2,292	—	N/A
Fiscal 2013	185	2,547	—	N/A
Fiscal 2012	300	2,721	—	N/A
SMBC Funding Facility				
Fiscal 2021	\$ 401	\$ 1,792	\$ —	N/A
Fiscal 2020	453	1,824	—	N/A
Fiscal 2019	301	2,042	—	N/A
Fiscal 2018	245	2,362	—	N/A
Fiscal 2017	60	2,415	—	N/A
Fiscal 2016	105	2,296	—	N/A
Fiscal 2015	110	2,213	—	N/A
Fiscal 2014	62	2,292	—	N/A
Fiscal 2013	—	—	—	N/A
Fiscal 2012	—	—	—	N/A
BNP Funding Facility				
Fiscal 2021	\$ —	\$ 1,792	\$ —	N/A
Fiscal 2020	150	1,824	—	N/A
SBA Debentures				
Fiscal 2017	\$ —	\$ —	\$ —	N/A
Fiscal 2016	25	2,296	—	N/A

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Fiscal 2015	22	2,213	—	N/A
February 2016 Convertible Notes				
Fiscal 2015	\$ 575	\$ 2,213	\$ —	N/A
Fiscal 2014	575	2,292	—	N/A
Fiscal 2013	575	2,547	—	N/A
Fiscal 2012	575	2,721	—	N/A
June 2016 Convertible Notes				
Fiscal 2015	\$ 230	\$ 2,213	\$ —	N/A
Fiscal 2014	230	2,292	—	N/A
Fiscal 2013	230	2,547	—	N/A
Fiscal 2012	230	2,721	—	N/A
2017 Convertible Notes				
Fiscal 2016	\$ 163	\$ 2,296	\$ —	N/A
Fiscal 2015	163	2,213	—	N/A
Fiscal 2014	163	2,292	—	N/A
Fiscal 2013	163	2,547	—	N/A
Fiscal 2012	163	2,721	—	N/A
2018 Convertible Notes				
Fiscal 2017	\$ 270	\$ 2,415	\$ —	N/A
Fiscal 2016	270	2,296	—	N/A
Fiscal 2015	270	2,213	—	N/A
Fiscal 2014	270	2,292	—	N/A
Fiscal 2013	270	2,547	—	N/A
Fiscal 2012	270	2,721	—	N/A
2019 Convertible Notes				
Fiscal 2018	\$ 300	\$ 2,362	\$ —	N/A
Fiscal 2017	300	2,415	—	N/A
Fiscal 2016	300	2,296	—	N/A
Fiscal 2015	300	2,213	—	N/A
Fiscal 2014	300	2,292	—	N/A
Fiscal 2013	300	2,547	—	N/A
2022 Convertible Notes				
Fiscal 2021	\$ 388	\$ 1,792	\$ —	N/A
Fiscal 2020	388	1,824	—	N/A
Fiscal 2019	388	2,042	—	N/A
Fiscal 2018	388	2,362	—	N/A
Fiscal 2017	388	2,415	—	N/A
2024 Convertible Notes				
Fiscal 2021	\$ 403	\$ 1,792	\$ —	N/A
Fiscal 2020	403	1,824	—	N/A
Fiscal 2019	403	2,042	—	N/A
2018 Notes				
Fiscal 2017	\$ 750	\$ 2,415	\$ —	N/A
Fiscal 2016	750	2,296	—	N/A
Fiscal 2015	750	2,213	—	N/A

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Fiscal 2014	750	2,292	—	N/A
Fiscal 2013	600	2,547	—	N/A
2020 Notes				
Fiscal 2018	\$ 600	\$ 2,362	\$ —	N/A
Fiscal 2017	600	2,415	—	N/A
Fiscal 2016	600	2,296	—	N/A
Fiscal 2015	600	2,213	—	N/A
Fiscal 2014	400	2,292	—	N/A
2022 Notes				
Fiscal 2020	\$ 600	\$ 1,824	\$ —	N/A
Fiscal 2019	600	2,042	—	N/A
Fiscal 2018	600	2,362	—	N/A
Fiscal 2017	600	2,415	—	N/A
Fiscal 2016	600	2,296	—	N/A
February 2022 Notes				
Fiscal 2014	\$ 144	\$ 2,292	\$ —	\$ 1,024
Fiscal 2013	144	2,547	—	1,043
Fiscal 2012	144	2,721	—	1,035
October 2022 Notes				
Fiscal 2016	\$ 183	\$ 2,296	\$ —	\$ 1,017
Fiscal 2015	183	2,213	—	1,011
Fiscal 2014	183	2,292	—	1,013
Fiscal 2013	183	2,547	—	993
Fiscal 2012	183	2,721	—	986
2040 Notes				
Fiscal 2014	\$ 200	\$ 2,292	\$ —	\$ 1,040
Fiscal 2013	200	2,547	—	1,038
Fiscal 2012	200	2,721	—	1,041
2023 Notes				
Fiscal 2021	\$ 750	\$ 1,792	\$ —	N/A
Fiscal 2020	750	1,824	—	N/A
Fiscal 2019	750	2,042	—	N/A
Fiscal 2018	750	2,362	—	N/A
Fiscal 2017	750	2,415	—	N/A
2024 Notes				
Fiscal 2021	\$ 900	\$ 1,792	\$ —	N/A
Fiscal 2020	900	1,824	—	N/A
Fiscal 2019	900	2,042	—	N/A
March 2025 Notes				
Fiscal 2021	\$ 600	\$ 1,792	\$ —	N/A
Fiscal 2020	600	1,824	—	N/A
Fiscal 2019	600	2,042	—	N/A
Fiscal 2018	600	2,362	—	N/A
July 2025 Notes				
Fiscal 2021	\$ 1,250	\$ 1,792	\$ —	N/A

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Fiscal 2020	750	1,824	—	N/A
January 2026 Notes				
Fiscal 2021	\$ 1,150	\$ 1,792	\$ —	N/A
Fiscal 2020	1,150	1,824	—	N/A
July 2026 Notes				
Fiscal 2021	\$ 1,000	\$ 1,792	\$ —	N/A
2028 Notes				
Fiscal 2021	\$ 1,250	\$ 1,792	\$ —	N/A
2031 Notes				
Fiscal 2021	\$ 700	\$ 1,792	\$ —	N/A
2047 Notes				
Fiscal 2020	\$ 230	\$ 1,824	\$ —	\$ 1,013
Fiscal 2019	230	2,042	—	1,033
Fiscal 2018	230	2,362	—	1,013
Fiscal 2017	230	2,415	—	1,021
Fiscal 2016	230	2,296	—	1,015
Fiscal 2015	230	2,213	—	1,011
Fiscal 2014	230	2,292	—	985
Fiscal 2013	230	2,547	—	972
Fiscal 2012	230	2,721	—	978

- (1) Total amount of each class of senior securities outstanding at principal value at the end of the period presented.
- (2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by total senior securities representing indebtedness. This asset coverage ratio is multiplied by \$1,000 to determine the “Asset Coverage Per Unit” (including for the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, which were issued in \$25 increments). In June 2016, we received exemptive relief from the SEC allowing us to modify the asset coverage requirements to exclude debentures issued by Ares Venture Finance, L.P. and guaranteed by the Small Business Administration (the “SBA”), subject to the issuance of a capital commitment by the SBA and other customary procedures (the “SBA Debentures”), from this calculation. As such, the asset coverage ratio beginning with Fiscal 2016 excludes the SBA Debentures. Certain prior year amounts have been reclassified to conform to the 2016 and 2017 presentation. In particular, unamortized debt issuance costs were previously included in other assets and were reclassified to long-term debt as a result of the adoption of Accounting Standards Update 2015-03, Interest-Imputation of Interest (Topic 835): Simplifying the Presentation of Debt Issuance Costs during the first quarter of 2016.
- (3) The amount to which such class of senior security would be entitled upon our involuntary liquidation in preference to any security junior to it.
- (4) Not applicable, except for with respect to the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, as other senior securities are not registered for public trading on a stock exchange. The average market value per unit for each of the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes is based on the average daily prices of such notes and is expressed per \$1,000 of indebtedness (including for the February 2022 Notes, the October 2022 Notes, the 2040 Notes and the 2047 Notes, which were issued in \$25 increments).

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this Annual Report. In addition, some of the statements in this Annual Report (including in the following discussion) constitute forward-looking statements, which relate to future events or the future performance or financial condition of Ares Capital Corporation (the "Company," "Ares Capital," "we," "us," or "our"). The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies', future business, operations, operating results or prospects;
- the return or impact of current and future investments;
- the impact of global health crises, such as the current novel coronavirus ("COVID-19") pandemic, on our or our portfolio companies' business and the U.S. and global economy;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of the elimination of the London Interbank Offered Rate ("LIBOR") and implementation of alternatives to LIBOR on our operating results;
- the impact of fluctuations in interest rates on our business;
- the impact of changes in laws or regulations (including the interpretation thereof), including the tax laws, the Coronavirus Aid, Relief and Economic Security Act of 2020 and the American Rescue Plan Act of 2021, governing our operations or the operations of our portfolio companies or the operations of our competitors;
- the March 2022 expiration of the Securities and Exchange Commission's ("the SEC") temporary no action position with respect to allowing co-investments with certain other funds managed by the investment adviser or its affiliates;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- our ability to recover unrealized losses;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital and our ability to manage our capital resources effectively;
- our contractual arrangements and relationships with third parties;
- the state of the general economy;
- the impact of supply chain constraints on our portfolio companies and the global economy;
- the elevating levels of inflation, and its impact on our portfolio companies and on the industries in which we invest;
- uncertainty surrounding global financial stability;
- the social, geopolitical, financial, trade and legal implications of Brexit;
- Middle East turmoil and the potential for volatility in energy prices and its impact on the industries in which we invest;
- the financial condition of our current and prospective portfolio companies and their ability to achieve their objectives;
- the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks;

- our ability to raise capital in the private and public debt markets;
- our ability to successfully complete and integrate any acquisitions;
- the outcome and impact of any litigation;
- the adequacy of our cash resources and working capital;
- the timing, form and amount of any dividend distributions;
- the timing of cash flows, if any, from the operations of our portfolio companies; and
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments.

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

We have based the forward-looking statements included in this Annual Report on information available to us on the filing date of this Annual Report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

OVERVIEW

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

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

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first lien senior secured loans (including “unitranche” loans, which are loans that combine both senior and subordinated debt, generally in a first lien position) and second lien senior secured loans. In addition to senior secured loans, we also invest in subordinated loans (sometimes referred to as mezzanine debt), which in some cases includes an equity component and preferred equity.

To a lesser extent, we also make common equity investments, which have generally been non-control equity investments of less than \$20 million (usually in conjunction with a concurrent debt investment). However, we may increase the size or change the nature of these investments.

Since our initial public offering (“IPO”) on October 8, 2004 through December 31, 2021, our exited investments resulted in an asset level realized gross internal rate of return to us of approximately 14% (based on original cash invested, net of syndications, of approximately \$36.6 billion and total proceeds from such exited investments of approximately \$46.9 billion). Internal rate of return is the discount rate that makes the net present value of all cash flows related to a particular investment equal to zero. Internal rate of return is gross of expenses related to investments as these expenses are not allocable to specific investments. Investments are considered to be exited when the original investment objective has been achieved through the receipt of cash and/or non-cash consideration upon the repayment of a debt investment or sale of an investment or through the determination that no further consideration was collectible and, thus, a loss may have been realized. Approximately 57% of these exited investments resulted in an asset level realized gross internal rate of return to us of 10% or greater.

Additionally, since our IPO on October 8, 2004 through December 31, 2021, our realized gains have exceeded our realized losses by approximately \$1.0 billion (excluding a one-time gain on the acquisition of Allied Capital Corporation (“Allied Capital”) in April 2010 (the “Allied Acquisition”) and realized gains/losses from the extinguishment of debt and other transactions). For this same time period, our average annualized net realized gain rate was approximately 1.0% (excluding a one-time gain on the acquisition of Allied Capital and realized gains/losses from the extinguishment of debt and other transactions). Net realized gain/loss rates for a particular period are the amount of net realized gains/losses during such period divided by the average quarterly investments at amortized cost in such period.

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

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

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

PORTFOLIO AND INVESTMENT ACTIVITY

Our investment activity for the years ended December 31, 2021 and 2020 is presented below.

(dollar amounts in millions)	For the Years Ended December 31,	
	2021	2020
New investment commitments(1):		
New portfolio companies	\$ 7,540	\$ 3,070
Existing portfolio companies	8,033	3,633
Total new investment commitments(2)	15,573	6,703
Less:		
Investment commitments exited(3)	(11,195)	(5,786)
Net investment commitments	\$ 4,378	\$ 917
Principal amount of investments funded:		
First lien senior secured loans(4)	\$ 8,835	\$ 4,966
Second lien senior secured loans	2,497	819
Subordinated certificates of the SDLP(5)	232	308
Senior subordinated loans	445	269
Preferred equity	930	219
Other equity	949	160
Total	\$ 13,888	\$ 6,741
Principal amount of investments sold or repaid:		
First lien senior secured loans(4)	\$ 6,503	\$ 4,503
Second lien senior secured loans	2,318	903
Subordinated certificates of the SDLP(5)	368	94
Senior subordinated loans	442	142
Collateralized loan obligations	—	39
Preferred equity	474	65
Other equity	148	112
Total	\$ 10,253	\$ 5,858
Number of new investment commitments(6)	242	142
Average new investment commitment amount	\$ 64	\$ 47
Weighted average term for new investment commitments (in months)	76	71
Percentage of new investment commitments at floating rates	86 %	93 %
Percentage of new investment commitments at fixed rates	8 %	4 %
Weighted average yield of debt and other income producing securities(7):		
Funded during the period at amortized cost	7.8 %	7.8 %
Funded during the period at fair value(8)	7.9 %	7.9 %
Exited or repaid during the period at amortized cost	8.0 %	7.8 %
Exited or repaid during the period at fair value(8)	8.0 %	7.8 %

(1) New investment commitments include new agreements to fund revolving loans or delayed draw loans. See Note 7 to our consolidated financial statements for the year ended December 31, 2021, for more information on our commitments to fund revolving loans or delayed draw loans.

(2) Includes both funded and unfunded commitments. Of these new investment commitments, we funded \$12.5 billion and \$5.6 billion for the years ended December 31, 2021 and 2020, respectively.

- (3) Includes both funded and unfunded commitments. For the years ended December 31, 2021 and 2020, investment commitments exited included exits of unfunded commitments of \$1.2 billion and \$798 million, respectively.
- (4) For the year ended December 31, 2021, net fundings of first lien secured revolving loans were \$59 million. For the year ended December 31, 2020, net repayments of first lien secured revolving loans were \$29 million.
- (5) See “Senior Direct Lending Program” below and Note 4 to our consolidated financial statements for the year ended December 31, 2021 for more information on the SDLP (as defined below).
- (6) Number of new investment commitments represents each commitment to a particular portfolio company or a commitment to multiple companies as part of an individual transaction (e.g., the purchase of a portfolio of investments).
- (7) “Weighted average yield of debt and other income producing securities” is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities (including the annualized amount of the dividend received by us related to our equity investment in IHAM during the most recent quarter end, as applicable), divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value (including the amortized cost or fair value of our equity investment in IHAM as applicable), as applicable.
- (8) Represents fair value for investments in the portfolio as of the most recent prior quarter end, if applicable.

As of December 31, 2021 and 2020, our investments consisted of the following:

(in millions)	As of December 31,			
	2021		2020	
	Amortized Cost	Fair Value(1)	Amortized Cost	Fair Value(1)
First lien senior secured loans(2)	\$ 9,583	\$ 9,459	\$ 7,224	\$ 6,987
Second lien senior secured loans	4,614	4,524	4,386	4,171
Subordinated certificates of the SDLP(3)	987	987	1,123	1,123
Senior subordinated loans	912	906	1,005	951
Preferred equity	1,547	1,561	1,020	926
Other equity	2,167	2,572	1,156	1,357
Total	\$ 19,810	\$ 20,009	\$ 15,914	\$ 15,515

- (1) As of December 31, 2021 and 2020, the fair value of certain of our investments was negatively impacted by the uncertainty surrounding the impact of the COVID-19 pandemic. For more information, see “Results of Operations - Net Unrealized Gains/Losses.”
- (2) First lien senior secured loans include certain loans that we classify as “unitranche” loans. The total amortized cost and fair value of the loans that we classified as “unitranche” loans were \$5.2 billion and \$5.2 billion, respectively, as of December 31, 2021, and \$2.9 billion and \$2.8 billion, respectively, as of December 31, 2020.
- (3) The proceeds from these certificates were applied to co-investments with Varagon Capital Partners (“Varagon”) and its clients to fund first lien senior secured loans to 19 and 23 different borrowers as of December 31, 2021 and 2020, respectively.

We have commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to fund which are at (or substantially at) our discretion. Our commitment to fund delayed draw loans is triggered upon the satisfaction of certain pre-negotiated terms and conditions. Generally, the most significant and uncertain term requires the borrower to satisfy a specific use of proceeds covenant. The use of proceeds covenant typically requires the borrower to use the additional loans for the specific purpose of a permitted acquisition or permitted investment, for example. In addition to the use of proceeds covenant, the borrower is generally required to satisfy additional negotiated covenants (including specified leverage levels). We are also party to subscription agreements to fund equity investments in private equity investment partnerships. See Note 7 to our consolidated financial statements for the year ended December 31, 2021 for more information on our unfunded commitments, including commitments to issue letters of credit, related to certain of our portfolio companies.

The weighted average yields at amortized cost and fair value of the following portions of our portfolio as of December 31, 2021 and 2020 were as follows:

	As of December 31,			
	2021		2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt and other income producing securities(1)	8.7 %	8.7 %	9.3 %	9.4 %
Total portfolio(2)	7.9 %	7.9 %	8.5 %	8.7 %
First lien senior secured loans(3)	7.2 %	7.3 %	7.7 %	8.0 %
Second lien senior secured loans(3)	8.6 %	8.8 %	8.7 %	9.1 %
Subordinated certificates of the SDLP(3)(5)	13.5 %	13.5 %	13.5 %	13.5 %
Senior subordinated loans(3)	10.2 %	10.3 %	9.0 %	9.5 %
Income producing equity securities(4)	12.0 %	10.8 %	13.4 %	12.2 %

- (1) “Weighted average yield on debt and other income producing securities” is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities (including the annualized amount of the dividend received by us related to our equity investment in IHAM during the most recent quarter end), divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value (including the amortized cost or fair value of our equity investment in IHAM as applicable), as applicable.
- (2) “Weighted average yield on total portfolio” is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities (including the annualized amount of the dividend received by us related to our equity investment in IHAM during the most recent quarter end), divided by (b) total investments at amortized cost or at fair value, as applicable.
- (3) “Weighted average yields” are computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on the relevant accruing investments, divided by (b) the total relevant investments at amortized cost or at fair value, as applicable.
- (4) “Weighted average yield on income producing equity securities” is computed as (a) the yield earned on the relevant income producing equity securities (including the annualized amount of the dividend received by us related to our equity investment in IHAM during the most recent quarter end), divided by (b) the total relevant income producing equity securities at amortized cost or fair value (including amortized cost or fair value of our equity investment in IHAM), as applicable.
- (5) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans.

Ares Capital Management employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our investment adviser grades the credit risk of all investments on a scale of 1 to 4 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio investment relative to our initial cost basis in respect of such portfolio investment (i.e., at the time of origination or acquisition), although it may also take into account under certain circumstances the performance of the portfolio company’s business, the collateral coverage of the investment and other relevant factors. The grade of a portfolio investment may be reduced or increased over time. The following is a description of each investment grade:

Investment grade	Description
4	Involves the least amount of risk to our initial cost basis. The trends and risk factors for this investment since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit.
3	Involves a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3.
2	Indicates that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. For investments graded 2, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company.
1	Indicates that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition, and the portfolio company likely has materially declining performance. For debt investments with an investment grade of 1, most or all of the debt covenants are out of compliance and payments are substantially delinquent. For investments graded 1, it is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit. For investments graded 1, our investment adviser enhances its level of scrutiny over the monitoring of such portfolio company.

Set forth below is the grade distribution of our portfolio companies as of December 31, 2021 and 2020:

(dollar amounts in millions)	As of December 31,							
	2021				2020			
	Fair Value	%	Number of Companies	%	Fair Value	%	Number of Companies	%
Grade 4	\$ 3,422	17.1 %	49	12.7 %	\$ 1,596	10.3 %	34	9.7 %
Grade 3	15,529	77.6	294	76.0	11,756	75.8	244	69.8
Grade 2	910	4.5	24	6.1	2,046	13.2	47	13.4
Grade 1	148	0.8	20	5.2	117	0.7	25	7.1
Total	\$ 20,009	100.0 %	387	100.0 %	\$ 15,515	100.0 %	350	100.0 %

As of December 31, 2021 and 2020, the weighted average grade of the investments in our portfolio at fair value was 3.1 and 3.0, respectively. The increase in the fair value of investments graded 4 was primarily due to recognition of unrealized appreciation in certain of our equity investments. As of December 31, 2021, investments graded 1 and 2 included certain of our portfolio investments which had increased risk due to supply chain disruptions, inflationary pressures and the COVID-19 pandemic and the continuing uncertainty surrounding its full duration and impact. For more information, see “Results of Operations - Net Unrealized Gains/Losses.”

As of December 31, 2021, loans on non-accrual status represented 0.8% and 0.5% of the total investments at amortized cost and at fair value, respectively. As of December 31, 2020, loans on non-accrual status represented 3.3% and 2.0% of the total investments at amortized cost and at fair value, respectively.

Senior Direct Lending Program

We have established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle-market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. and other partners. The joint venture is called the Senior Direct Lending Program, LLC (d/b/a the “Senior Direct Lending Program” or the “SDLP”). In July 2016, we and Varagon and its clients completed the initial funding of the SDLP. The SDLP may generally commit and hold individual loans of up to \$350 million. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of ours and Varagon (with approval from a representative of each required).

We provide capital to the SDLP in the form of subordinated certificates (the “SDLP Certificates”), and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of December 31, 2021, we and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates.

As of December 31, 2021 and 2020, we and Varagon and its clients had agreed to make capital available to the SDLP of \$6.2 billion and \$6.2 billion, respectively, in the aggregate, of which \$1.4 billion and \$1.4 billion, respectively, is to be made available from us. This capital will only be committed to the SDLP upon approval of transactions by the investment committee of the SDLP. Below is a summary of the funded capital and unfunded capital commitments of the SDLP.

(in millions)	As of December 31,	
	2021	2020
Total capital funded to the SDLP(1)	\$ 4,168	\$ 4,772
Total capital funded to the SDLP by the Company(1)	\$ 987	\$ 1,123
Total unfunded capital commitments to the SDLP(2)	\$ 262	\$ 152
Total unfunded capital commitments to the SDLP by the Company(2)	\$ 62	\$ 37

(1) At principal amount.

(2) These commitments to fund delayed draw loans have been approved by the investment committee of the SDLP and will be funded if and when conditions to funding such delayed draw loans are met.

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

The amortized cost and fair value of our SDLP Certificates were \$1.0 billion and \$1.0 billion, respectively, as of December 31, 2021 and \$1.1 billion and \$1.1 billion, respectively, as of December 31, 2020. Our yield on our investment in the SDLP Certificates at amortized cost and fair value was 13.5% and 13.5%, respectively, as of December 31, 2021 and 13.5% and 13.5%, respectively, as of December 31, 2020. For the years ended December 31, 2021, 2020 and 2019, we earned interest income of \$138 million, \$127 million and \$122 million, respectively, from our investment in the SDLP Certificates. We are also entitled to certain fees in connection with the SDLP. For the years ended December 31, 2021, 2020 and 2019, in connection with the SDLP, we earned capital structuring service and other fees totaling \$22 million, \$23 million and \$25 million, respectively.

As of December 31, 2021 and 2020, the SDLP portfolio was comprised entirely of first lien senior secured loans primarily to U.S. middle-market companies and were in industries similar to the companies in our portfolio. As of December 31, 2021 and 2020, none of the loans were on non-accrual status. Below is a summary of the SDLP’s portfolio as of December 31, 2021 and 2020:

(dollar amounts in millions)	As of December 31,	
	2021	2020
Total first lien senior secured loans(1)(2)	\$ 4,194	\$ 4,483
Weighted average yield on first lien senior secured loans(3)	6.7 %	6.9 %
Largest loan to a single borrower(1)	\$ 342	\$ 345
Total of five largest loans to borrowers(1)	\$ 1,540	\$ 1,565
Number of borrowers in the SDLP	19	23
Commitments to fund delayed draw loans(4)	\$ 262	\$ 152

(1) At principal amount.

(2) First lien senior secured loans include certain loans that the SDLP classifies as “unitranche” loans. As of December 31, 2021 and 2020, the total principal amount of loans in the SDLP portfolio that the SDLP classified as “unitranche” loans was \$2,908 million and \$3,551 million, respectively.

- (3) Computed as (a) the annual stated interest rate on accruing first lien senior secured loans, divided by (b) total first lien senior secured loans at principal amount.
- (4) As discussed above, these commitments have been approved by the investment committee of the SDLP.

RESULTS OF OPERATIONS

For the years ended December 31, 2021 and 2020

Operating results for the years ended December 31, 2021 and 2020 were as follows:

(in millions)	For the Years Ended December 31,	
	2021	2020
Total investment income	\$ 1,820	\$ 1,511
Total expenses	1,050	698
Net investment income before income taxes	770	813
Income tax expense, including excise tax	29	19
Net investment income	741	794
Net realized gains (losses) on investments, foreign currency and other transactions	240	(166)
Net unrealized gains (losses) on investments, foreign currency and other transactions	586	(144)
Net increase in stockholders' equity resulting from operations	\$ 1,567	\$ 484

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

Investment Income

(in millions)	For the Years Ended December 31,	
	2021	2020
Interest income from investments	\$ 1,247	\$ 1,159
Capital structuring service fees	306	149
Dividend income	222	149
Other income	45	54
Total investment income	\$ 1,820	\$ 1,511

Interest income from investments for the year ended December 31, 2021 increased from the comparable period in 2020 primarily as a result of the increase in the average size of our portfolio. This increase in interest income from the increase in the average size of our portfolio was partially offset against a decrease in the weighted average yield of our portfolio. The decline in the weighted average yield of our portfolio for the year ended December 31, 2021, as compared to the same period in 2020, was primarily due to the portfolio rotation into lower yielding senior secured loans. The average size and weighted average yield of our portfolio at amortized cost for the years ended December 31, 2021 and 2020 were as follows:

(in millions)	For the Years Ended December 31,	
	2021	2020
Average size of portfolio	\$ 17,053	\$ 15,187
Weighted average yield on portfolio	8.5 %	8.6 %

Capital structuring service fees for the year ended December 31, 2021 increased from the comparable period in 2020 primarily due to an increase in new investment commitments during the year ended December 31, 2021. The new investment commitments and weighted average capital structuring service fee percentages for the years ended December 31, 2021 and 2020 were as follows:

(in millions)	For the Years Ended December 31,	
	2021	2020
New investment commitments	\$ 15,573	\$ 6,703
Weighted average capital structuring service fee percentages	2.0 %	2.2 %

Dividend income for the years ended December 31, 2021 and 2020 were as follows:

(in millions)	For the Years Ended December 31,	
	2021	2020
Dividend income received from IHAM	\$ 93	\$ 74
Recurring dividends	110	73
Non-recurring dividends	19	2
Total dividend income	\$ 222	\$ 149

Recurring dividend income for the year ended December 31, 2021 increased from the comparable period in 2020 primarily due to an increase in yielding preferred equity investments.

Operating Expenses

(in millions)	For the Years Ended December 31,	
	2021	2020
Interest and credit facility fees	\$ 372	\$ 317
Base management fees	253	217
Income based fees	225	184
Capital gains incentive fees(1)	161	(58)
Administrative fees	15	13
Other general and administrative	24	25
Total expenses	\$ 1,050	\$ 698

(1) Calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) as discussed below.

Interest and credit facility fees for the years ended December 31, 2021 and 2020, were comprised of the following:

(in millions)	For the Years Ended December 31,	
	2021	2020
Stated interest expense	\$ 308	\$ 274
Credit facility fees	33	13
Amortization of debt issuance costs	29	23
Net accretion of discount on notes payable	2	7
Total interest and credit facility fees	\$ 372	\$ 317

Stated interest expense for the year ended December 31, 2021 increased from the comparable period in 2020 primarily due to the increase in the average principal amount of debt outstanding. The decrease in our weighted average stated interest rate for the year ended December 31, 2021 from the comparable period in 2020 was primarily due to the issuance of lower cost unsecured notes as well as the decline in LIBOR, which lowered the stated interest rate on our revolving credit facilities. Average debt outstanding and weighted average stated interest rate on our debt outstanding for the years ended December 31, 2021 and 2020 were as follows:

(in millions)	For the Years Ended December 31,	
	2021	2020
Average debt outstanding	\$ 9,411	\$ 7,781
Weighted average stated interest rate on debt	3.3 %	3.5 %

Credit facility fees for the year ended December 31, 2021 were higher from the comparable period in 2020 primarily due to the lower utilization of our revolving facilities resulting in higher unused commitment fees.

Base management fees for the year ended December 31, 2021 increased from the comparable period in 2020 primarily due to the increase in the average size of our portfolio for the year ended December 31, 2021 as compared to the comparable period in 2020.

Income based fees for the year ended December 31, 2021 increased from the comparable period in 2020 primarily due to the pre-incentive fee net investment income, as defined in the investment advisory and management agreement, for the year ended December 31, 2021 being higher than in the comparable period in 2020.

For the year ended December 31, 2021, the capital gains incentive fee calculated in accordance with GAAP was \$161 million. For the year ended December 31, 2020, the reduction in the capital gains incentive fee calculated in accordance with GAAP was \$58 million. The capital gains incentive fee accrual for the year ended December 31, 2021 changed from the comparable period in 2020 primarily due to net gains on investments, foreign currency, other transactions and the extinguishment of debt of \$826 million compared to net losses of \$310 million for the year ended December 31, 2020. The capital gains incentive fee accrued under GAAP includes an accrual related to unrealized capital appreciation, whereas the capital gains incentive fee actually payable under our investment advisory and management agreement does not. There can be no assurance that such unrealized capital appreciation will be realized in the future. The accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. As of December 31, 2021, there was \$161 million of capital gains incentive fees accrued in accordance with GAAP. As of December 31, 2021, the capital gains incentive fee actually payable under our investment advisory and management agreement was \$26 million. See Note 3 to our consolidated financial statements for the year ended December 31, 2021, for more information on the base management fees, income based fees and capital gains incentive fees.

Cash payment of any income based fees and capital gains incentive fees otherwise earned by our investment adviser is deferred if during the most recent four full calendar quarter period ending on or prior to the date such payment is to be made the sum of (a) the aggregate distributions to our stockholders and (b) the change in net assets (defined as total assets less indebtedness and before taking into account any income based fees and capital gains incentive fees payable during the period) is less than 7.0% of our net assets (defined as total assets less indebtedness) at the beginning of such period. These calculations will be adjusted for any share issuances or repurchases. Any income based fees and capital gains incentive fees deferred for payment are carried over for payment in subsequent calculation periods to the extent such fees are payable under the terms of the investment advisory and management agreement. As of December 31, 2020, income based fees payable of \$140 million in the accompanying consolidated balance sheet included \$83 million earned by our investment adviser that were previously deferred. These deferred income based fees were paid in the first quarter of 2021 pursuant to the terms of the investment advisory management agreement.

Administrative fees represent fees paid to Ares Operations for our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement, including our allocable portion of the compensation, rent and other expenses of certain of our corporate officers and their respective staffs. See Note 3 to our consolidated financial statements for the year ended December 31, 2021, for more information on the administrative fees.

Other general and administrative expenses include, among other costs, professional fees, insurance, fees and expenses related to evaluating and making investments in portfolio companies and independent directors' fees.

Income Tax Expense, Including Excise Tax

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

Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income, as required. To the extent that we determine that our estimated current year taxable income will be in excess of estimated dividend distributions for the current year from such income, we accrue excise tax, if any, on estimated excess taxable income as such taxable income is earned. For the years ended December 31, 2021 and 2020, we recorded a net expense of \$24 million and \$17 million, respectively, for U.S. federal excise tax.

Certain of our consolidated subsidiaries are subject to U.S. federal and state income taxes. For the years ended December 31, 2021 and 2020, we recorded a net tax expense of \$6 million and \$2 million, respectively, for these subsidiaries. The income tax expense for our taxable consolidated subsidiaries will vary depending on the level of realized gains from the exits of investments held by such taxable subsidiaries during the respective periods.

Net Realized Gains/Losses

The net realized gains (losses) from the sales, repayments or exits of investments during the years ended December 31, 2021 and 2020 were comprised of the following:

(in millions)	For the Years Ended December 31,	
	2021	2020
Sales, repayments or exits of investments(1)	\$ 10,473	\$ 5,586
Net realized gains (losses) on investments:		
Gross realized gains	\$ 442	\$ 122
Gross realized losses	(184)	(270)
Total net realized gains (losses) on investments	\$ 258	\$ (148)

- (1) Includes \$2.4 billion and \$940 million of loans sold to IHAM and certain vehicles managed by IHAM during the years ended December 31, 2021 and 2020, respectively. Net realized losses of \$7 million and \$21 million, respectively, were recorded on these transactions with IHAM during the years ended December 31, 2021 and 2020. See Note 4 to our consolidated financial statements for the year ended December 31, 2021 for more information on IHAM and its managed vehicles.

The net realized gains on investments during the year ended December 31, 2021 consisted of the following:

(in millions) Portfolio Company	Net Realized Gains (Losses)
SVP-Singer Holdings Inc. and SVP-Singer Holdings LP	\$ 110
Blue Angel Buyer 1, LLC and Blue Angel Holdco, LLC	46
GB Auto Service, Inc. and GB Auto Service Holdings, LLC	32
RMCF III CIV XXIX, L.P	30
Evolent Health LLC and Evolent Health, Inc.	21
BW Landco LLC	21
Mavis Tire Express Services Topco Corp., Metis HoldCo, Inc., and Metis TopCo, LP	18
ChargePoint Holdings, Inc.	17
PERC Holdings 1 LLC	11
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC	11
NECCO Holdings, Inc. and New England Confectionery Company, Inc.	(12)
QC Supply, LLC	(21)
Green Energy Partners, Stonewall LLC, Panda Stonewall Intermediate Holdings II LLC and Potomac Intermediate Holdings II LLC	(21)
Garden Fresh Restaurant Corp. and GFRC Holdings LLC	(24)
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.	(57)
Other, net	76
Total	\$ 258

During the year ended December 31, 2021, we also recognized net realized gains on foreign currency and other transactions of \$25 million.

During the year ended December 31, 2021, we redeemed the entire \$230 million in aggregate principal amount outstanding of the unsecured notes that were scheduled to mature on April 15, 2047 (the "2047 Notes") in accordance with the terms of the indenture governing the 2047 Notes. The 2047 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately \$233 million, which resulted in a realized loss on the extinguishment of debt of \$43

million. The \$186 million carrying value of the 2047 Notes at the time of redemption represented the aggregate principal amount of the 2047 Notes less the unaccreted purchased discount recorded in connection with the Allied Acquisition.

The net realized losses on investments during the year ended December 31, 2020 consisted of the following:

(in millions) Portfolio Company	Net Realized Gains (Losses)
Dynatrace, Inc.	\$ 29
UL Holding Co., LLC	20
PERC Holdings 1 LLC	16
Nodality, Inc.	(12)
Centric Brands Inc.	(22)
Production Resource Group, L.L.C.	(65)
VPROP Operating, LLC and Vista Proppants and Logistics, LLC	(103)
Other, net	(11)
Total	\$ (148)

During the year ended December 31, 2020, we also recognized net realized losses on foreign currency and other transactions of \$18 million.

Net Unrealized Gains/Losses

We value our portfolio investments quarterly and the changes in value are recorded as unrealized gains or losses in our consolidated statement of operations. Net unrealized gains and losses on investments for the years ended December 31, 2021 and 2020, were comprised of the following:

(in millions)	For the Years Ended December 31,	
	2021	2020
Unrealized appreciation	\$ 660	\$ 388
Unrealized depreciation	(344)	(620)
Net unrealized depreciation reversed related to net realized gains or losses(1)	286	88
Total net unrealized gains (losses) on investments	\$ 602	\$ (144)

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

During the year ended December 31, 2020, our operating results were negatively impacted by the uncertainty surrounding the COVID-19 pandemic, which caused severe disruptions in the global economy and negatively impacted the fair value and performance of certain portfolio companies in our investment portfolio. For the year ended December 31, 2020, the net unrealized losses recorded on investments were primarily due to the impact of the COVID-19 pandemic, including from business shutdowns, government restrictions and/or possible additional liquidity needs of certain of our portfolio companies. For the year ended December 31, 2021, the net unrealized gains on investments were primarily due to the reversal of net unrealized depreciation recorded during 2020 as a result of the COVID-19 pandemic as values recovered in 2021, as well as an increase in the fair value of certain of our portfolio company investments. For additional information concerning the COVID-19 pandemic and its potential impact on our business and our operating results, see “Risk Factors—The COVID-19 pandemic has caused severe disruptions in the global economy, which has had, and may continue to have, a negative impact on our portfolio companies and our business and operations.”

The changes in net unrealized appreciation and depreciation on investments during the year ended December 31, 2021 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
Ivy Hill Asset Management, L.P.	\$ 67
Athenahealth, Inc., VVC Holding Corp., Virence Intermediate Holding Corp., and Virence Holdings LLC	35
OTG Management, LLC	28
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.	24
Sundance Group Holdings, Inc.	21
Microstar Logistics LLC, Microstar Global Asset Management LLC, MStar Holding Corporation and Kegstar USA Inc.	20
ADG, LLC and RC IV GEDC Investor LLC	19
CoreLogic, Inc. and T-VIII Celestial Co-Invest LP	18
High Street Buyer, Inc. and High Street Holdco LLC	17
GHX Ultimate Parent Corporation, Commerce Parent, Inc. and Commerce Topco, LLC	15
Essential Services Holding Corporation and OMERS Mahomes Investment Holdings LLC	15
Centric Brands LLC and Centric Brands GP LLC	14
Primrose Holding Corporation	13
Alcami Corporation and ACM Holdings I, LLC	11
Cheyenne Petroleum Company Limited Partnership, CPC 2001 LLC and Mill Shoals LLC	11
Navisun LLC and Navisun Holdings LLC	11
Visual Edge Technology, Inc.	(12)
SiroMed Physician Services, Inc. and SiroMed Equity Holdings, LLC	(14)
Kellermeyer Bergensons Services, LLC	(14)
Implus Footcare, LLC	(20)
Elemica Parent, Inc. & EZ Elemica Holdings, Inc.	(20)
HAI Acquisition Corporation and Aloha Topco, LLC	(20)
Redwood Services, LLC and Redwood Services Holdco, LLC	(25)
Laboratories Bidco LLC and Laboratories Topco LLC	(31)
Pegasus Global Enterprise Holdings, LLC, Mekone Blocker Acquisition, Inc. and Mekone Parent, LLC	(35)
Other, net	168
Total	\$ 316

During the year ended December 31, 2021, we also recognized net unrealized losses on foreign currency and other transactions of \$16 million.

The changes in net unrealized appreciation and depreciation on investments during the year ended December 31, 2020 consisted of the following:

(in millions) Portfolio Company	Net Unrealized Appreciation (Depreciation)
SVP-Singer Holdings Inc. and SVP-Singer Holdings LP	\$ 102
Blue Angel Buyer 1, LLC and Blue Angel Holdco, LLC	18
Evolent Health LLC and Evolent Health, Inc.	16
Absolute Dental Group LLC and Absolute Dental Equity, LLC	11
BW Landco LLC	11
Ivy Hill Asset Management, L.P.	11
OUTFRONT Media Inc.	11
Alcami Corporation and ACM Holdings I, LLC	(13)
Implus Footcare, LLC	(14)
Varsity Brands Holding Co., Inc.	(15)
Centric Brands LLC and Centric Brands GP LLC	(18)
Cipriani USA, Inc.	(18)
Sundance Energy, Inc.	(22)
Garden Fresh Restaurant Corp.	(24)
Microstar Logistics LLC	(27)
Teligent, Inc.	(30)
Green Energy Partners, Stonewall LLC, Panda Stonewall Intermediate Holdings II LLC and Potomac Intermediate Holdings II LLC	(35)
OTG Management, LLC	(111)
Other, net	(85)
Total	<u>\$ (232)</u>

During the year ended December 31, 2020, we did not recognize any net unrealized gains or losses on foreign currency and other transactions.

For the years ended December 31, 2020 and 2019

The comparison of the fiscal years ended December 31, 2020 and 2019 can be found in our annual report on Form 10-K for the fiscal year ended December 31, 2020 located within Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, which is incorporated herein by reference.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

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

In accordance with the Investment Company Act, we are allowed to borrow amounts such that our asset coverage calculated pursuant to the Investment Company Act, is at least 150% after such borrowings (i.e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). As of December 31, 2021, we had \$372 million in cash and cash equivalents and \$11.1 billion in total aggregate principal amount of debt outstanding (\$11.0 billion at carrying value) and our asset coverage was 179%. Subject to borrowing base and other restrictions, we had approximately \$4.1 billion available for additional borrowings under the Facilities as of December 31, 2021.

We may from time to time seek to retire or repurchase our common stock through cash purchases, as well as retire, cancel or purchase our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions or otherwise. The amounts involved may be material. In addition, we may from time to time enter into

additional debt facilities, increase the size of existing facilities or issue additional debt securities, including secured debt, unsecured debt and/or debt securities convertible into common stock. Any such purchases or exchanges of common stock or outstanding debt, or incurrence or issuance of additional debt would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors.

Equity Capital Activities

As of December 31, 2021 and 2020, our total equity market capitalization was \$9.9 billion and \$7.1 billion, respectively.

We may from time to time issue and sell shares of our common stock through public or “at the market” offerings. In connection with the issuance of our common stock, we issued and sold the following shares of common stock during the year ended December 31, 2021:

(in millions, except per share amount) Issuances of Common Stock	Number of Shares Issued	Gross Proceeds	Underwriting Fees/Offering Expenses	Net Proceeds	Average Offering Price Per Share ⁽¹⁾
Public offerings	26.5	\$ 513.8	\$ 19.0	\$ 494.8	\$ 19.39 (2)
“At the market” offerings	16.4	\$ 329.3	\$ 5.2	\$ 324.1	\$ 20.07
Total	42.9	\$ 843.1	\$ 24.2	\$ 818.9	

- (1) Represents the gross offering price per share before deducting underwriting discounts and commissions and estimated offering expenses.
- (2) 14.0 million shares and 12.5 million shares were sold to the underwriters for a price of \$17.85 per share and \$19.67 per share, respectively, which the underwriters were then permitted to sell at variable prices to the public. See “Recent Developments,” as well as Note 15 to our consolidated financial statements for the year ended December 31, 2021 for a subsequent event relating to our public offerings.

“At the Market” Offerings

We have entered into equity distribution agreements with several banks (the “Equity Distribution Agreements”). The Equity Distribution Agreements provide that we may from time to time issue and sell, by means of “at the market” offerings, up to \$500 million shares of our common stock. Subject to the terms and conditions of the Equity Distribution Agreements, sales of common stock, if any, may be made in transactions that are deemed to be “at the market” offerings as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended. Under the currently effective Equity Distribution Agreements, common stock with an aggregate offering amount of \$366 million remained available for issuance as of December 31, 2021.

Stock Repurchase Program

We are authorized under our stock repurchase program to purchase up to \$500 million in the aggregate of our outstanding common stock in the open market at certain thresholds below our net asset value per share, in accordance with the guidelines specified in Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The timing, manner, price and amount of any share repurchases will be determined by us, in our sole discretion, based upon an evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors. The stock repurchase program does not require us to repurchase any specific number of shares of common stock or any shares of common stock at all. Consequently, we cannot assure stockholders that any specific number of shares of common stock, if any, will be repurchased under the stock repurchase program. As of December 31, 2021, the expiration date of the stock repurchase program is February 15, 2022. The program may be suspended, extended, modified or discontinued at any time. As of December 31, 2021, there was \$500 million available for additional repurchases under the program.

During the year ended December 31, 2021, we did not repurchase any shares of our common stock in the open market under the stock repurchase program. During the year ended December 31, 2020, we repurchased a total of 8.5 million shares of our common stock in the open market under the stock repurchase program for \$100 million. The shares were repurchased at an average price of \$11.83 per share, including commissions paid.

See “Recent Developments,” as well as Note 15 to our consolidated financial statements for the year ended December 31, 2021 for a subsequent event relating to our stock repurchase program.

Debt Capital Activities

Our debt obligations consisted of the following as of December 31, 2021 and 2020:

(in millions)	As of December 31,					
	2021			2020		
	Total Aggregate Principal Amount Available/Outstanding(1)	Principal Amount Outstanding	Carrying Value	Total Aggregate Principal Amount Available/Outstanding(1)	Principal Amount Outstanding	Carrying Value
Revolving Credit Facility	\$ 4,232 (2)	\$ 1,507	\$ 1,507	\$ 3,617 (2)	\$ 1,180	\$ 1,180
Revolving Funding Facility	1,525	762	762	1,525	1,028	1,028
SMBC Funding Facility	800 (3)	401	401	725 (3)	453	453
BNP Funding Facility	300	—	—	300	150	150
2022 Convertible Notes	388	388	388 (4)	388	388	383 (4)
2024 Convertible Notes	403	403	395 (4)	403	403	392 (4)
2022 Notes	—	—	— (4)	600	600	598 (4)
2023 Notes	750	750	748 (4)	750	750	747 (4)
2024 Notes	900	900	897 (4)	900	900	896 (4)
March 2025 Notes	600	600	596 (4)	600	600	595 (4)
July 2025 Notes	1,250	1,250	1,260 (4)	750	750	742 (4)
January 2026 Notes	1,150	1,150	1,143 (4)	1,150	1,150	1,141 (4)
July 2026 Notes	1,000	1,000	988 (4)	—	—	—
2028 Notes	1,250	1,250	1,246 (5)	—	—	—
2031 Notes	700	700	689 (4)	—	—	—
2047 Notes	—	—	— (5)	230	230	186 (5)
Total	\$ 15,248	\$ 11,061	\$ 11,020	\$ 11,938	\$ 8,582	\$ 8,491

- (1) Represents the total aggregate amount committed or outstanding, as applicable, under such instrument. Borrowings under the committed Revolving Credit Facility, Revolving Funding Facility, SMBC Funding Facility and BNP Funding Facility (each as defined below) are subject to borrowing base and other restrictions.
- (2) Provides for a feature that allows us, under certain circumstances, to increase the size of the Revolving Credit Facility (as defined below) to a maximum of \$5.9 billion.
- (3) Provides for a feature that allows ACJB (as defined below), under certain circumstances, to increase the size of the SMBC Funding Facility (as defined below) to a maximum of \$1.0 billion.
- (4) Represents the aggregate principal amount outstanding, less unamortized debt issuance costs and the net unaccrued/amortized discount or premium recorded upon issuance. In December 2021, the 2022 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately \$609 million. See “Recent Developments,” as well as Note 15 to our consolidated financial statements for the year ended December 31, 2021 for subsequent events relating to the 2022 Convertible Notes.
- (5) Represents the aggregate principal amount outstanding of the 2047 Notes, less the unaccrued purchased discount recorded in connection with the Allied Acquisition. In March 2021, the 2047 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately \$233 million, which resulted in a realized loss on the extinguishment of debt of \$43 million.

The weighted average stated interest rate and weighted average maturity, both on aggregate principal amount outstanding, of all our debt outstanding as of December 31, 2021 were 3.1% and 4.2 years, respectively, and as of December 31, 2020 were 3.4% and 4.2 years, respectively.

The ratio of total principal amount of debt outstanding to stockholders' equity as of December 31, 2021 was 1.26:1.00 compared to 1.20:1.00 as of December 31, 2020.

Revolving Credit Facility

We are party to a senior secured revolving credit facility (as amended and restated, the "Revolving Credit Facility"), that allows us to borrow up to \$4.2 billion at any one time outstanding. The Revolving Credit Facility consists of a \$874 million term loan tranche and a \$3.4 billion revolving tranche. For \$824 million of the term loan tranche, the stated maturity date is March 31, 2026. For the remaining \$50 million of the term loan tranche, the stated maturity date is March 30, 2025. For \$3.2 billion of the revolving tranche, the end of the revolving period and the stated maturity date are March 31, 2025 and March 31, 2026, respectively. For the remaining \$150 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2024 and March 30, 2025, respectively. The Revolving Credit Facility also provides for a feature that allows us, under certain circumstances, to increase the overall size of the Revolving Credit Facility to a maximum of \$5.9 billion. The interest rate charged on the Revolving Credit Facility is based on LIBOR (or an alternative rate of interest for certain loans, commitments and/or other extensions of credit denominated in Sterling, Canadian Dollars, Euros and certain other foreign currencies) plus an applicable spread of either 1.75% or 1.875% or an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility) plus an applicable spread of either 0.75% or 0.875%, in each case, determined monthly based on the total amount of the borrowing base relative to the sum of (i) the greater of (a) the aggregate amount of revolving exposure and term loans outstanding under the Revolving Credit Facility and (b) 85% of the total commitments of the Revolving Credit Facility (or, if higher, the total revolving exposure) plus (ii) other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of December 31, 2021, the interest rate in effect was LIBOR plus 1.75%. We are also required to pay a letter of credit fee of either 2.00% or 2.125% per annum on letters of credit issued, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. Additionally, we are required to pay a commitment fee of 0.375% per annum on any unused portion of the Revolving Credit Facility. As of December 31, 2021, there was \$1.5 billion outstanding under the Revolving Credit Facility and we were in compliance in all material respects with the terms of the Revolving Credit Facility.

Revolving Funding Facility

We and our consolidated subsidiary, Ares Capital CP Funding LLC ("Ares Capital CP"), are party to a revolving funding facility (as amended, the "Revolving Funding Facility"), that allows Ares Capital CP to borrow up to \$1.5 billion at any one time outstanding. The Revolving Funding Facility is secured by all of the assets held by, and the membership interest in, Ares Capital CP. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are December 29, 2024 and December 29, 2026, respectively. The interest rate charged on the Revolving Funding Facility is based on LIBOR plus 1.90% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.00% per annum. Ares Capital CP is also required to pay a commitment fee of between 0.50% and 1.25% per annum depending on the size of the unused portion of the Revolving Funding Facility. As of December 31, 2021, there was \$762 million outstanding under the Revolving Funding Facility and we and Ares Capital CP were in compliance in all material respects with the terms of the Revolving Funding Facility.

SMBC Funding Facility

We and our consolidated subsidiary, Ares Capital JB Funding LLC ("ACJB"), are party to a revolving funding facility (as amended, the "SMBC Funding Facility"), with ACJB, as the borrower, and Sumitomo Mitsui Banking Corporation, as the administrative agent and collateral agent, that allows ACJB to borrow up to \$800 million at any one time outstanding. The SMBC Funding Facility also provides for a feature that allows ACJB, subject to receiving certain consents, to increase the overall size of the SMBC Funding Facility to \$1.0 billion. The SMBC Funding Facility is secured by all of the assets held by ACJB. The end of the reinvestment period and the stated maturity date for the SMBC Funding Facility are May 28, 2024 and May 28, 2026, respectively. The reinvestment period and the stated maturity date are both subject to two one-year extensions by mutual agreement. The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of December 31, 2021, the interest rate in effect was LIBOR plus 1.75%. ACJB is also required to pay a

commitment fee of between 0.50% and 1.00% per annum depending on the size of the unused portion of the SMBC Funding Facility. As of December 31, 2021, there was \$401 million outstanding under the SMBC Funding Facility and we and ACJB were in compliance in all material respects with the terms of the SMBC Funding Facility.

BNP Funding Facility

We and our consolidated subsidiary, ARCC FB Funding LLC (“AFB”), are party to a revolving funding facility (as amended, the “BNP Funding Facility”) with AFB, as the borrower, and BNP Paribas, as the administrative agent and lender, that allows AFB to borrow up to \$300 million at any one time outstanding. The BNP Funding Facility is secured by all of the assets held by AFB. The end of the reinvestment period and the stated maturity date for the BNP Funding Facility are June 11, 2023 and June 11, 2025, respectively. The reinvestment period and the stated maturity date are both subject to a one-year extension by mutual agreement. The interest rate charged on the BNP Funding Facility is based on three month LIBOR, or a “base rate” (as defined in the agreements governing the BNP Funding Facility) plus a margin of (i) 1.80% during the reinvestment period and (ii) 2.30% following the reinvestment period. Beginning on December 11, 2020, AFB is required to pay a commitment fee of between 0.00% and 1.25% per annum depending on the size of the unused portion of the BNP Funding Facility. As of December 31, 2021, there were no amounts outstanding under the BNP Funding Facility and we and AFB were in compliance in all material respects with the terms of the BNP Funding Facility.

Convertible Unsecured Notes

We have issued \$388 million in aggregate principal amount of unsecured convertible notes that mature on February 1, 2022 (the “2022 Convertible Notes”) and \$403 million in aggregate principal amount of unsecured convertible notes that mature on March 1, 2024 (the “2024 Convertible Notes”) and together with the 2022 Convertible Notes, the “Convertible Unsecured Notes”). The Convertible Unsecured Notes mature upon their respective maturity dates unless previously converted or repurchased in accordance with their terms. We do not have the right to redeem the Convertible Unsecured Notes prior to maturity. The 2022 Convertible Notes and the 2024 Convertible Notes bear interest at a rate of 3.75% and 4.625%, respectively, per annum, payable semi-annually.

In certain circumstances, assuming the respective conversion date below has not already passed, the Convertible Unsecured Notes will be convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, at their respective conversion rates (listed below as of December 31, 2021) subject to customary anti-dilution adjustments and the requirements of their respective indenture (the “Convertible Unsecured Notes Indentures”). To the extent the 2022 Convertible Notes are converted, we have elected to settle in cash for all conversion dates after August 1, 2021. Prior to the close of business on the business day immediately preceding their respective conversion date (listed below), holders may convert their Convertible Unsecured Notes only under certain circumstances set forth in the Convertible Unsecured Notes Indentures. On or after their respective conversion dates until the close of business on the scheduled trading day immediately preceding the maturity date for the 2022 Convertible Notes and the second scheduled trading day immediately preceding the maturity date for the 2024 Convertible Notes, holders may convert their Convertible Unsecured Notes at any time. In addition, if we engage in certain corporate events as described in their respective Convertible Unsecured Notes Indenture, holders of the Convertible Unsecured Notes may require us to repurchase for cash all or part of the Convertible Unsecured Notes at a repurchase price equal to 100% of the principal amount of the Convertible Unsecured Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the required repurchase date.

Certain key terms related to the convertible features for each of the Convertible Unsecured Notes as of December 31, 2021 are listed below.

	2022 Convertible Notes		2024 Convertible Notes	
Conversion premium	15.0	%	15.0	%
Closing stock price at issuance	\$	16.86	\$	17.29
Closing stock price date	January 23, 2017		March 5, 2019	
Conversion price(1)	\$	18.99	\$	19.88
Conversion rate (shares per one thousand dollar principal amount)(1)	52.6455		50.2930	
Conversion dates	August 1, 2021		December 1, 2023	

(1) Represents conversion price and conversion rate, as applicable, as of December 31, 2021, taking into account any applicable de minimis adjustments that will be made on the conversion date.

See “Recent Developments,” as well as Note 15 to our consolidated financial statements for the year ended December 31, 2021 for a subsequent event relating to the 2022 Convertible Notes.

Unsecured Notes

We issued certain unsecured notes (each issuance of which is referred to herein using the “defined term” set forth under the “Unsecured Notes” column of the table below and collectively referred to as the “Unsecured Notes”), that pay interest semi-annually and all principal amounts are due upon maturity. Each of the Unsecured Notes may be redeemed in whole or in part at any time at the Company’s option at a redemption price equal to par plus a “make whole” premium, if applicable, as determined pursuant to the indentures governing each of the Unsecured Notes, plus any accrued and unpaid interest. Certain key terms related to the features for the Unsecured Notes as of December 31, 2021 are listed below.

(dollar amounts in millions) Unsecured Notes	Aggregate Principal Amount Issued	Interest Rate	Original Issuance Date	Maturity Date
2023 Notes	\$ 750	3.500%	August 10, 2017	February 10, 2023
2024 Notes	\$ 900	4.200%	June 10, 2019	June 10, 2024
March 2025 Notes	\$ 600	4.250%	January 11, 2018	March 1, 2025
July 2025 Notes	\$ 1,250	3.250%	January 15, 2020	July 15, 2025
January 2026 Notes	\$ 1,150	3.875%	July 15, 2020	January 15, 2026
July 2026 Notes	\$ 1,000	2.150%	January 13, 2021	July 15, 2026
2028 Notes	\$ 1,250	2.875%	June 10, 2021	June 15, 2028
2031 Notes	\$ 700	3.200%	November 4, 2021	November 15, 2031

See Note 5 to our consolidated financial statements for the year ended December 31, 2021 for more information on our debt obligations. See “Recent Developments,” as well as Note 15 to our consolidated financial statements for the year ended December 31, 2021 for a subsequent event relating to an additional issuance of unsecured notes.

As of December 31, 2021, we were in compliance in all material respects with the terms of the Convertible Unsecured Notes Indentures and the indentures governing the Unsecured Notes.

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

RECENT DEVELOPMENTS

In January 2022, we issued \$500 million in aggregate principal amount of unsecured notes, which bear interest at a rate of 2.875% per annum and mature on June 15, 2027 (the “2027 Notes”). The 2027 Notes pay interest semi-annually and all principal is due upon maturity. The 2027 Notes may be redeemed in whole or in part at any time at our option at the redemption price determined pursuant to the indenture governing the 2027 Notes, and any accrued and unpaid interest. The 2027 Notes were issued at a discount to the principal amount.

In February 2022, we repaid in full the 2022 Convertible Notes upon their maturity, resulting in a realized loss on the extinguishment of debt of \$48 million.

In January 2022, we completed a public equity offering pursuant to which we sold 11.2 million shares of common stock at a price of \$21.06 per share to the participating underwriters, with net proceeds totaling \$235.5 million, after giving effect to estimated offering expenses.

In February 2022, our board of directors authorized an amendment to our existing stock repurchase program to extend the expiration date of the program from February 15, 2022 to February 15, 2023. Under the stock repurchase program, we may repurchase up to \$500 million in the aggregate of our outstanding common stock in the open market at a price per share that meets certain thresholds below our net asset value per share, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The timing, manner, price and amount of any share repurchases will be determined by us, in our discretion, based upon the evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors.

From January 1, 2022 through February 2, 2022, we made new investment commitments of approximately \$607 million, including \$179 million of new investment commitments to IHAM, of which \$385 million were funded. Of these new commitments, 68% were in first lien senior secured loans, 31% were in other equity and 1% were in preferred equity. Of the approximately \$607 million of new investment commitments, 68% were floating rate, 2% were non-income producing, 1% were fixed rate and the remaining 29% was our equity investment in IHAM which generally pays a quarterly dividend. The weighted average yield of debt and other income producing securities funded during the period at amortized cost was 9.6% and the weighted average yield on total investments funded during the period at amortized cost was 9.3%. We may seek to sell all or a portion of these new investment commitments, although there can be no assurance that we will be able to do so.

From January 1, 2022 through February 2, 2022, we exited approximately \$956 million of investment commitments, including \$529 million of loans sold to IHAM or certain vehicles managed by IHAM. Of the total investment commitments exited, 89% were first lien senior secured loans, 8% were second lien senior secured loans, 2% were preferred equity and 1% were subordinated certificates of the SDLP. Of the approximately \$956 million of exited investment commitments, 88% were floating rate, 11% were fixed rate and 1% were non-income producing. The weighted average yield of debt and other income producing securities exited or repaid during the period at amortized cost was 7.3% and the weighted average yield on total investments exited or repaid during the period at amortized cost was 7.2%. Of the approximately \$956 million of investment commitments exited from January 1, 2022 through February 2, 2022, we recognized total net realized gains of approximately \$20 million, including approximately \$2 million of realized losses recognized from the sale of loans to IHAM or certain vehicles managed by IHAM.

In addition, as of February 2, 2022, we had an investment backlog and pipeline of approximately \$1.2 billion and \$125 million, respectively. Investment backlog includes transactions approved by our investment adviser’s investment committee and/or for which a formal mandate, letter of intent or a signed commitment have been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment have been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, we may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. We cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Changes in the economic environment, financial markets, and

any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting estimates, including those relating to the valuation of our investment portfolio, are described below. The critical accounting estimates should be read in conjunction with our risk factors as disclosed in “Item 1A. Risk Factors.” See Note 2 to our consolidated financial statements for the year ended December 31, 2021 for more information on our critical accounting policies.

Investments

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

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

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

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

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

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

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with our portfolio management team.
- Preliminary valuations are reviewed and discussed with our investment adviser’s management and investment professionals, and then valuation recommendations are presented to our board of directors.

- The audit committee of our board of directors reviews these valuations, as well as the input of third parties, including independent third-party valuation firms who have reviewed a portion of the investments in our portfolio at fair value.
- Our board of directors discusses valuations and ultimately determines the fair value of each investment in our portfolio without a readily available market quotation in good faith based on, among other things, the input of our investment adviser, audit committee and, where applicable, independent third-party valuation firms.

Fair Value of Financial Instruments

We follow 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 to more easily understand the effect of the company’s choice to use fair value on its earnings. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the balance sheet. We have not elected the ASC 825-10 option to report selected financial assets and liabilities at fair value. With the exception of the line items entitled “other assets” and “debt,” which are reported at amortized cost, the carrying value of all other assets and liabilities approximate fair value.

We also follow 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 us to assume that the portfolio investment is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820-10, we have considered its principal market as the market in which we exit our portfolio investments with the greatest volume and level of activity. ASC 820-10 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. In accordance with ASC 820-10, these inputs are summarized in the three broad levels listed below:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that we 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, we continue to employ the net asset valuation policy approved by our board of directors that is consistent with ASC 820-10. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. Our valuation policy considers the fact that because there is not a readily available market value for most of the investments in our portfolio, the fair value of the investments must typically be determined using unobservable inputs.

Our portfolio investments (other than as described below in the following paragraph) are typically valued using two different valuation techniques. The first valuation technique is an analysis of the enterprise value (“EV”) of the portfolio company. Enterprise value means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The primary method for determining EV uses a multiple analysis whereby appropriate multiples are applied to the portfolio company’s EBITDA (generally defined as net income before net interest expense, income tax expense, depreciation and amortization). EBITDA multiples are typically determined based upon review of market comparable transactions and publicly traded comparable companies, if any. We may also employ other valuation multiples to determine EV, such as revenues or, in the case of certain portfolio companies in the power generation industry, kilowatt capacity. The second method for determining EV uses a discounted cash flow analysis whereby future expected cash flows of the portfolio company are discounted to determine a present value using estimated discount rates (typically a weighted average cost of capital based on costs of debt and equity consistent with current market conditions). The EV analysis is performed to determine the value of equity investments, the value of debt investments in portfolio companies where we have control or could gain control through an option or warrant security, and to determine if

there is credit impairment for debt investments. If debt investments are credit impaired, an EV analysis may be used to value such debt investments; however, in addition to the methods outlined above, other methods such as a liquidation or wind-down analysis may be utilized to estimate enterprise value. The second valuation technique is a yield analysis, which is typically performed for non-credit impaired debt investments in portfolio companies where we 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, we consider the current contractual interest rate, the maturity and other terms of the investment relative to the risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the enterprise value of the portfolio company. As debt investments held by us are substantially illiquid with no active transaction market, we depend on primary market data, including newly funded transactions, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

For other portfolio investments such as investments in the SDLP Certificates, discounted cash flow analysis is the primary technique utilized to determine fair value. Expected future cash flows associated with the investment are discounted to determine a present value using a discount rate that reflects estimated market return requirements.

The SEC recently adopted new Rule 2a-5 under the 1940 Act. This establishes requirements for determining fair value in good faith for purposes of the 1940 Act. We will comply with the new rule's valuation requirements on or before the SEC's compliance date in 2022.

See Note 8 to our consolidated financial statements for the year ended December 31, 2021 for more information on our valuation process.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates and the valuations of our investment portfolio. Uncertainty with respect to the economic effects of the COVID-19 pandemic introduced significant volatility in the financial markets, and the effects of this volatility has materially impacted and could continue to materially impact our market risks, including those listed below. For additional information concerning the COVID-19 pandemic and its potential impact on our business and our operating results, see "Risk Factors—The COVID-19 pandemic has caused severe disruptions in the global economy, which has had, and may continue to have, a negative impact on our portfolio companies and our business and operations."

Investment valuation risk

Because there is not a readily available market value for most of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our board of directors based on, among other things, the input of our management and audit committee and independent third-party valuation firms that have been engaged at the direction of our board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing 12-month period (with certain de minimis exceptions). Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which we have recorded it. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" as well as Notes 2 and 8 to our consolidated financial statements for the year ended December 31, 2021 for more information relating to our investment valuation.

Interest Rate Risk

Interest rate sensitivity refers to the change in our earnings that may result from changes in the level of interest rates. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. See "Risk Factors—Risks Relating to Our Business—We are exposed to risks associated with changes in interest rates."

In connection with the COVID-19 pandemic, the U.S. Federal Reserve and other central banks had previously reduced certain interest rates and LIBOR has decreased. In addition, in a prolonged low interest rate environment, the difference between the total interest income earned on interest earning assets and the total interest expense incurred on interest bearing liabilities may be compressed, reducing our net income and potentially adversely affecting our operating results. Conversely, in a rising interest rate environment, such difference could potentially increase thereby increasing our net income as indicated per the table below.

As of December 31, 2021, 77% of the investments at fair value in our portfolio bore interest and dividends at variable rates (including our investment in the SDLP Certificates which accounted for 5% of our total investments at fair value), 10% bore interest at fixed rates, 8% were non-income producing and the remaining 5% was our equity investment in IHAM which generally pays a quarterly dividend. Additionally, excluding our investment in the SDLP Certificates, 93% of the remaining variable rate investments at fair value contained interest rate floors. The Revolving Credit Facility, the Revolving Funding Facility, the SMBC Funding Facility and the BNP Funding Facility bear interest at variable rates with no interest rate floors. The Unsecured Notes and the Convertible Unsecured Notes bear interest at fixed rates.

We regularly measure our exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on that review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates.

Based on our December 31, 2021 balance sheet, the following table shows the annual impact on net income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

(in millions) Basis Point Change	Interest and Dividend Income	Interest Expense	Net Income(1)
Up 300 basis points	\$ 347	\$ 80	\$ 267
Up 200 basis points	\$ 195	\$ 53	\$ 142
Up 100 basis points	\$ 45	\$ 27	\$ 18
Down 100 basis points	\$ 5	\$ (4)	\$ 9
Down 200 basis points	\$ 4	\$ (4)	\$ 8
Down 300 basis points	\$ 6	\$ (4)	\$ 10

(1) Excludes the impact of income based fees. See Note 3 to our consolidated financial statements for the year ended December 31, 2021 for more information on the income based fees.

Based on our December 31, 2020 balance sheet, the following table shows the annual impact on net income of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

(in millions) Basis Point Change	Interest and Dividend Income	Interest Expense(1)	Net Income(2)
Up 300 basis points	\$ 291	\$ 72	\$ 219
Up 200 basis points	\$ 160	\$ 48	\$ 112
Up 100 basis points	\$ 34	\$ 24	\$ 10
Down 100 basis points	\$ 4	\$ (6)	\$ 10
Down 200 basis points	\$ 4	\$ (6)	\$ 10
Down 300 basis points	\$ 3	\$ (6)	\$ 9

(1) Includes the impact of an interest rate swap as a result of changes in interest rates.

- (2) Excludes the impact of income based fees. See Note 3 to our consolidated financial statements for the year ended December 31, 2021 for more information on the income based fees.

Item 8. Financial Statements and Supplementary Data

See the Index to Consolidated Financial Statements.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) **Evaluation of Disclosure Controls and Procedures.** We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2021. Based upon that evaluation and subject to the foregoing, our principal executive officer and principal financial officer concluded that, as of December 31, 2021, the design and operation of our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

(b) **Management's Report on Internal Control over Financial Reporting.** Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our consolidated financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our consolidated financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a material misstatement of our consolidated financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2021. The Company's independent registered public accounting firm, KPMG LLP, has issued an audit report on the effectiveness of the Company's internal control over financial reporting.

(c) **Attestation Report of the Registered Public Accounting Firm.** Our independent registered public accounting firm, KPMG LLP, has issued an attestation report on the effectiveness of our internal control over financial reporting which is set forth under the heading "Report of Independent Registered Public Accounting Firm" on page F-2.

(d) **Changes in Internal Control over Financial Reporting.** There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2021, that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRA") and Section 13(r) of the Exchange Act, require an issuer to disclose in its annual and quarterly reports whether it or any of its affiliates have knowingly engaged in specified activities or transactions relating to Iran. We are required to include certain disclosures in our periodic

reports if we or any of our “affiliates” (as defined in Rule 12b-2 under the Exchange Act) knowingly engaged in certain specified activities, transactions or dealings relating to Iran or with certain individuals or entities targeted by United States' economic sanctions during the period covered by the report. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law. Neither we nor any of our controlled affiliates or subsidiaries knowingly engaged in any of the specified activities relating to Iran or otherwise engaged in any activities associated with Iran during the reporting period. However, because the SEC defines the term “affiliate” broadly, it includes any person or entity that is under common control with us as well as any entity that controls us or is controlled by us. The description that follows has been provided to us by Ares Management.

On January 31, 2019, funds and accounts managed by Ares Management’s European direct lending strategy (together, the “Ares funds”) collectively acquired a 32% equity stake in Daisy Group Limited (“Daisy”). Daisy is a provider of communication services to businesses based in the United Kingdom. The Ares funds do not hold a majority equity interest in Daisy and do not have the right to appoint a majority of directors to Daisy’s board of directors.

Subsequent to completion of the Ares funds’ investment in Daisy, in connection with Ares’s routine quarterly survey of its investment funds’ portfolio companies, Daisy informed the Ares funds that it has customer contracts with Melli Bank Plc, Persia International Bank Plc and Bank Saderat Plc. Melli Bank Plc, Persia International Bank Plc and Bank Saderat Plc have been designated by the Office of Foreign Assets Control within the U.S. Department of Treasury pursuant to Executive Order 13324. Daisy generated a total of £84,806 in annual revenues in 2021 (less than 0.02% of Daisy’s annual revenues) from its dealings with Melli Bank Plc, Persia International Bank Plc and Bank Saderat Plc and de minimis net profits. Daisy entered into the customer contracts with Melli Bank Plc, Persia International Bank Plc and Bank Saderat Plc prior to the Ares funds’ investment in Daisy.

Daisy terminated its contract with Bank Saderat Plc on November 24, 2021 and terminated its contract with Persia International Bank Plc on December 31, 2021. Daisy has given notice of termination of its contracts with Melli Bank Plc, and such contract is expected to terminate on February 26, 2022. Following termination of the contracts, Daisy has not and does not intend to engage in any further dealings or transactions with Melli Bank Plc, Persia International Bank Plc or Bank Saderat Plc.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be contained in the Company's definitive Proxy Statement for its 2022 Annual Stockholder Meeting, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this item will be contained in the Company's definitive Proxy Statement for its 2022 Annual Stockholder Meeting, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be contained in the Company's definitive Proxy Statement for its 2022 Annual Stockholder Meeting, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be contained in the Company's definitive Proxy Statement for its 2022 Annual Stockholder Meeting, to be filed with the SEC within 120 days after December 31, 2021, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item will be contained in the Company's definitive Proxy Statement for its 2022 Annual Stockholder Meeting, to be filed with the SEC within 120 days after December 31, 2021, 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—See the Index to Consolidated Financial Statements on Page F-1.
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)
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	Indenture, dated as of January 27, 2017, between Ares Capital Corporation and U.S. Bank National Association, as trustee(16)
4.25	Form of 3.75% Convertible Senior Notes due 2022(16)
4.26	Description of Securities(17)

Number	Document
10.1	Dividend Reinvestment Plan of Ares Capital Corporation(18)
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(20)
10.4	Amended and Restated Custodian Agreement, dated as of May 15, 2009, between Ares Capital Corporation and U.S. Bank National Association(21)
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(22)
10.6	Trademark License Agreement between Ares Capital Corporation and Ares Management LLC(23)
10.7	Form of Indemnification Agreement between Ares Capital Corporation and directors and certain officers(24)
10.8	Form of Indemnification Agreement between Ares Capital Corporation and members of Ares Capital Management LLC investment committee(24)
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(25)
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(26)
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(27)
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(26)
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(25)
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(27)
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(28)
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(29)
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(30)
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(26)
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 (31)
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)(32)

Number	Document
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 January 3, 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*
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 Dyr læger, 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*
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	Twelfth Amended and Restated Senior Secured Revolving Credit Agreement, dated as of March 31, 2021, among Ares Capital Corporation, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent(39)
10.30	Amendment No. 1 to the Twelfth Amended and Restated Senior Secured Credit Agreement, dated as of December 29, 2021, among Ares Capital Corporation, as the borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent(38)
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(40)
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(40)
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(41)
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(41)
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(42)
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(43)
10.37	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)(44)

Number	Document
10.38	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)(45)
10.39	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)(46)
10.40	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)(47)
10.41	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)(48)
10.42	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)(49)
10.43	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)(50)
10.44	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)(51)
10.45	Amended and Restated Equity Distribution Agreement, dated as of October 26, 2021, among Ares Capital Corporation, Ares Capital Management LLC, Ares Operations LLC and Truist Securities, Inc.(52)
10.46	Amended and Restated Equity Distribution Agreement, dated as of October 26, 2021, among Ares Capital Corporation, Ares Capital Management LLC, Ares Operations LLC and Regions Securities LLC(52)
10.47	Equity Distribution Agreement, dated as of October 26, 2021, among Ares Capital Corporation, Ares Capital Management LLC, Ares Operations LLC and SMBC Nikko Securities America, Inc.(52)
11.1	Statement of Computation of Per Share Earnings(53)
14.1	Code of Ethics(54)
21.1	Subsidiaries of Ares Capital Corporation*
23.1	Consent of Independent Registered Public Accounting Firm*
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*

* 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 September 30, 2020, filed on October 27, 2020.
- (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 Exhibits 4.1 and 4.2, as applicable, to the Company's Form 8 K (File No. 814-00663), filed on January 27, 2017.
- (17) 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.
- (18) 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.
- (19) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on June 7, 2019.
- (20) 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.
- (21) 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.
- (22) 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.
- (23) 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.
- (24) 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.
- (25) 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.
- (26) 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.
- (27) 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.
- (28) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 19, 2011.
- (29) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on October 14, 2011.
- (30) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 19, 2012.
- (31) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 28, 2013.
- (32) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on May 15, 2014.

- (33) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 4, 2017.
- (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 April 1, 2021.
- (40) 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.
- (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 June 16, 2020.
- (42) 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.
- (43) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on July 1, 2021.
- (44) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on September 17, 2012.
- (45) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on December 23, 2013.
- (46) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on July 1, 2015.
- (47) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on August 28, 2017.
- (48) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on September 13, 2018.
- (49) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on September 10, 2019.
- (50) Incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 814-00663), filed on January 2, 2020.
- (51) 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.
- (52) 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 October 26, 2021.
- (53) Included in Note 10 to the Company's Notes to Consolidated Financial Statements filed herewith.
- (54) 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.

Item 16. Form 10-K Summary

None.

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Report of Independent Registered Public Accounting Firm

To the stockholders and board of directors

Ares Capital Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Ares Capital Corporation and subsidiaries (the “Company”), including the consolidated schedules of investments, as of December 31, 2021 and 2020, the related consolidated statements of operations, stockholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 9, 2022 expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Such procedures also included confirmation of investments owned as of December 31, 2021 and 2020 by correspondence with custodians, portfolio companies, agents, or other appropriate audit procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair value of investments

As discussed in Notes 2 and 4 to the consolidated financial statements, consistent with the Company’s valuation policy and in consideration of the fact that there is not a readily available market value for most of the investments in the Company’s portfolio, the Company measures substantially all of its investments at fair value using unobservable inputs and assumptions.

We identified the evaluation of the fair value of investments as a critical audit matter. Due to inherent estimation uncertainty, assessment of the Company’s judgments regarding the use of specific valuation assumptions involved a high degree of subjective auditor judgment. Changes in these assumptions could have a significant impact on the fair value of investments. In particular, the Company made judgments relating to market yields used in yield analyses for debt and other interest-bearing investments, market multiples used in determining enterprise values, and discount rates used in discounted cash flow analyses. Additionally, specialized skills and knowledge were required to evaluate these assumptions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to measure the fair value of its investments. These included controls related to the development of the market yield, market multiples, and discount rate assumptions used in the Company's valuations. We also evaluated the Company's ability to estimate fair value by comparing a selection of prior period fair values to transaction prices of transactions occurring subsequent to the prior period valuation date. To assess management's use of the market yield, market multiples, and discount rate assumptions to measure fair value of its investments, for a selection of investments, we assessed these assumptions by using third-party market and industry data. For a selection of the Company's investments, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- developing a range of market yields, market multiples, and discount rate assumptions using market information and comparing them to the assumptions used by the Company.
- evaluating the Company's estimate of fair value by developing an independent estimate of fair value based upon independently developed ranges for market yields, market multiples, and discount rate assumptions.

KPMG LLP

We have served as the Company's auditor since 2004.

Los Angeles, California
February 9, 2022

Report of Independent Registered Public Accounting Firm

To the stockholders and board of directors

Ares Capital Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Ares Capital Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company, including the consolidated schedules of investments, as of December 31, 2021 and 2020, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements), and our report dated February 9, 2022, expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

KPMG LLP

Los Angeles, California
February 9, 2022

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions, except per share data)

	As of December 31,	
	2021	2020
ASSETS		
Investments at fair value		
Non-controlled/non-affiliate company investments	\$ 17,056	\$ 12,780
Non-controlled affiliate company investments	373	296
Controlled affiliate company investments	2,580	2,439
Total investments at fair value (amortized cost of \$19,810 and \$15,914, respectively)	20,009	15,515
Cash and cash equivalents	372	254
Restricted cash	114	72
Interest receivable	142	112
Receivable from participants	—	38
Receivable for open trades	80	73
Other assets	99	94
Operating lease right-of-use asset	27	38
Total assets	<u>\$ 20,843</u>	<u>\$ 16,196</u>
LIABILITIES		
Debt	\$ 11,020	\$ 8,491
Base management fees payable	69	56
Income based fees payable	67	140
Capital gains incentive fees payable	161	—
Interest and facility fees payable	100	83
Payable to participants	114	72
Payable for open trades	216	6
Accounts payable and other liabilities	111	90
Secured borrowings	74	23
Operating lease liabilities	43	59
Total liabilities	<u>11,975</u>	<u>9,020</u>
Commitments and contingencies (Note 7)		
STOCKHOLDERS' EQUITY		
Common stock, par value \$0.001 per share, 600 common shares authorized; 468 and 423 common shares issued and outstanding, respectively	—	—
Capital in excess of par value	8,553	7,656
Accumulated undistributed (overdistributed) earnings	315	(480)
Total stockholders' equity	<u>8,868</u>	<u>7,176</u>
Total liabilities and stockholders' equity	<u>\$ 20,843</u>	<u>\$ 16,196</u>
NET ASSETS PER SHARE	<u>\$ 18.96</u>	<u>\$ 16.97</u>

See accompanying notes to consolidated financial statements.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(in millions, except per share data)

	For the Years Ended December 31,		
	2021	2020	2019
INVESTMENT INCOME:			
From non-controlled/non-affiliate company investments:			
Interest income (excluding payment-in-kind ("PIK") interest income)	\$ 911	\$ 844	\$ 941
PIK interest income	133	116	57
Capital structuring service fees	285	128	138
Dividend income	122	74	75
Other income	40	50	28
Total investment income from non-controlled/non-affiliate company investments	1,491	1,212	1,239
From non-controlled affiliate company investments:			
Interest income (excluding PIK interest income)	7	9	13
PIK interest income	4	3	5
Capital structuring service fees	—	1	2
Dividend income	—	—	8
Other income	1	—	—
Total investment income from non-controlled affiliate company investments	12	13	28
From controlled affiliate company investments:			
Interest income (excluding PIK interest income)	164	156	147
PIK interest income	28	31	17
Capital structuring service fees	21	20	22
Dividend income	100	75	69
Other income	4	4	6
Total investment income from controlled affiliate company investments	317	286	261
Total investment income	1,820	1,511	1,528
EXPENSES:			
Interest and credit facility fees	372	317	291
Base management fees	253	217	205
Income based fees	225	184	194
Capital gains incentive fees	161	(58)	(4)
Administrative fees	15	13	14
Other general and administrative	24	25	31
Total expenses	1,050	698	731
Waiver of income based fees	—	—	(30)
Total expenses, net of waiver of income based fees	1,050	698	701
NET INVESTMENT INCOME BEFORE INCOME TAXES	770	813	827
Income tax expense, including excise tax	29	19	16
NET INVESTMENT INCOME	741	794	811
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS, FOREIGN CURRENCY AND OTHER TRANSACTIONS:			
Net realized gains (losses):			
Non-controlled/non-affiliate company investments	129	(159)	(113)
Non-controlled affiliate company investments	68	16	(34)
Controlled affiliate company investments	61	(5)	20
Foreign currency and other transactions	25	(18)	62
Net realized gains (losses)	283	(166)	(65)
Net unrealized gains (losses):			
Non-controlled/non-affiliate company investments	556	(284)	17
Non-controlled affiliate company investments	(16)	(2)	41
Controlled affiliate company investments	62	142	3
Foreign currency and other transactions	(16)	—	(14)
Net unrealized gains (losses)	586	(144)	47
Net realized and unrealized gains (losses) on investments, foreign currency and other transactions	869	(310)	(18)
REALIZED LOSS ON EXTINGUISHMENT OF DEBT	(43)	—	—
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS	\$ 1,567	\$ 484	\$ 793
BASIC AND DILUTED NET INCOME PER COMMON SHARE (see Note 10)	\$ 3.51	\$ 1.14	\$ 1.86
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING (see Note 10)	446	424	427

See accompanying notes to consolidated financial statements.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2021
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Software & Services							
2U, Inc.	Provider of course design and learning management system to educational institutions	First lien senior secured loan (\$55.0 par due 12/2024)	6.50% (Libor + 5.75%/M)	6/28/2021	\$ 54.1	\$ 55.0	(2)(6)(12)
AffiniPay Midco, LLC and AffiniPay Intermediate Holdings, LLC (16)	Payment processing solution provider	First lien senior secured loan (\$64.0 par due 3/2026)	6.25% (Libor + 5.00%/Q)	2/28/2020	64.0	64.0	(12)
		Senior subordinated loan (\$27.5 par due 2/2028)	12.75% PIK	2/28/2020	27.5	27.5	(2)
					91.5	91.5	
Anaqua Parent Holdings, Inc. & Astorg VII Co-Invest Anaqua (16)	Provider of intellectual property management lifecycle software	First lien senior secured loan (\$4.7 par due 4/2026)	6.25% (Euribor + 6.25%/Q)	4/10/2019	4.6	4.7	
		First lien senior secured loan (\$16.0 par due 4/2026)	7.00% (Libor + 6.00%/Q)	6/24/2021	16.0	16.0	(2)(12)
		Limited partnership units (4,400,000 units)		6/13/2019	4.2	7.6	(2)(6)
					24.8	28.3	
APG Intermediate Holdings Corporation and APG Holdings, LLC (4)(16)	Aircraft performance software provider	First lien senior secured loan (\$13.5 par due 1/2025)	6.75% (Libor + 5.25%/Q)	1/3/2020	13.5	13.5	(2)(12)
		Class A membership units (9,750,000 units)		1/3/2020	9.8	11.5	(2)
					23.3	25.0	
Appriss Health, LLC and Appriss Health Intermediate Holdings, Inc. (16)	Software platform for identification, prevention and management of substance use disorder	First lien senior secured loan (\$13.4 par due 5/2027)	8.25% (Libor + 7.25%/Q)	5/6/2021	13.4	13.4	(2)(12)
		Series A preferred shares (32,236 shares)	11.00% PIK	5/6/2021	34.6	34.6	(2)
					48.0	48.0	
Apptio, Inc. (16)	Provider of cloud-based technology business management solutions	First lien senior secured revolving loan (\$1.7 par due 1/2025)	8.25% (Libor + 7.25%/Q)	1/10/2019	1.7	1.7	(2)(12)
		First lien senior secured loan (\$62.2 par due 1/2025)	8.25% (Libor + 7.25%/Q)	1/10/2019	62.2	62.2	(12)
					63.9	63.9	
Avetta, LLC (16)	Supply chain risk management SaaS platform for global enterprise clients	First lien senior secured loan (\$11.8 par due 4/2024)	7.25% (Libor + 6.25%/Q)	7/15/2021	11.8	11.8	(2)(12)
AxiomSL Group, Inc. and Calypso Group, Inc. (16)	Provider of risk data management and regulatory reporting software	First lien senior secured loan (\$21.4 par due 12/2027)	7.00% (Libor + 6.00%/Q)	7/21/2021	21.0	21.2	(2)(12)
Banyan Software Holdings, LLC and Banyan Software, LP (16)	Vertical software businesses holding company	First lien senior secured loan (\$6.7 par due 10/2026)	7.75% (Libor + 6.75%/Q)	12/16/2021	6.7	6.7	(2)(12)
		First lien senior secured loan (\$7.7 par due 10/2026)	7.75% (Libor + 6.75%/Q)	10/30/2020	7.7	7.7	(2)(12)
		First lien senior secured loan (\$5.0 par due 10/2026)	8.50% (Libor + 7.50%/Q)	10/30/2020	5.0	5.0	(2)(12)
					19.4	19.4	
Borrower R365 Holdings LLC (16)	Provider of restaurant ERP systems	First lien senior secured loan (\$15.5 par due 6/2027)	7.50% (Libor + 3.50% Cash + 3.00% PIK/Q)	6/10/2021	15.2	15.5	(2)(12)
Businessolver.com, Inc. (16)	Provider of SaaS-based benefits solutions for employers and employees	First lien senior secured loan (\$70.2 par due 12/2027)	6.50% (Libor + 5.75%/M)	12/1/2021	70.2	69.5	(2)(12)
CallMiner, Inc.	Provider of cloud-based conversational analytics solutions	Warrant to purchase up to 2,350,636 shares of Series 1 preferred stock (expires 7/2024)		7/23/2014	—	—	(2)
Cardinal Parent, Inc. and Packers Software Intermediate Holdings, Inc. (16)	Provider of software and technology-enabled content and analytical solutions to insurance brokers	First lien senior secured revolving loan (\$0.6 par due 11/2025)	6.75% (Base Rate + 3.50%/Q)	11/12/2020	0.6	0.6	(2)(12)
		Second lien senior secured loan (\$59.9 par due 11/2028)	8.50% (Libor + 7.75%/Q)	11/12/2020	59.9	59.9	(2)(12)
		Series A-2 preferred shares (8,963 shares)	11.25% PIK (Libor + 11.00%/Q)	12/23/2020	10.0	10.1	(2)
		Series A-3 preferred shares (11,952 shares)	11.00% PIK	11/24/2021	12.1	13.4	(2)
		Series A preferred shares (24,898 shares)	11.21% PIK (Libor + 11.00%/Q)	11/12/2020	28.3	28.0	(2)

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2021
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
					110.9	112.0	
Consilio Midco Limited and Consilio Investment Holdings, L.P. (16)	Provider of sales software for the interior design industry	First lien senior secured loan (\$27.8 par due 5/2028)	6.25% (Euribor + 6.25%/Q)	11/30/2021	27.7	27.5	(2)(6)
		First lien senior secured loan (\$32.9 par due 5/2028)	6.75% (Libor + 5.75%/Q)	5/28/2021	32.9	32.6	(2)(6)(12)
		First lien senior secured loan (\$3.9 par due 5/2028)	8.00% (Base Rate + 4.75%/Q)	5/28/2021	3.9	3.8	(2)(6)(12)
		First lien senior secured loan (\$11.3 par due 5/2028)	6.75% (Libor + 5.75%/Q)	5/28/2021	11.3	11.2	(2)(6)(12)
		Common units (4,799,000 units)		5/28/2021	4.8	6.0	(2)(6)
					80.6	81.1	
CoreLogic, Inc. and T-VIII Celestial Co-Invest LP (16)	Provider of information, insight, analytics, software and other outsourced services primarily to the mortgage, real estate and insurance sectors	Second lien senior secured loan (\$155.7 par due 6/2029)	7.00% (Libor + 6.50%/M)	6/3/2021	155.7	155.7	(2)(12)
		Limited partnership units (59,665,989 units)		4/29/2021	59.7	77.9	(2)
					215.4	233.6	
Cority Software Inc., IQS, Inc. and Cority Parent, Inc. (16)	Provider of environmental, health and safety software to track compliance data	First lien senior secured loan (\$6.3 par due 7/2026)	6.00% (Libor + 5.00%/Q)	7/2/2019	6.3	6.3	(6)(12)
		First lien senior secured loan (\$4.4 par due 7/2026)	6.00% (Libor + 5.00%/Q)	10/15/2019	4.4	4.4	(6)(12)
		First lien senior secured loan (\$1.1 par due 7/2026)	8.00% (Libor + 7.00%/Q)	9/3/2020	1.1	1.1	(2)(6)(12)
		Preferred equity (198 shares)	9.00% PIK	7/2/2019	0.2	0.6	(2)(6)
		Common equity (190,143 shares)		7/2/2019	—	—	(2)(6)
					12.0	12.4	
Cornerstone OnDemand, Inc. and Sunshine Software Holdings, Inc. (16)	Provider of a cloud-based, SaaS platform for talent management	First lien senior secured revolving loan	—%	10/15/2021	—	—	(14)
		Second lien senior secured loan (\$137.5 par due 10/2029)	7.00% (Libor + 6.50%/Q)	10/15/2021	137.5	135.4	(12)
		Series A preferred shares (116,413 shares)	10.50% PIK	10/15/2021	119.0	119.0	(2)
		Class A-1 common stock (1,360,100 shares)		10/15/2021	13.6	13.3	(2)
					270.1	267.7	
Datix Bidco Limited	Global healthcare software company that provides software solutions for patient safety and risk management	First lien senior secured loan (\$0.1 par due 4/2025)	4.18% (Libor + 4.00%/Q)	10/7/2019	—	0.1	(2)(6)
DCert Preferred Holdings, Inc. and Destiny Digital Holdings, L.P.	Provider of internet security tools and solutions	Series A preferred shares (129,822 shares)	10.50% PIK	5/25/2021	138.1	138.1	(2)
		Series A units (817,194 units)		5/27/2021	13.3	13.4	(2)
					151.4	151.5	
Denali Holdco LLC and Denali Topco LLC (16)	Provider of cybersecurity audit and assessment services	First lien senior secured loan (\$37.3 par due 9/2027)	7.00% (Libor + 6.00%/Q)	9/15/2021	37.3	36.9	(2)(12)
		Class A units (2,549,000)		9/15/2021	2.5	2.5	(2)
					39.8	39.4	
Diligent Corporation and Diligent Preferred Issuer, Inc. (16)	Provider of secure SaaS solutions for board and leadership team documents	First lien senior secured revolving loan	—%	8/4/2020	—	—	(14)
		First lien senior secured loan (\$33.0 par due 8/2025)	7.25% (Libor + 6.25%/Q)	8/4/2020	32.4	33.0	(12)
		First lien senior secured loan (\$8.9 par due 8/2025)	6.75% (Libor + 5.75%/Q)	3/4/2021	8.9	8.9	(2)(12)
		First lien senior secured loan (\$11.4 par due 8/2025)	6.75% (Libor + 5.75%/Q)	4/6/2021	11.3	11.4	(2)(12)
		First lien senior secured loan (\$2.0 par due 8/2025)	7.25% (Libor + 6.25%/Q)	7/30/2021	2.0	2.0	(2)(12)
		Preferred stock (13,140 shares)	10.50% PIK	4/6/2021	13.5	13.8	(2)
					68.1	69.1	

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2021
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Drilling Info Holdings, Inc. and Titan DI Preferred Holdings, Inc.	SaaS based business analytics company focused on oil and gas industry	Second lien senior secured loan (\$25.0 par due 7/2026)	8.35% (Libor + 8.25%/M)	2/11/2020	25.0	25.0	
		Preferred stock (29.53 shares)	13.50% PIK	2/11/2020	37.0	37.9 (2)	
					62.0	62.9	
DS Admiral Bidco, LLC (16)	Tax return software provider for government institutions	First lien senior secured loan (\$11.9 par due 3/2028)	6.75% (Libor + 5.75%/Q)	3/16/2021	11.6	11.9 (2)(12)	
Dye & Durham Corporation (16)	Provider of cloud-based software and technology solutions for the legal industry	First lien senior secured loan (\$72.0 par due 12/2027)	6.50% (CDOR + 5.75%/Q)	12/3/2021	70.9	70.9 (2)(6)(12)	
Elemica Parent, Inc. & EZ Elemica Holdings, Inc. (16)	SaaS based supply chain management software provider focused on chemical markets	First lien senior secured revolving loan (\$2.3 par due 9/2025)	6.50% (Libor + 5.50%/Q)	9/18/2019	2.3	2.3 (2)(12)	
		First lien senior secured loan (\$62.0 par due 9/2025)	6.50% (Libor + 5.50%/Q)	9/18/2019	61.9	61.9 (12)	
		First lien senior secured loan (\$20.5 par due 9/2025)	6.50% (Libor + 5.50%/Q)	12/15/2020	20.5	20.5 (2)(12)	
		Preferred equity (4,599 shares)		9/18/2019	4.6	5.5	
					89.3	90.2	
EP Purchaser, LLC and TPG VIII EP Co-Invest II, L.P.	Provider of entertainment workforce and production management solutions	Second lien senior secured loan (\$177.9 par due 11/2029)	7.00% (Libor + 6.50%/Q)	11/4/2021	177.9	176.1 (2)(12)	
		Partnership units (5,034,483 units)		5/10/2019	3.2	9.8 (2)(6)	
					181.1	185.9	
EpiServer Inc. and Episerver Sweden Holdings AB (16)	Provider of web content management and digital commerce solutions	First lien senior secured loan (\$4.6 par due 4/2026)	6.50% (Libor + 5.50%/Q)	12/21/2021	4.6	4.6 (2)(12)	
		First lien senior secured loan (\$6.0 par due 4/2026)	5.75% (Euribor + 5.75%/Q)	3/22/2019	6.0	6.0 (2)	
		First lien senior secured loan (\$0.1 par due 4/2026)	6.50% (Libor + 5.50%/Q)	10/9/2018	0.1	0.1 (2)(12)	
					10.7	10.7	
eResearch Technology, Inc. and Astorg VII Co-Invest ERT (16)	Provider of mission-critical, software-enabled clinical research solutions	Second lien senior secured loan (\$22.5 par due 2/2028)	8.50% (Libor + 8.00%/M)	2/4/2020	22.0	22.4 (12)	
		Second lien senior secured loan (\$30.6 par due 2/2028)	8.50% (Libor + 8.00%/M)	4/27/2021	29.6	30.6 (2)(12)	
		Limited partnership interest (3,988,000 shares)		1/31/2020	4.5	5.4 (2)(6)	
					56.1	58.4	
ExtraHop Networks, Inc. (16)	Provider of real-time wire data analytics solutions for application and infrastructure monitoring	First lien senior secured loan (\$16.6 par due 7/2027)	8.50% (Libor + 7.50%/Q)	7/22/2021	16.6	16.4 (2)(12)	
		First lien senior secured loan (\$1.1 par due 7/2027)	8.50% (Libor + 7.50%/Q)	7/20/2021	1.1	1.0 (2)(12)	
					17.7	17.4	
First Insight, Inc.	Software company providing merchandising and pricing solutions to companies worldwide	Warrant to purchase up to 122,827 units of Series C preferred stock (expires 3/2024)		3/20/2014	—	— (2)	
FM:Systems Group, LLC (16)	Provider of facilities and space management software solutions	First lien senior secured revolving loan (\$1.5 par due 12/2024)	7.50% (Libor + 6.50%/Q)	2/8/2018	1.5	1.5 (2)(12)	
		First lien senior secured loan (\$3.2 par due 12/2024)	7.50% (Libor + 6.50%/Q)	12/2/2019	3.2	3.2 (2)(12)	
		First lien senior secured loan (\$1.4 par due 12/2024)	7.50% (Libor + 6.50%/Q)	6/15/2021	1.4	1.4 (2)(12)	
					6.1	6.1	
Forescout Technologies, Inc. (16)	Network access control solutions provider	First lien senior secured loan (\$18.7 par due 8/2026)	10.50% PIK (Libor + 9.50%/Q)	8/17/2020	18.4	18.5 (2)(12)	
Frontline Technologies Group Holding LLC, Frontline Technologies Blocker Buyer, Inc., Frontline Technologies Holdings, LLC and Frontline Technologies Parent, LLC	Provider of human capital management and SaaS-based software solutions to employees and administrators of K-12 school organizations	First lien senior secured loan (\$14.9 par due 9/2023)	6.25% (Libor + 5.25%/Q)	12/30/2020	14.9	14.9 (12)	
		First lien senior secured loan (\$0.1 par due 9/2023)	6.25% (Libor + 5.25%/Q)	6/15/2021	0.1	0.1 (2)(12)	

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2021
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		Class A preferred units (4,574 units)	9.00% PIK	9/18/2017	6.2	6.7	
		Class B common units (499,050 units)		9/18/2017	—	7.9	
					21.2	29.6	
Genesis Acquisition Co. and Genesis Ultimate Holding Co. (16)	Child care management software and services provider	First lien senior secured revolving loan (\$1.5 par due 7/2024)	4.22% (Libor + 4.00%/Q)	7/31/2018	1.5	1.5 (2)	
		First lien senior secured loan (\$9.1 par due 7/2024)	5.25% (Libor + 4.50%/Q)	11/16/2021	9.1	9.0 (2)(12)	
		First lien senior secured loan (\$0.2 par due 7/2024)	4.22% (Libor + 4.00%/Q)	7/31/2018	0.2	0.2 (2)	
		Second lien senior secured loan (\$21.1 par due 7/2025)	8.25% (Libor + 7.50%/Q)	11/16/2021	21.1	20.7 (2)(12)	
		Second lien senior secured loan (\$32.4 par due 7/2025)	7.63% (Libor + 7.50%/Q)	7/31/2018	32.4	31.4 (2)	
		Second lien senior secured loan (\$7.5 par due 7/2025)	7.70% (Libor + 7.50%/Q)	6/9/2021	7.5	7.3 (2)	
		Class A common stock (8.39 shares)		7/31/2018	0.8	0.9 (2)	
					72.6	71.0	
GI Ranger Intermediate LLC (16)	Provider of payment processing services and software to healthcare providers	First lien senior secured loan (\$35.1 par due 10/2028)	6.75% (Libor + 6.00%/Q)	10/29/2021	35.1	34.8 (2)(12)	
Heavy Construction Systems Specialists, LLC (16)	Provider of construction software	First lien senior secured loan (\$40.9 par due 11/2028)	6.50% (Libor + 5.75%/Q)	11/16/2021	40.9	40.5 (2)(12)	
Huskies Parent, Inc., GI Insurity Parent LLC, and GI Insurity Topco LP (16)	Insurance software provider	First lien senior secured revolving loan (\$1.6 par due 11/2027)	6.25% (Libor + 5.50%/Q)	11/3/2021	1.6	1.4 (2)(12)	
		First lien senior secured loan (\$105.8 par due 11/2028)	6.25% (Libor + 5.50%/Q)	11/3/2021	105.8	104.8 (2)(12)	
		Senior subordinated loan (\$90.2 par due 11/2031)	10.00% PIK	11/3/2021	90.2	88.8 (2)	
		Company units (4,243,657 units)		11/3/2021	8.8	8.8 (2)	
					206.4	203.8	
IfByPhone Inc.	Voice-based marketing automation software provider	Warrant to purchase up to 124,300 shares of Series C preferred stock (expires 10/2022)		10/15/2012	0.1	— (2)	
Inmar	Technology-driven solutions provider for retailers, wholesalers and manufacturers	Second lien senior secured loan (\$28.3 par due 5/2025)	9.00% (Libor + 8.00%/Q)	4/25/2017	28.1	28.3 (2)(12)	
Insightful Science	Provider of data analysis, statistics, and visualization software solutions for scientific research applications	First lien senior secured loan (\$0.5 par due 4/2027)	7.00% (Libor + 6.00%/Q)	12/21/2017	0.5	0.5 (2)(12)	
		First lien senior secured loan (\$16.2 par due 4/2027)	6.50% (Libor + 5.50%/Q)	4/28/2021	16.2	16.0 (2)(12)	
		First lien senior secured loan (\$7.9 par due 4/2027)	6.50% (Libor + 5.50%/Q)	10/14/2021	7.9	7.9 (2)(12)	
		First lien senior secured loan (\$7.6 par due 4/2027)	6.50% (Libor + 5.50%/Q)	11/29/2021	7.6	7.5 (2)(12)	
		Senior subordinated loan (\$39.2 par due 4/2032)	10.50% PIK	4/28/2021	39.2	38.8 (2)	
		Preferred units (1,828,645 units)	14.00% PIK	4/28/2021	50.5	50.5	
					121.9	121.2	
IV Rollover Holdings, LLC	Provider of cloud based IT solutions, infrastructure and services	Class B units (170,490 units)		5/31/2017	—	0.1 (2)	
		Class X units (5,000,000 units)		5/31/2017	2.1	2.2 (2)	
					2.1	2.3	
Majeseo and Magic Topco, L.P. (16)	Insurance software provider	First lien senior secured loan (\$42.2 par due 9/2027)	8.25% (Libor + 7.25%/Q)	9/21/2020	42.2	42.2 (2)(12)	
		Class A units (2,539 units)	9.00% PIK	9/21/2020	2.8	4.0 (2)	
		Class B units (570,625 units)		9/21/2020	—	— (2)	
					45.0	46.2	
Ministry Brands Holdings, LLC and RCP MB Investments B, L.P. (16)	Software and payment services provider to faith-based institutions	First lien senior secured loan (\$72.7 par due 12/2028)	6.25% (Libor + 5.50%/Q)	12/30/2021	72.7	72.0 (2)(12)	

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		Limited partner interests (9,574,000 interests)		12/30/2021	9.6	9.6 (2)	
					82.3	81.6	
Ministry Brands, LLC and MB Parent HoldCo, L.P. (dba Community Brands) (16)	Software and payment services provider to non-profit institutions	First lien senior secured revolving loan (\$5.0 par due 12/2022)	7.25% (Base Rate + 4.00%/Q)	12/2/2016	5.0	5.0 (12)	
		First lien senior secured loan (\$9.2 par due 12/2022)	5.00% (Libor + 4.00%/M)	4/6/2017	9.2	9.2 (12)	
		First lien senior secured loan (\$4.7 par due 12/2022)	5.00% (Libor + 4.00%/M)	8/22/2017	4.7	4.7 (12)	
		Second lien senior secured loan (\$106.6 par due 6/2023)	10.25% (Libor + 9.25%/M)	12/2/2016	106.4	106.6 (12)	
		Second lien senior secured loan (\$13.9 par due 6/2023)	10.25% (Libor + 9.25%/M)	4/6/2017	13.9	13.9 (2)(12)	
		Second lien senior secured loan (\$17.9 par due 6/2023)	10.25% (Libor + 9.25%/M)	8/22/2017	17.9	17.9 (2)(12)	
		Second lien senior secured loan (\$48.9 par due 6/2023)	9.00% (Libor + 8.00%/M)	4/18/2018	48.9	48.9 (2)(12)	
		Class A units (500,000 units)		12/2/2016	5.0	7.2 (2)	
					211.0	213.4	
Mitchell International, Inc.	Provider of technology, connectivity, and information solutions to the property and casualty insurance industry	Second lien senior secured loan (\$91.2 par due 10/2029)	7.00% (Libor + 6.50%/M)	10/1/2021	90.3	91.6 (2)(12)(19)	
MMIT Holdings, LLC (16)	Provider of market intelligence and analysis for the pharmaceutical industry	First lien senior secured revolving loan (\$0.6 par due 9/2027)	7.25% (Libor + 6.25%/Q)	9/15/2021	0.6	0.6 (2)(12)	
		First lien senior secured loan (\$18.2 par due 9/2027)	7.25% (Libor + 6.25%/Q)	9/15/2021	18.2	18.0 (2)(12)	
		First lien senior secured loan (\$13.7 par due 9/2027)	7.25% (Libor + 6.25%/Q)	10/21/2021	13.7	13.6 (2)(12)	
					32.5	32.2	
MRI Software LLC (16)	Provider of real estate and investment management software	First lien senior secured loan (\$51.5 par due 2/2026)	6.50% (Libor + 5.50%/Q)	2/10/2020	51.5	51.5 (12)	
		First lien senior secured loan (\$4.5 par due 2/2026)	6.50% (Libor + 5.50%/Q)	8/28/2020	4.5	4.5 (2)(12)	
					56.0	56.0	
OpenMarket Inc.	Provider of cloud-based mobile engagement platform	First lien senior secured loan (\$50.7 par due 9/2026)	7.00% (Libor + 6.25%/Q)	9/17/2021	50.7	50.1 (2)(6)(12)	
Paya, Inc and GTCR-Ultra Holdings LLC (16)	Provider of payment processing and merchant acquiring solutions	Class B units (2,878,372 units)		8/1/2017	—	2.1 (2)	
PayNearMe, Inc.	Electronic cash payment system provider	Warrant to purchase up to 195,726 shares of Series E preferred stock (expires 3/2023)		3/11/2016	0.2	— (2)	
PDI TA Holdings, Inc., Peachtree Parent, Inc. and Insight PDI Holdings, LLC (16)	Provider of enterprise management software for the convenience retail and petroleum wholesale market	First lien senior secured loan (\$53.5 par due 10/2024)	5.50% (Libor + 4.50%/Q)	3/19/2019	53.5	53.5 (12)	
		Second lien senior secured loan (\$7.2 par due 10/2025)	9.50% (Libor + 8.50%/Q)	12/7/2021	7.2	7.2 (2)(12)	
		Second lien senior secured loan (\$70.1 par due 10/2025)	9.50% (Libor + 8.50%/Q)	3/19/2019	70.1	70.1 (2)(12)	
		Second lien senior secured loan (\$8.3 par due 10/2025)	9.50% (Libor + 8.50%/Q)	12/17/2020	8.3	8.3 (2)(12)	
		Second lien senior secured loan (\$8.7 par due 10/2025)	9.50% (Libor + 8.50%/B)	4/27/2021	8.7	8.7 (2)(12)	
		Series A preferred stock (13,656 shares)	13.25% PIK	3/19/2019	19.5	19.7 (2)	
		Class A units (2,062,493 units)		3/19/2019	2.1	2.9 (2)	
					169.4	170.4	
Pegasus Global Enterprise Holdings, LLC, Mekone Blocker Acquisition, Inc. and Mekone Parent, LLC (16)	Provider of plant maintenance and scheduling software	First lien senior secured loan (\$0.2 par due 5/2025)	6.25% (Libor + 5.25%/Q)	5/29/2019	0.2	0.2 (2)(12)	
		First lien senior secured loan (\$0.1 par due 5/2025)	6.75% (Libor + 5.75%/Q)	6/24/2020	0.1	0.1 (2)(12)	
		First lien senior secured loan (\$29.9 par due 5/2025)	6.75% (Libor + 5.75%/Q)	10/16/2020	29.9	29.9 (2)(12)	
		Class A units (5,000 units)		5/29/2019	5.0	12.3	
					35.2	42.5	

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Pluralsight, Inc. (16)	Online education learning platform	First lien senior secured loan (\$117.7 par due 4/2027)	9.00% (Libor + 8.00%/Q)	4/6/2021	117.7	117.7	(2)(12)
Poplicus Incorporated	Business intelligence and market analytics platform for companies that sell to the public sector	Warrant to purchase up to 2,402,991 shares of Series C preferred stock (expires 6/2025)		6/25/2015	0.1	—	(2)
PracticeTek Purchaser, LLC and GSV PracticeTek Holdings, LLC	Software provider for medical practitioners	Class A units (11,804,000 units)	8.00% PIK	3/31/2021	—	8.2	(2)
ProfitSolv Purchaser, Inc. and PS Co-Invest, L.P. (16)	Provider of practice management software to law firms	First lien senior secured loan (\$3.9 par due 3/2027)	6.25% (Libor + 5.25%/M)	3/5/2021	3.9	3.9	(2)(12)
		Limited partnership units (1,624,000 units)		3/5/2021	1.6	1.6	(2)
					5.5	5.5	
Project Alpha Intermediate Holding, Inc. and Qlik Parent, Inc.	Provider of data visualization software for data analytics	Class A common stock (7,445 shares)		8/22/2016	7.4	16.8	(2)
		Class B common stock (1,841,609 shares)		8/22/2016	0.1	0.2	(2)
					7.5	17.0	
Project Essential Bidco, Inc. and Project Essential Super Parent, Inc. (16)	SaaS provider of automated crew callout and scheduling software for the utility industry	First lien senior secured loan (\$36.6 par due 4/2028)	6.75% (Libor + 5.75%/Q)	4/20/2021	36.6	35.8	(2)(12)
		Preferred shares (26,436 shares)	10.50% PIK (Libor + 9.50%/Q)	4/20/2021	28.5	28.5	(2)(12)
					65.1	64.3	
Project Potter Buyer, LLC and Project Potter Parent, L.P. (16)	Software solutions provider to the ready-mix concrete industry	First lien senior secured revolving loan (\$0.8 par due 4/2026)	10.50% (Base Rate + 7.25%/Q)	4/23/2020	0.7	0.8	(2)(12)(15)
		First lien senior secured loan (\$44.1 par due 4/2027)	9.25% (Libor + 8.25%/M)	4/23/2020	44.1	44.1	(12)
		First lien senior secured loan (\$12.9 par due 4/2027)	9.25% (Libor + 8.25%/M)	10/30/2020	12.9	12.9	(2)(12)
		First lien senior secured loan (\$19.4 par due 4/2027)	9.25% (Libor + 8.25%/M)	11/18/2020	19.4	19.4	(2)(12)
		Class A units (1,599 units)	9.00% PIK	4/23/2020	1.9	1.9	(2)
		Class B units (588,636 units)		4/23/2020	—	0.8	(2)
					79.0	79.9	
Proofpoint, Inc. (16)	Cybersecurity solutions provider	First lien senior secured loan (\$1.0 par due 8/2028)	3.75% (Libor + 3.25%/Q)	6/9/2021	1.0	1.0	(2)(12)(19)
		Second lien senior secured loan (\$34.6 par due 8/2029)	6.75% (Libor + 6.25%/Q)	6/9/2021	34.4	34.6	(2)(12)
					35.4	35.6	
QF Holdings, Inc. (16)	SaaS based electronic health record software provider	First lien senior secured loan (\$8.1 par due 12/2027)	7.25% (Libor + 6.25%/Q)	12/15/2021	8.1	8.1	(2)(12)
		First lien senior secured loan (\$15.5 par due 12/2027)	7.50% (Libor + 6.50%/Q)	9/19/2019	15.5	15.5	(2)(12)
					23.6	23.6	
Raptor Technologies, LLC, Sycamore Bidco LTD and Rocket Parent, LLC (16)	Provider of SaaS-based safety and security software to the K-12 school market	First lien senior secured loan (\$28.5 par due 10/2028)	7.00% (Libor + 6.00%/Q)	10/5/2021	28.5	28.2	(2)(6)(12)
		Class A common units (2,880,582 units)		12/17/2018	3.5	4.8	
					32.0	33.0	
RealPage, Inc.	Provider of enterprise software solutions to the residential real estate industry	Second lien senior secured loan (\$84.1 par due 4/2029)	7.25% (Libor + 6.50%/M)	4/22/2021	82.9	84.1	(2)(12)
Regent Education, Inc.	Provider of software solutions designed to optimize the financial aid and enrollment processes	Warrant to purchase up to 5,393,194 shares of common stock (expires 12/2026)		12/23/2016	—	—	(2)
		Warrant to purchase up to 987 shares of common stock (expires 12/2026)		12/23/2016	—	—	(2)
					—	—	
Relativity ODA LLC (16)	Electronic discovery document review software platform for use in litigations and investigations	First lien senior secured loan (\$59.8 par due 5/2027)	8.50% PIK (Libor + 7.50%/M)	5/12/2021	59.8	59.8	(2)(12)
RMS Holdco II, LLC & RMS Group Holdings, Inc. (16)	Developer of revenue cycle management solutions, process automation, analytics and integration for the healthcare industry	First lien senior secured loan (\$23.5 par due 12/2027)	6.50% (Libor + 5.75%/Q)	12/16/2021	23.5	23.3	(2)(12)

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		Class A common stock (464.9 shares)		12/16/2021	4.6	4.6 (2)	
					28.1	27.9	
Smash Inc., MobileGuard, LLC, Actiance, Inc. and Skywalker TopCo, LLC	SaaS based communication archival service provider	First lien senior secured loan (\$13.3 par due 11/2025)	9.25% (Libor + 8.25%/M)	11/20/2020	13.3	13.3 (2)(12)	
		Common units (1,432,835 units)		11/20/2020	4.8	5.1 (2)	
					18.1	18.4	
SocialFlow, Inc.	Social media optimization platform provider	Warrant to purchase up to 215,331 shares of Series C preferred stock (expires 1/2026)		1/13/2016	—	— (2)	
Sophia, L.P.	Provider of ERP software and services for higher education institutions	Second lien senior secured loan (\$105.9 par due 10/2028)	9.00% (Libor + 8.00%/Q)	10/7/2020	105.9	105.9 (2)(12)	
SoundCloud Limited	Platform for receiving, sending, and distributing music	Common stock (73,422 shares)		8/15/2017	0.4	0.7 (2)(6)	
Stamps.com Inc.	Provider of mailing and shipping solutions	First lien senior secured loan (\$197.9 par due 10/2028)	6.50% (Libor + 5.75%/Q)	10/5/2021	197.9	193.9 (2)(12)	
Storable, Inc. and EQT IX Co-Investment (E) SCSP	PMS solutions and web services for the self-storage industry	Second lien senior secured loan (\$42.8 par due 4/2029)	7.50% (Libor + 6.75%/Q)	4/16/2021	42.8	42.8 (2)(12)	
		Limited partnership interests (614,950 interests)		4/16/2021	6.2	6.8 (2)(6)	
					49.0	49.6	
Sundance Group Holdings, Inc. (16)	Provider of cloud-based document management and collaboration solutions	First lien senior secured revolving loan (\$0.9 par due 7/2027)	7.75% (Libor + 6.75%/Q)	7/2/2021	0.8	0.9 (2)(12)	
		First lien senior secured loan (\$15.4 par due 7/2027)	7.75% (Libor + 6.75%/Q)	7/2/2021	15.2	15.3 (2)(12)	
					16.0	16.2	
TCP Hawker Intermediate LLC (16)	Workforce management solutions provider	First lien senior secured loan (\$6.6 par due 8/2026)	6.50% (Libor + 5.50%/Q)	12/1/2020	6.6	6.6 (12)	
		First lien senior secured loan (\$4.0 par due 8/2026)	6.50% (Libor + 5.50%/Q)	10/19/2021	4.0	4.0 (2)(12)	
		First lien senior secured loan (\$34.8 par due 8/2026)	6.50% (Libor + 5.50%/Q)	8/30/2019	34.8	34.8 (12)	
					45.4	45.4	
The Ultimate Software Group, Inc. and H&F Unite Partners, L.P. (16)	Provider of cloud based HCM solutions for businesses	First lien senior secured revolving loan	—%	5/3/2019	—	— (6)(14)	
		Limited partnership interests (12,583,556 interests)		5/3/2019	12.6	15.1 (2)(6)	
					12.6	15.1	
Verscend Holding Corp. (16)	Healthcare analytics solutions provider	First lien senior secured revolving loan	—%	8/27/2018	—	— (14)	
WebPT, Inc. (16)	Electronic medical record software provider	First lien senior secured loan (\$48.1 par due 8/2024)	7.75% (Libor + 6.75%/Q)	8/28/2019	48.1	48.1 (2)(12)	
Wellness AcquisitionCo, Inc. (16)	Provider of retail consumer insights and analytics for manufacturers and retailers in the natural, organic and specialty products industry	First lien senior secured loan (\$0.1 par due 1/2027)	6.50% (Libor + 5.50%/Q)	1/20/2021	0.1	0.1 (2)(12)	
WorkWave Intermediate II, LLC (16)	Provider of cloud-based field services and fleet management solutions	First lien senior secured loan (\$61.6 par due 6/2027)	8.00% PIK (Libor + 7.25%/Q)	6/29/2021	61.6	61.6 (2)(12)	
					4,308.2	4,378.1	49.37%
Health Care Services							
Absolute Dental Group LLC and Absolute Dental Equity, LLC (5) (16)	Dental services provider	First lien senior secured revolving loan (\$4.0 par due 6/2024)	11.25% (Base rate + 3.00% Cash + 5.00% PIK/Q)	6/1/2021	4.0	4.0 (2)(12)	
		First lien senior secured loan (\$49.5 par due 6/2024)	10.00% (Libor + 4.00% Cash, 5.00% PIK/Q)	6/1/2021	49.5	49.5 (2)(12)	
		Class A common units (7,617,280 units)		6/1/2021	4.7	10.4 (2)	
					58.2	63.9	
ADG, LLC and RC IV GEDC Investor LLC (16)	Dental services provider	First lien senior secured revolving loan (\$9.6 par due 9/2022)	7.50% (Base rate + 3.75% Cash + .50% PIK/A)	9/28/2016	9.6	9.5 (2)(12)	

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		First lien senior secured revolving loan (\$2.3 par due 9/2022)	5.75% (Libor + 4.25% Cash, 0.50% PIK/Q)	9/28/2016	2.3	2.3	(2)(12)
		Second lien senior secured loan (\$115.3 par due 3/2024)	11.00% PIK (Libor + 10.00%/Q)	9/28/2016	95.2	103.7	(2)(12)
		Membership units (3,000,000 units)		9/28/2016	3.0	—	(2)
					110.1	115.5	
Alteon Health, LLC	Provider of physician management services	First lien senior secured loan (\$2.8 par due 9/2023)	7.50% (Libor + 6.50%/Q)	5/15/2017	2.8	2.8	(2)(12)
Athenahealth, Inc., VVC Holding Corp., Virence Intermediate Holding Corp., and Virence Holdings LLC (16)	Revenue cycle management provider to the physician practices and acute care hospitals	Class A interests (0.39% interest)		2/11/2019	9.0	49.3	(2)
Bambino Group Holdings, LLC	Dental services provider	Class A preferred units (1,000,000 units)		12/21/2016	1.0	1.1	(2)
Bearcat Buyer, Inc. and Bearcat Parent, Inc. (16)	Provider of central institutional review boards over clinical trials	Second lien senior secured loan (\$69.5 par due 7/2027)	9.25% (Libor + 8.25%/Q)	7/9/2019	69.5	69.5	(2)(12)
		Second lien senior secured loan (\$12.7 par due 7/2027)	9.25% (Libor + 8.25%/Q)	9/10/2019	12.7	12.7	(2)(12)
		Class B common units (4,211 units)		7/9/2019	4.2	10.8	(2)
					86.4	93.0	
CCS-CMGC Holdings, Inc. (16)	Correctional facility healthcare operator	First lien senior secured revolving loan	—%	10/1/2018	—	—	(14)
		First lien senior secured loan (\$34.0 par due 10/2025)	5.63% (Libor + 5.50%/Q)	9/25/2018	33.8	33.3	
					33.8	33.3	
Center for Autism and Related Disorders, LLC (16)	Autism treatment and services provider specializing in applied behavior analysis therapy	First lien senior secured revolving loan (\$6.8 par due 11/2023)	5.65% (Libor + 5.50%/Q)	11/21/2018	6.8	6.2	(2)(15)
Comprehensive EyeCare Partners, LLC (16)	Vision care practice management company	First lien senior secured revolving loan (\$0.3 par due 2/2024)	7.00% (Libor + 5.75%/Q)	2/14/2018	0.3	0.3	(2)(12)
		First lien senior secured loan (\$2.6 par due 2/2024)	7.00% (Libor + 5.75%/Q)	2/14/2018	2.6	2.6	(2)(12)
		First lien senior secured loan (\$0.1 par due 2/2024)	8.00% (Base Rate + 4.75%/Q)	4/19/2021	0.1	0.1	(2)(12)
		First lien senior secured loan (\$0.6 par due 2/2024)	7.00% (Libor + 5.75%/Q)	4/19/2021	0.6	0.6	(2)(12)
					3.6	3.6	
Convey Health Solutions, Inc.	Healthcare workforce management software provider	First lien senior secured loan (\$2.7 par due 9/2026)	5.50% (Libor + 4.75%/M)	9/4/2019	2.7	2.7	(12)
CVP Holdco, Inc. and OMERS Wildcats Investment Holdings LLC (16)	Veterinary hospital operator	First lien senior secured revolving loan (\$0.4 par due 10/2024)	8.00% (Base Rate + 4.75%/Q)	10/31/2019	0.4	0.4	(2)(12)(15)
		First lien senior secured loan (\$39.4 par due 10/2025)	6.25% (Libor + 5.25%/Q)	10/31/2019	39.4	39.4	(12)
		First lien senior secured loan (\$49.2 par due 10/2025)	6.75% (Libor + 5.75%/Q)	4/26/2021	49.2	49.2	(2)(12)
		Common stock (32,429 shares)		10/31/2019	10.0	15.9	(2)
					99.0	104.9	
GHX Ultimate Parent Corporation, Commerce Parent, Inc. and Commerce Topco, LLC	On-demand supply chain automation solutions provider to the healthcare industry	Second lien senior secured loan (\$114.0 par due 5/2029)	7.50% (Libor + 6.75%/Q)	5/26/2021	114.0	114.0	(2)(12)
		Class A units (14,013,303 units)		6/30/2017	14.0	32.2	(2)
					128.0	146.2	
Global Medical Response, Inc. and GMR Buyer Corp.	Emergency air medical services provider	Second lien senior secured loan (\$95.4 par due 12/2029)	7.50% (Libor + 6.75%/Q)	12/17/2021	95.4	94.5	(2)(12)
		Warrant to purchase up to 115,733 units of common stock (expires 3/2028)		3/14/2018	0.9	3.0	(2)
		Warrant to purchase up to 1,926.57 units of common stock (expires 12/2031)		12/17/2021	0.1	—	(2)
					96.4	97.5	

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HealthEdge Software, Inc. (16)	Provider of financial, administrative and clinical software platforms to the healthcare industry	First lien senior secured revolving loan	—%	12/16/2021	—	— (14)	
		First lien senior secured loan (\$79.2 par due 4/2026)	7.25% (Libor + 6.25%/Q)	12/16/2021	79.2	79.2 (2)(12)	
					79.2	79.2	
Honor Technology, Inc.	Nursing and home care provider	First lien senior secured loan (\$2.5 par due 8/2026)	11.00% (Libor + 10.00%/M)	8/6/2021	2.4	2.5 (2)(12)	
		Warrant to purchase up to 133,333 shares of series D-2 preferred stock (expires 8/2031)		8/6/2021	0.1	0.1 (2)	
					2.5	2.6	
JDC Healthcare Management, LLC (16)	Dental services provider	First lien senior secured revolving loan (\$4.4 par due 4/2022)		4/10/2017	3.8	3.1 (2)(11)	
		First lien senior secured loan (\$37.2 par due 4/2023)		4/10/2017	31.7	26.5 (2)(11)	
					35.5	29.6	
KBHS Acquisition, LLC (d/b/a Alita Care, LLC) (16)	Provider of behavioral health services	First lien senior secured revolving loan (\$0.8 par due 3/2024)	6% (Libor + 4.00% Cash + 1% PIK/M)	3/17/2017	0.8	0.8 (2)(12)	
MCH Holdings, Inc., MC Acquisition Holdings I, LLC and Privia Health Group, Inc.	Healthcare professional provider	First lien senior secured loan (\$110.2 par due 7/2022)	8.50% (Libor + 7.00%/M)	7/26/2017	110.2	110.2 (12)	
		Class A units (1,438,643 shares)		1/17/2014	—	0.6 (2)	
					110.2	110.8	
Napa Management Services Corporation and ASP NAPA Holdings, LLC	Anesthesia management services provider	Second lien senior secured loan (\$72.8 par due 10/2023)	11.00% (Libor + 10.00%/Q)	4/19/2016	72.8	72.8 (2)(12)	
		Preferred units (1,842 units)	15.00% PIK	6/29/2020	0.1	0.1 (2)	
		Senior preferred units (5,320 units)	8.00% PIK	6/29/2020	0.3	0.3 (2)	
		Class A units (25,277 units)		4/19/2016	2.5	4.1 (2)	
					75.7	77.3	
NMN Holdings III Corp. and NMN Holdings LP (16)	Provider of complex rehabilitation technology solutions for patients with mobility loss	First lien senior secured revolving loan	—%	11/13/2018	—	— (14)	
		Partnership units (30,000 units)		11/13/2018	3.0	2.8 (2)	
					3.0	2.8	
NueHealth Performance, LLC (16)	Developer, builder and manager of specialty surgical hospitals and ambulatory surgery centers	First lien senior secured revolving loan (\$3.3 par due 9/2023)	8.25% (Libor + 7.25%/M)	9/27/2018	3.3	3.3 (2)(12)	
		First lien senior secured loan (\$12.4 par due 9/2023)	8.25% (Libor + 7.25%/M)	9/27/2018	12.4	12.4 (12)	
		First lien senior secured loan (\$3.0 par due 9/2023)	8.25% (Libor + 7.25%/M)	2/1/2020	3.0	3.0 (2)(12)	
					18.7	18.7	
Olympia Acquisition, Inc. and Olympia TopCo, L.P. (16)	Behavioral health and special education platform provider	First lien senior secured revolving loan (\$10.1 par due 9/2024)	8.50% (Libor + 5.50% Cash + 2.00% PIK/M)	9/24/2019	10.1	8.3 (2)(12)	
		First lien senior secured revolving loan (\$0.2 par due 9/2024)	8.50% (Libor + 5.50% Cash + 2.00% PIK/M)	12/17/2020	0.2	0.2 (2)(12)	
		First lien senior secured loan (\$42.1 par due 9/2026)	8.50% (Libor + 5.50% Cash + 2.00% PIK/M)	9/24/2019	42.1	34.5 (12)	
		First lien senior secured loan (\$0.9 par due 9/2026)	8.50% (Libor + 5.50% Cash + 2.00% PIK/M)	12/31/2020	0.9	0.8 (12)	
		Preferred units (417,189)	15.00% PIK	7/28/2021	0.3	0.3 (2)	
		Class A common units (9,549,000 units)		9/24/2019	9.5	— (2)	
					63.1	44.1	
OMH-HealthEdge Holdings, LLC	Revenue cycle management provider to the healthcare industry	First lien senior secured loan (\$26.1 par due 10/2025)	6.50% (Libor + 5.50%/Q)	10/24/2019	26.1	26.1 (12)	
		First lien senior secured loan (\$15.4 par due 10/2025)	6.50% (Libor + 5.50%/Q)	3/10/2021	15.4	15.4 (12)	
					41.5	41.5	

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Pathway Vet Alliance LLC and Jedi Group Holdings LLC (16)	Veterinary hospital operator	First lien senior secured revolving loan	—%	3/31/2020	—	—	(14)
		Second lien senior secured loan (\$76.3 par due 3/2028)	8.75% (Libor + 7.75%/M)	3/31/2020	76.3	76.3	(2)(12)
		Class R common units (6,004,768 units)		3/31/2020	6.0	7.9	(2)
					82.3	84.2	
PhyMED Management LLC	Provider of anesthesia services	Second lien senior secured loan (\$55.7 par due 9/2022)	15% (Libor + 3.51% Cash + 10.49% PIK/Q)	12/18/2015	55.6	52.4	(2)(12)
Premise Health Holding Corp. and OMERS Bluejay Investment Holdings LP (16)	Provider of employer-sponsored onsite health and wellness clinics and pharmacies	First lien senior secured revolving loan (\$12.0 par due 7/2023)	3.41% (Libor + 3.25%/Q)	7/10/2018	12.0	12.0	(2)(15)
		First lien senior secured loan (\$8.6 par due 7/2025)	3.72% (Libor + 3.50%/Q)	7/10/2018	8.6	8.6	
		Second lien senior secured loan (\$67.1 par due 7/2026)	7.72% (Libor + 7.50%/Q)	7/10/2018	66.7	67.1	(2)
		Class A units (9,775 units)		7/10/2018	9.8	17.5	(2)
					97.1	105.2	
Project Ruby Ultimate Parent Corp. (dba Wellsky)	Provider of care coordination and transition management software solutions	Second lien senior secured loan (\$193.1 par due 3/2029)	7.25% (Libor + 6.50%/M)	3/10/2021	193.1	193.1	(2)(12)
Respicardia, Inc.	Developer of implantable therapies to improve cardiovascular health	Warrant to purchase up to 99,094 shares of Series C preferred stock (expires 6/2022)		6/28/2012	—	—	(2)
RTI Surgical, Inc. and Pioneer Surgical Technology, Inc. (16)	Manufacturer of biologic, metal and synthetic implants/devices	First lien senior secured revolving loan (\$5.0 par due 7/2026)	8.25% (Libor + 6.75%/M)	7/20/2020	5.0	5.0	(2)(12)
		First lien senior secured loan (\$28.5 par due 7/2026)	8.25% (Libor + 6.75%/Q)	7/20/2020	28.5	28.5	(12)
					33.5	33.5	
SiroMed Physician Services, Inc. and SiroMed Equity Holdings, LLC (16)	Outsourced anesthesia provider	First lien senior secured loan (\$11.5 par due 3/2024)	5.75% (Libor + 4.75%/M)	3/26/2018	11.5	9.9	(12)
		Common units (684,854 units)		3/26/2018	4.8	0.7	(2)
					16.3	10.6	
SM Wellness Holdings, Inc. and SM Holdco, Inc. (16)	Breast cancer screening provider	Series A units (8,041 units)		8/1/2018	8.0	9.6	(2)
		Series B units (804,142 units)		8/1/2018	—	—	(2)
					8.0	9.6	
Symplr Software Inc. and Symplr Software Intermediate Holdings, Inc. (16)	SaaS based healthcare compliance platform provider	Second lien senior secured loan (\$69.9 par due 12/2028)	8.63% (Libor + 7.88%/Q)	12/22/2020	69.9	69.9	(2)(12)
		Series C-1 preferred shares (75,939 shares)	11.00% PIK	6/18/2021	85.0	85.0	(2)
		Series C-2 preferred shares (40,115 shares)	11.00% PIK	6/18/2021	42.6	42.6	(2)
		Series C-3 preferred shares (16,201 shares)	11.00% PIK	10/12/2021	16.6	16.6	(2)
					214.1	214.1	
Synergy HomeCare Franchising, LLC and NP/Synergy Holdings, LLC (16)	Franchisor of private pay home care for the elderly	First lien senior secured loan (\$15.3 par due 4/2024)	6.75% (Libor + 5.75%/Q)	4/2/2018	15.3	15.3	(12)
		Common units (550 units)		4/2/2018	0.5	1.0	
					15.8	16.3	
Teligent, Inc (16)	Pharmaceutical company that develops, manufactures and markets injectable pharmaceutical products	Second lien senior secured loan (\$8.8 par due 1/2022)		10/15/2021	8.1	8.8	(2)(11)
		Second lien senior secured loan (\$1.4 par due 12/2022)		1/27/2021	1.3	0.5	(2)(11)
		Second lien senior secured loan (\$77.8 par due 12/2022)		12/13/2018	67.6	29.5	(2)(11)
		Series D preferred stock (77,725 shares)		1/27/2021	—	—	(2)
		Warrant to purchase up to 490,492 shares of common stock (expires 4/2025)		4/6/2020	—	—	(2)

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		Warrant to purchase up to 122,548 shares of common stock (expires 7/2025)		7/20/2020	—	— (2)	
					77.0	38.8	
Therapy Brands Holdings LLC (16)	Provider of software solutions for the mental and behavioral health market segments	Second lien senior secured loan (\$20.5 par due 5/2029)	7.50% (Libor + 6.75%/Q)	6/2/2021	20.3	20.5 (2)(12)	
Touchstone Acquisition, Inc. and Touchstone Holding, L.P.	Manufacturer of consumable products in the dental, medical, cosmetic and consumer/industrial end-markets	Class A preferred units (2,149 units)	8.00% PIK	11/15/2018	2.7	2.8 (2)	
U.S. Anesthesia Partners, Inc. & U.S. Anesthesia Partners Holdings, Inc.	Anesthesiology service provider	Second lien senior secured loan (\$147.8 par due 10/2029)	8.00% (Libor + 7.50%/Q)	10/1/2021	147.8	146.3 (2)(12)	
		Common stock (3,671,429 shares)		12/3/2021	12.9	12.9 (2)	
					160.7	159.2	
VPP Intermediate Holdings, LLC and VPP Group Holdings, L.P. (16)	Veterinary hospital operator	First lien senior secured loan (\$6.4 par due 12/2027)	6.75% (Libor + 5.75%/Q)	12/1/2021	6.4	6.4 (2)(12)	
		Class A-2 units (7,524 units)		12/1/2021	7.5	7.5 (2)	
					13.9	13.9	
WSHP FC Acquisition LLC (16)	Provider of biospecimen products for pharma research	First lien senior secured revolving loan (\$1.5 par due 3/2027)	7.00% (Libor + 6.00%/Q)	3/30/2018	1.5	1.5 (2)(12)	
		First lien senior secured loan (\$4.9 par due 3/2027)	7.00% (Libor + 6.00%/Q)	10/14/2021	4.9	4.9 (2)(12)	
		First lien senior secured loan (\$33.4 par due 3/2027)	7.00% (Libor + 6.00%/Q)	3/30/2018	33.4	33.4 (12)	
		First lien senior secured loan (\$4.5 par due 3/2027)	7.00% (Libor + 6.00%/Q)	2/11/2019	4.5	4.5 (12)	
		First lien senior secured loan (\$11.4 par due 3/2027)	7.00% (Libor + 6.00%/M)	8/30/2019	11.4	11.4 (12)	
		First lien senior secured loan (\$10.8 par due 3/2027)	7.00% (Libor + 6.00%/Q)	10/31/2019	10.8	10.8 (12)	
		First lien senior secured loan (\$9.0 par due 3/2027)	7.00% (Libor + 6.00%/Q)	11/23/2021	9.0	9.0 (2)(12)	
					75.5	75.5	
					2,133.9	2,157.1	24.33%
Commercial & Professional Services							
Accommodations Plus Technologies LLC and Accommodations Plus Technologies Holdings LLC (16)	Provider of outsourced crew accommodations and logistics management solutions to the airline industry	First lien senior secured revolving loan (\$4.1 par due 5/2023)	10.00% (Libor + 9.00%/Q)	5/11/2018	4.1	3.9 (2)(12)	
		Class A common units (236,358 units)		5/11/2018	4.3	4.0	
					8.4	7.9	
Aero Operating LLC	Provider of snow removal and melting service for airports and marine terminals	First lien senior secured loan (\$36.6 par due 2/2026)	8.00% (Libor + 6.50%/M)	2/7/2020	36.6	36.6 (12)	
		First lien senior secured loan (\$1.2 par due 2/2026)	8.00% (Libor + 6.50%/Q)	12/31/2021	1.2	1.2 (2)(12)	
					37.8	37.8	
Argenbright Holdings V, LLC	Provider of outsourced security guard services, outsourced facilities management and outsourced aviation services	First lien senior secured loan (\$21.1 par due 11/2026)	7.00% (Libor + 6.00%/M)	11/30/2021	21.1	20.9 (2)(12)	
Capstone Acquisition Holdings, Inc. and Capstone Parent Holdings, LP (16)	Outsourced supply chain solutions provider to operators of distribution centers	First lien senior secured revolving loan (\$2.3 par due 11/2025)	7.00% (Base Rate + 3.75%/Q)	11/12/2020	2.3	2.3 (2)(12)(15)	
		First lien senior secured loan (\$0.3 par due 11/2027)	5.75% (Libor + 4.75%/M)	11/12/2020	0.3	0.3 (2)(12)	
		Second lien senior secured loan (\$68.3 par due 11/2028)	9.75% (Libor + 8.75%/M)	11/12/2020	68.3	68.3 (2)(12)	
		Class A units (10,581 units)		11/12/2020	10.6	14.4 (2)	
					81.5	85.3	
Cozzini Bros., Inc. and BH-Sharp Holdings LP (16)	Provider of commercial knife sharpening and cutlery services in the restaurant industry	First lien senior secured loan (\$12.4 par due 3/2023)	8.5% (Libor + 3.00% Cash + 4.50% PIK/Q)	3/10/2017	12.4	11.4 (2)(12)	

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		Common units (2,950,000 units)		3/10/2017	3.0	1.4 (2)	
					15.4	12.8	
DTI Holdco, Inc. and OPE DTI Holdings, Inc. (16)	Provider of legal process outsourcing and managed services	First lien senior secured revolving loan (\$0.3 par due 6/2023)	6.75% (Base Rate + 3.50%/Q)	9/23/2016	0.3	0.3 (2)(15)	
		First lien senior secured revolving loan (\$4.8 par due 6/2023)	4.65% (Libor + 4.50%/Q)	9/23/2016	4.8	4.8 (2)(15)	
		Class A common stock (7,500 shares)		8/19/2014	7.5	4.2 (2)	
		Class B common stock (7,500 shares)		8/19/2014	—	— (2)	
					12.6	9.3	
Elevation Services Parent Holdings, LLC	Elevator service platform	First lien senior secured loan (\$8.7 par due 12/2026)	7.00% (Libor + 6.00%/Q)	12/18/2020	8.7	8.7 (2)(12)	
		First lien senior secured loan (\$0.3 par due 12/2026)	6.50% (Libor + 5.50%/Q)	12/18/2020	0.3	0.3 (2)(12)	
		First lien senior secured loan (\$5.2 par due 12/2026)	7.00% (Libor + 6.00%/Q)	12/18/2020	5.2	5.2 (2)(12)	
					14.2	14.2	
HAI Acquisition Corporation and Aloha Topco, LLC (16)	Professional employer organization offering human resources, compliance and risk management services	First lien senior secured loan (\$61.0 par due 11/2025)	6.00% (Libor + 5.25%/M)	11/1/2017	61.0	61.0 (12)	
		First lien senior secured loan (\$0.1 par due 11/2025)	6.00% (Libor + 5.25%/Q)	9/28/2021	0.1	0.1 (2)(12)	
		Class A units (16,980 units)		11/1/2017	1.7	2.3 (2)	
					62.8	63.4	
HH-Stella, Inc. and Bedrock Parent Holdings, LP (16)	Provider of municipal solid waste transfer management services	First lien senior secured revolving loan (\$0.5 par due 4/2027)	6.50% (Libor + 5.50%/M)	4/22/2021	0.5	0.5 (2)(12)	
		First lien senior secured loan (\$2.6 par due 4/2028)	6.50% (Libor + 5.50%/M)	4/22/2021	2.6	2.6 (2)(12)	
		Class A units (25,490 units)		4/22/2021	2.5	2.9 (2)	
					5.6	6.0	
IRI Holdings, Inc., IRI Group Holdings, Inc. and IRI Parent, L.P.	Market research company focused on the consumer packaged goods industry	First lien senior secured loan (\$42.3 par due 12/2025)	4.35% (Libor + 4.25%/M)	11/30/2018	41.9	42.3	
		Second lien senior secured loan (\$86.8 par due 11/2026)	8.10% (Libor + 8.00%/M)	11/30/2018	85.9	86.8 (2)	
		Series A-1 preferred shares (46,900 shares)	11.50% PIK (Libor + 10.50%/M)	11/30/2018	65.3	66.0 (2)(12)	
		Class A-1 common units (90,500 units)		11/30/2018	9.1	26.1 (2)	
					202.2	221.2	
Kellermeyer Bergensons Services, LLC (16)	Provider of janitorial and facilities management services	First lien senior secured loan (\$60.8 par due 11/2026)	6.75% (Libor + 5.75%/A)	11/7/2019	60.5	60.8 (2)(12)	
		First lien senior secured loan (\$21.1 par due 11/2026)	6.75% (Libor + 5.75%/Q)	7/2/2021	21.1	21.1 (2)(12)	
					81.6	81.9	
KPS Global LLC and Cool Group LLC	Manufacturer of walk-in cooler and freezer systems	First lien senior secured loan (\$12.6 par due 4/2024)	7.00% (Libor + 6.00%/M)	4/5/2017	12.6	12.3 (12)	
		First lien senior secured loan (\$3.4 par due 4/2024)	7.00% (Libor + 6.00%/M)	11/16/2018	3.4	3.3 (12)	
		Class A units (13,292 units)		9/21/2018	1.1	0.9	
					17.1	16.5	
Laboratories Bidco LLC and Laboratories Topco LLC (16)	Lab testing services for nicotine containing products	First lien senior secured loan (\$21.6 par due 7/2027)	6.75% (Libor + 5.75%/Q)	10/4/2019	21.6	21.6 (12)	
		First lien senior secured loan (\$25.5 par due 7/2027)	6.75% (Libor + 5.75%/Q)	10/4/2019	24.3	25.5 (12)	
		First lien senior secured loan (\$0.1 par due 7/2027)	6.75% (Libor + 5.75%/Q)	10/30/2020	0.1	0.1 (2)(12)	
		First lien senior secured loan (\$10.7 par due 7/2027)	6.75% (Libor + 5.75%/Q)	7/23/2021	10.7	10.7 (2)(12)	
		Class A units (3,099,335 units)		7/23/2021	4.6	4.1 (2)	
					61.3	62.0	

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Lakers Buyer, Inc. and Lakers Parent LLC (16)	Provider of fire safety and life safety services	First lien senior secured revolving loan (\$3.6 par due 3/2027)	6.75% (Libor + 5.75%/Q)	3/22/2021	3.6	3.6	(2)(12)
		First lien senior secured loan (\$51.2 par due 3/2027)	6.75% PIK (Libor + 5.75%/Q)	3/22/2021	51.2	51.2	(2)(12)
		Second lien senior secured loan (\$40.1 par due 9/2027)	11.75% PIK (Libor + 10.75%/Q)	3/22/2021	40.1	40.1	(2)(12)
		Common units (46,990 units)		3/22/2021	4.7	6.2	(2)
					99.6	101.1	
Marmic Purchaser, LLC and Marmic Topco, L.P.	Provider of recurring fire protection services	First lien senior secured loan (\$34.4 par due 3/2027)	7.00% (Libor + 6.00%/Q)	3/5/2021	34.4	34.4	(2)(12)
		Limited partnership units (1,929,237 units)	8.00% PIK	3/5/2021	2.1	2.4	(2)
					36.5	36.8	
Microstar Logistics LLC, Microstar Global Asset Management LLC, MStar Holding Corporation and Kegstar USA Inc.	Keg management solutions provider	Second lien senior secured loan (\$153.5 par due 7/2023)	10.00% PIK (Libor + 9.00%/Q)	8/13/2020	153.5	150.4	(12)
		Series A preferred stock (1,507 shares)		8/13/2020	1.5	2.0	(2)
		Common stock (54,710 shares)		12/14/2012	4.9	4.5	(2)
					159.9	156.9	
NAS, LLC and Nationwide Marketing Group, LLC (16)	Buying and marketing services organization for appliance, furniture and consumer electronics dealers	First lien senior secured revolving loan (\$0.6 par due 6/2024)	8.75% (Base Rate + 5.50%/Q)	11/3/2020	0.6	0.6	(2)(12)
		First lien senior secured loan (\$2.4 par due 6/2024)	7.50% (Libor + 6.50%/Q)	12/17/2021	2.4	2.4	(2)(12)
		First lien senior secured loan (\$6.4 par due 6/2024)	7.00% (Libor + 6.00%/B)	11/3/2020	6.4	6.4	(2)(12)
					9.4	9.4	
Nest Topco Borrower Inc., KKR Nest Co-Invest L.P., and NBLV 2021-1 (16)	Operator of multiple franchise concepts primarily related to home maintenance or repairs	Senior subordinated loan (\$119.1 par due 8/2029)	9.00% (Libor + 8.50%/Q)	9/1/2021	119.1	117.9	(2)(12)
		Limited partner interest (9,725,000 interests)		9/28/2021	9.7	9.7	(2)
					128.8	127.6	
NM GRC Holdco, LLC	Regulatory compliance services provider to financial institutions	First lien senior secured loan (\$45.4 par due 2/2024)	8.5% (Libor + 6.00% Cash + 1.50% PIK/M)	2/9/2018	45.2	45.4	(12)
North American Fire Holdings, LLC and North American Fire Ultimate Holdings, LLC (16)	Provider of fire safety and life safety services	First lien senior secured loan (\$20.1 par due 5/2027)	7.00% (Libor + 6.00%/Q)	5/19/2021	20.1	20.1	(12)
		Common units (884,916 units)		5/19/2021	0.9	1.2	(2)
					21.0	21.3	
North Haven Stack Buyer, LLC (16)	Provider of environmental testing services	First lien senior secured loan (\$11.1 par due 7/2027)	6.50% (Libor + 5.50%/Q)	7/15/2021	10.8	11.0	(2)(12)
Petroleum Service Group LLC (16)	Provider of operational services for US petrochemical and refining companies	First lien senior secured revolving loan (\$2.2 par due 7/2025)	7.00% (Libor + 6.00%/Q)	7/23/2019	2.2	2.2	(2)(12)(15)
		First lien senior secured loan (\$8.1 par due 7/2025)	7.00% (Libor + 6.00%/Q)	12/3/2021	8.1	8.1	(2)(12)
		First lien senior secured loan (\$0.2 par due 7/2025)	1.00% (Libor + 0.00%/Q)	12/3/2021	0.2	0.2	(2)(12)
		First lien senior secured loan (\$34.2 par due 7/2025)	7.00% (Libor + 6.00%/Q)	7/23/2019	34.2	34.2	(12)
		First lien senior secured loan (\$0.7 par due 7/2025)	7.00% (Libor + 6.00%/Q)	7/23/2019	0.7	0.7	(2)(12)
					45.4	45.4	
Pritchard Industries, LLC and LJ Pritchard TopCo Holdings, LLC	Provider of janitorial and facilities management services	First lien senior secured loan (\$93.8 par due 10/2027)	6.25% (Libor + 5.50%/Q)	10/13/2021	93.8	92.8	(2)(12)
		Class A units (7,900,000 units)		10/13/2021	7.9	7.9	(2)
					101.7	100.7	
PS Operating Company LLC and PS OP Holdings LLC (fka QC Supply, LLC) (5)(16)	Specialty distributor and solutions provider to the swine and poultry markets	First lien senior secured revolving loan (\$2.8 par due 12/2024)	7.00% (Libor + 6.00%/Q)	12/21/2021	2.8	2.8	(2)(12)

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Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		First lien senior secured loan (\$14.9 par due 12/2024)	7.00% (Libor + 6.00%/Q)	12/21/2021	14.9	14.9	(2)(12)
		Common unit (279,200 units)		12/21/2021	7.4	7.4	(2)
					25.1	25.1	
R2 Acquisition Corp.	Marketing services	Common stock (250,000 shares)		5/29/2007	0.2	0.5	(2)
RC V Tecmo Investor LLC	Technology based aggregator for facility maintenance services	Common member units (9,624,000 units)		8/14/2020	8.3	19.3	(2)
RE Community Holdings GP, LLC and RE Community Holdings, LP	Operator of municipal recycling facilities	Limited partnership interest (2.86% interest)		3/1/2011	—	—	(2)
		Limited partnership interest (2.49% interest)		3/1/2011	—	—	(2)
					—	—	
Registrar Intermediate, LLC and PSP Registrar Co-Investment Fund, L.P. (16)	Provider of FDA registration and consulting services	First lien senior secured loan (\$37.9 par due 8/2027)	6.50% (Libor + 5.50%/Q)	8/26/2021	37.9	37.5	(2)(12)
		Limited partner interests (1.13% interest)		8/26/2021	2.7	2.6	(2)
					40.6	40.1	
Rodeo AcquisitionCo LLC (16)	Provider of food inspection and recovery services	First lien senior secured revolving loan (\$0.4 par due 7/2027)	7.00% (Libor + 6.00%/Q)	7/26/2021	0.4	0.3	(2)(12)
		First lien senior secured loan (\$17.1 par due 7/2027)	7.00% (Libor + 6.00%/Q)	7/26/2021	17.1	16.9	(2)(12)
					17.5	17.2	
Schill Landscaping and Lawn Care Services LLC and Landscape Parallel Partners, L.P. (16)	Provider of landscape design and planning, and snow removal services	First lien senior secured loan (\$5.8 par due 12/2027)	6.75% (Libor + 5.75%/Q)	12/16/2021	5.8	5.8	(2)(12)
		Class A units (3,840.5 units)		12/16/2021	9.5	9.5	(2)
					15.3	15.3	
SSE Buyer, Inc., Supply Source Enterprises, Inc., Impact Products LLC, The Safety Zone, LLC and SSE Parent, LP	Manufacturer and distributor of personal protection equipment, commercial cleaning, maintenance and safety products	First lien senior secured loan (\$21.4 par due 6/2026)	10.22% (Libor + 9.22%/Q)	6/30/2020	21.4	19.9	(2)(12)
		Limited partnership class A-1 units (2,173 units)		6/30/2020	1.1	0.6	(2)
		Limited partnership class A-2 units (2,173 units)		6/30/2020	1.1	0.6	(2)
					23.6	21.1	
Startec Equity, LLC (5)	Communication services	Member interest		4/1/2010	—	—	
Stealth Holding LLC and UCIT Online Security Inc. (16)	Live video monitoring solutions provider	First lien senior secured loan (\$50.5 par due 3/2026)	7.75% (Libor + 6.75%/Q)	3/1/2021	50.5	50.5	(6)(12)
		First lien senior secured loan (\$0.8 par due 3/2026)	9.00% (Base Rate + 5.75%/Q)	3/1/2021	0.8	0.8	(2)(6)(12)
					51.3	51.3	
Thermostat Purchaser III, Inc. (16)	Provider of commercial HVAC equipment maintenance and repair services	Second lien senior secured loan (\$23.0 par due 8/2029)	8.00% (Libor + 7.25%/M)	8/31/2021	23.0	22.8	(2)(12)
Tyden Group Holding Corp.	Producer and marketer of global cargo security, product identification and traceability products and utility meter products	Preferred stock (46,276 shares)		1/3/2017	0.4	0.4	(6)
		Common stock (5,521,203 shares)		1/3/2017	2.0	3.9	(6)
					2.4	4.3	
Visual Edge Technology, Inc.	Provider of outsourced office solutions with a focus on printer and copier equipment and other parts and supplies	First lien senior secured loan (\$32.5 par due 8/2022)	9.75% (Libor + 7.00% Cash + 1.25% PIK/Q)	8/31/2017	32.5	30.9	(2)(12)
		Senior subordinated loan (\$88.6 par due 9/2024)	12.50% PIK	8/31/2017	86.1	79.7	(2)
		Warrant to purchase up to 10,358,572 shares of common stock (expires 8/2027)		8/31/2017	3.9	—	(2)
					122.5	110.6	

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VLS Recovery Services, LLC (16)	Provider of commercial and industrial waste processing and disposal services	First lien senior secured revolving loan (\$1.3 par due 10/2024)	6.50% (Libor + 5.50%/M)	10/17/2017	1.3	1.3	(2)(12)(15)
		First lien senior secured loan (\$8.8 par due 10/2024)	6.50% (Libor + 5.50%/Q)	7/1/2019	8.8	8.8	(2)(12)
		First lien senior secured loan (\$5.2 par due 10/2024)	6.50% (Libor + 5.50%/Q)	8/31/2021	5.2	5.2	(2)(12)
					15.3	15.3	
Wash Encore Holdings, LLC	Provider of outsourced healthcare linen management solutions	First lien senior secured loan (\$135.6 par due 7/2027)	6.75% (Libor + 5.75%/Q)	7/30/2021	135.6	134.2	(2)(12)
XIFIN, Inc. and ACP Charger Co-Invest LLC (16)	Revenue cycle management provider to labs	First lien senior secured revolving loan (\$1.1 par due 2/2026)	6.75% (Libor + 5.75%/M)	2/6/2020	1.1	1.1	(2)(12)
		First lien senior secured loan (\$16.3 par due 2/2026)	6.75% (Libor + 5.75%/Q)	7/20/2021	16.3	16.1	(2)(12)
		First lien senior secured loan (\$39.3 par due 2/2026)	6.75% (Libor + 5.75%/M)	12/8/2021	39.3	39.0	(2)(12)
		Class A units (180,000 units)		2/6/2020	1.8	4.2	(2)
		Class B units (46,363.16 units)		12/8/2021	0.9	1.1	(2)
					59.4	61.5	
					1,820.0	1,833.4	20.68%
Diversified Financials							
BCC Blueprint Holdings I, LLC and BCC Blueprint Investments, LLC	Provider of comprehensive suite of investment management and wealth planning solutions	First lien senior secured loan (\$0.2 par due 9/2027)	7.00% (Libor + 6.25%/Q)	9/15/2021	0.2	0.2	(2)(12)
		Senior subordinated loan (\$4.5 par due 9/2026)	9.30% PIK	9/15/2021	4.5	4.5	(2)
		Common units (4,220,159 units)		9/15/2021	4.2	4.1	(2)
					8.9	8.8	
Beacon Pointe Harmony, LLC (16)	Provider of comprehensive wealth management services	First lien senior secured loan (\$14.5 par due 12/2028)	6.00% (Libor + 5.25%/Q)	12/29/2021	14.5	14.4	(6)(12)
CrossCountry Mortgage, LLC (16)	Mortgage company originating loans in the retail and consumer direct channels	First lien senior secured loan (\$93.8 par due 11/2027)	7.50% (Libor + 7.00%/Q)	11/10/2021	93.8	92.8	(2)(12)
DFC Global Facility Borrower III LLC (16)	Non-bank provider of alternative financial services	First lien senior secured revolving loan (\$146.4 par due 6/2026)	8.50% (CDOR + 8.00%/B)	6/10/2021	149.9	146.4	(2)(6)(10)(12)
eCapital Finance Corp.	Consolidator of commercial finance businesses	Senior subordinated loan (\$56.0 par due 1/2025)	9.00% (Libor + 7.50%/M)	1/31/2020	56.0	56.0	(2)(12)
		Senior subordinated loan (\$5.4 par due 1/2025)	9.00% (Libor + 7.50%/M)	11/24/2020	5.4	5.4	(2)(12)
					61.4	61.4	
EP Wealth Advisors, LLC (16)	Wealth management and financial planning firm	First lien senior secured revolving loan (\$0.2 par due 9/2026)	5.50% (Libor + 4.50%/Q)	9/4/2020	0.2	0.2	(2)(12)
		First lien senior secured loan (\$0.2 par due 9/2026)	5.50% (Libor + 4.50%/Q)	9/4/2020	0.2	0.2	(2)(12)
		First lien senior secured loan (\$0.3 par due 9/2026)	6.25% (Libor + 5.25%/Q)	11/19/2021	0.3	0.3	(2)(12)
					0.7	0.7	
Green Street Parent, LLC and Green Street Intermediate Holdings, LLC (16)	Provider of REIT research data and analytics	First lien senior secured loan (\$23.7 par due 8/2026)	6.50% (Libor + 5.75%/Q)	12/14/2021	23.7	23.7	(2)(12)
Ivy Hill Asset Management, L.P. (5)	Asset management services	Senior subordinated loan (\$16.0 par due 5/2023)	7.25% (Libor + 6.50%/M)	2/8/2018	16.0	16.0	(6)(12)
		Member interest (100.00% interest)		6/15/2009	765.0	919.8	(6)
					781.0	935.8	
Javlin Three LLC, Javlin Four LLC, and Javlin Five LLC	Asset-backed financial services company	First lien senior secured loan (\$15.7 par due 6/2017)		6/24/2014	12.6	0.4	(2)(6)(11)
Joyce Lane Capital LLC and Joyce Lane Financing SPV LLC (fka Ciena Capital LLC) (5)(16)	Specialty finance company	First lien senior secured loan (\$0.3 par due 12/2022)	4.13% (Libor + 4.00%/Q)	12/27/2018	0.3	0.3	(2)(6)
		Equity interests		11/29/2010	—	—	(2)(6)
					0.3	0.3	

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LS DE LLC and LM LSQ Investors LLC	Asset based lender	Senior subordinated loan (\$37.0 par due 3/2024)	10.50%	6/25/2015	37.0	37.0	(2)(6)
		Senior subordinated loan (\$3.0 par due 6/2021)	10.50%	6/15/2017	3.0	3.0	(2)(6)
		Membership units (3,275,000 units)		6/25/2015	3.3	3.5	(6)
					43.3	43.5	
Monica Holdco (US) Inc. (16)	Investment technology and advisory firm	First lien senior secured revolving loan	—%	1/8/2021	—	—	(14)
		First lien senior secured loan (\$2.6 par due 1/2028)	7.25% (Libor + 6.25%/Q)	1/8/2021	2.6	2.6	(2)(12)
					2.6	2.6	
Priority Holdings, LLC and Priority Technology Holdings, Inc.	Provider of merchant acquiring and payment processing solutions	First lien senior secured loan (\$35.8 par due 4/2027)	6.75% (Libor + 5.75%/M)	4/27/2021	35.8	35.8	(2)(6)(12)
		Senior preferred stock (65,761 shares)	13.00% PIK (Libor + 12.00%/Q)	4/27/2021	64.4	68.3	(2)(6)(12)
		Warrant to purchase up to 527,226 shares of common stock (expires 4/2031)		4/27/2021	4.0	3.4	(2)(6)
					104.2	107.5	
Rialto Management Group, LLC (16)	Investment and asset management platform focused on real estate	First lien senior secured revolving loan	—%	11/30/2018	—	—	(6)(14)
		First lien senior secured loan (\$9.5 par due 12/2025)	6.50% (Libor + 5.75%/Q)	12/22/2021	9.5	9.5	(2)(6)(12)
		First lien senior secured loan (\$0.7 par due 12/2025)	4.34% (Libor + 4.25%/M)	11/30/2018	0.7	0.7	(6)
		First lien senior secured loan (\$7.7 par due 12/2025)	4.35% (Libor + 4.25%/M)	4/30/2021	7.7	7.7	(2)(6)
					17.9	17.9	
TA/WEG Holdings, LLC (16)	Wealth management and financial planning firm	First lien senior secured revolving loan (\$0.8 par due 10/2027)	6.75% (Libor + 5.75%/Q)	10/2/2019	0.8	0.8	(2)(12)(15)
		First lien senior secured loan (\$0.1 par due 10/2027)	6.75% (Libor + 5.75%/Q)	10/2/2019	0.1	0.1	(2)(12)
		First lien senior secured loan (\$0.1 par due 10/2027)	6.75% (Libor + 5.75%/Q)	11/6/2020	0.1	0.1	(2)(12)
		First lien senior secured loan (\$0.1 par due 10/2027)	6.75% (Libor + 5.75%/B)	6/3/2021	0.1	0.1	(2)(12)
		First lien senior secured loan (\$8.3 par due 10/2027)	6.75% (Libor + 5.75%/Q)	8/13/2021	8.3	8.3	(2)(12)
					9.4	9.4	
The Ultimus Group Mideco, LLC, The Ultimus Group, LLC, and The Ultimus Group Aggregator, LP (16)	Provider of asset-servicing capabilities for fund managers	First lien senior secured loan (\$37.8 par due 2/2026)	5.75% (Libor + 4.75%/Q)	2/1/2019	37.8	37.8	(12)
		Class A units (1,443 units)		9/16/2019	1.6	1.9	
		Class A units (245 units)		2/1/2019	0.2	—	
		Class B units (2,167,424 units)		2/1/2019	—	—	
		Class B units (245,194 units)		2/1/2019	—	—	
					39.6	39.7	
					1,363.8	1,505.3	16.98%
Insurance Services							
Alera Group, Inc. (16)	Insurance service provider	First lien senior secured loan (\$96.6 par due 10/2028)	6.25% (Libor + 5.50%/M)	9/30/2021	96.6	95.6	(2)(12)
Amynta Agency Borrower Inc. and Amynta Warranty Borrower Inc.	Insurance service provider	First lien senior secured loan (\$1.0 par due 2/2025)	4.60% (Libor + 4.50%/M)	12/21/2018	1.0	1.0	(2)
AQ Sunshine, Inc. (16)	Specialized insurance broker	First lien senior secured revolving loan (\$0.3 par due 4/2024)	7.00% (Libor + 6.00%/Q)	4/15/2019	0.3	0.3	(2)(12)(15)
		First lien senior secured loan (\$8.6 par due 4/2025)	7.00% (Libor + 6.00%/Q)	4/15/2019	8.6	8.6	(12)
		First lien senior secured loan (\$13.3 par due 4/2025)	7.00% (Libor + 6.00%/Q)	10/29/2020	13.3	13.3	(2)(12)
		First lien senior secured loan (\$20.2 par due 4/2025)	7.00% (Libor + 6.00%/Q)	6/28/2021	20.2	20.2	(2)(12)

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					42.4	42.4	
Ardonagh Midco 2 plc and Ardonagh Midco 3 plc	Insurance broker and underwriting servicer	First lien senior secured loan (\$69.5 par due 7/2026)	8.21% (GBP Libor + 7.46%/Q)	6/26/2020	64.8	69.5	(2)(6)(12)
		First lien senior secured loan (\$14.5 par due 7/2026)	7.50% (GBP Libor + 6.75%/Q)	6/26/2020	14.8	14.5	(2)(6)(12)
		First lien senior secured loan (\$7.5 par due 7/2026)	7.75% (Euribor + 6.75%/Q)	6/26/2020	7.5	7.5	(2)(6)(12)
		First lien senior secured loan (\$111.2 par due 7/2026)	6.75% (Libor + 6.00%/Q)	8/19/2021	111.2	111.2	(2)(6)(12)
		Senior subordinated loan (\$1.3 par due 1/2027)	11.50% PIK	6/26/2020	1.2	1.4	(2)(6)(19)
					<u>199.5</u>	<u>204.1</u>	
Benecon Midco II LLC and Locutus Holdco LLC (16)	Employee benefits provider for small and mid-size employers	Common units (9,803,682 units)		12/4/2020	10.0	15.5	
Benefit Technologies, Inc.	Health insurance sales platform provider	First lien senior secured loan (\$23.4 par due 8/2027)	6.75% (Libor + 6.00%/Q)	8/12/2021	23.4	23.2	(2)(12)
Foundation Risk Partners, Corp. (16)	Full service independent insurance agency	First lien senior secured loan (\$169.5 par due 10/2028)	6.50% (Libor + 5.75%/Q)	10/29/2021	169.5	167.7	(2)(12)
Galway Borrower LLC (16)	Insurance service provider	First lien senior secured revolving loan	—%	9/30/2021	—	—	(14)
		First lien senior secured loan (\$59.1 par due 9/2028)	6.00% (Libor + 5.25%/Q)	9/30/2021	59.1	58.5	(2)(12)
					<u>59.1</u>	<u>58.5</u>	
High Street Buyer, Inc. and High Street Holdco LLC (16)	Insurance brokerage platform	First lien senior secured loan (\$55.0 par due 4/2028)	6.75% (Libor + 6.00%/Q)	4/16/2021	55.0	54.5	(2)(12)
		First lien senior secured loan (\$10.4 par due 4/2028)	6.75% (Libor + 6.00%/Q)	8/11/2021	10.4	10.3	(2)(12)
		Series A preferred units (96,763,329 units)	10.00% PIK	4/16/2021	101.1	101.2	(2)
		Series A common units (4,649,000 units)	10.00% PIK	4/16/2021	5.0	11.1	(2)
		Series C common units (4,979,318 units)	10.00% PIK	4/16/2021	0.2	11.9	(2)
					<u>171.7</u>	<u>189.0</u>	
K2 Insurance Services, LLC and K2 Holdco LP (16)	Specialty insurance and managing general agency	First lien senior secured revolving loan	—%	7/1/2019	—	—	(14)
		First lien senior secured loan (\$0.6 par due 7/2026)	6.00% (Libor + 5.00%/Q)	12/29/2021	0.6	0.6	(2)(12)
		First lien senior secured loan (\$51.0 par due 7/2026)	6.00% (Libor + 5.00%/Q)	7/1/2019	51.0	51.0	(12)
		First lien senior secured loan (\$0.2 par due 7/2026)	6.00% (Libor + 5.00%/Q)	8/16/2021	0.2	0.2	(2)(12)
		Common units (799,000 units)		7/1/2019	0.8	1.6	(2)
					<u>52.6</u>	<u>53.4</u>	
NSM Insurance Group, LLC (16)	Insurance program administrator	First lien senior secured revolving loan (\$0.5 par due 11/2025)	7.00% (Base Rate + 3.75%/Q)	6/2/2021	0.5	0.5	(2)(12)(15)
		First lien senior secured loan (\$12.8 par due 5/2026)	6.00% (Libor + 4.75%/M)	5/11/2018	12.8	12.8	(12)
					<u>13.3</u>	<u>13.3</u>	
OneDigital Holdings, Achilles Holdco (16)	Benefits broker and outsourced workflow automation platform provider for brokers	First lien senior secured revolving loan	—%	11/16/2020	—	—	(14)
Patriot Growth Insurance Services, LLC (16)	National retail insurance agency	First lien senior secured loan (\$11.6 par due 10/2028)	6.25% (Libor + 5.50%/Q)	10/14/2021	11.4	11.5	(2)(12)
People Corporation (16)	Provider of group benefits, group retirement and human resources services	First lien senior secured revolving loan (\$2.9 par due 2/2027)	7.25% (CDOR + 6.25%/Q)	2/18/2021	2.8	2.9	(2)(6)(12)
		First lien senior secured loan (\$1.4 par due 2/2028)	6.25% (CDOR + 5.50%/B)	9/8/2021	1.3	1.4	(2)(6)(12)
		First lien senior secured loan (\$44.3 par due 2/2028)	7.25% (CDOR + 6.25%/Q)	2/18/2021	44.1	44.3	(2)(6)(12)
		First lien senior secured loan (\$13.8 par due 2/2028)	7.25% (CDOR + 6.25%/Q)	2/18/2021	14.1	13.8	(6)(12)
					<u>62.3</u>	<u>62.4</u>	
RSC Acquisition, Inc. and RSC Insurance Brokerage, Inc. (16)	Insurance broker	First lien senior secured revolving loan (\$0.3 par due 10/2026)	7.75% (Base Rate + 4.50%/Q)	11/1/2019	0.3	0.3	(2)(12)(15)

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		First lien senior secured loan (\$33.1 par due 10/2026)	6.25% (Libor + 5.50%/Q)	11/1/2019	33.1	33.1 (12)	
					33.4	33.4	
SCM Insurance Services Inc. (16)	Provider of claims management, claims investigation & support and risk management solutions for the Canadian property and casualty insurance industry	First lien senior secured loan (\$20.4 par due 8/2024)	6.00% (CDOR + 5.00%/M)	8/29/2017	20.6	20.4 (2)(6)(12)	
		Second lien senior secured loan (\$60.0 par due 3/2025)	10.00% (CDOR + 9.00%/M)	8/29/2017	60.5	60.0 (2)(6)(12)	
					81.1	80.4	
SelectQuote, Inc.	Direct to consumer insurance distribution platform	First lien senior secured loan (\$22.6 par due 11/2024)	5.75% (Libor + 5.00%/M)	11/5/2019	22.6	22.6 (2)(12)	
SG Acquisition, Inc.	Provider of insurance solutions for car sales	First lien senior secured loan (\$35.6 par due 1/2027)	5.50% (Libor + 5.00%/M)	1/27/2020	35.6	35.6 (12)	
Spring Insurance Solutions, LLC (16)	Technology-based direct to consumer sales and marketing platform for insurance products	First lien senior secured loan (\$19.7 par due 11/2025)	7.50% (Libor + 6.50%/Q)	11/23/2020	19.7	18.9 (12)	
THG Acquisition, LLC (16)	Multi-line insurance broker	First lien senior secured revolving loan	—%	12/2/2019	—	— (14)	
		First lien senior secured loan (\$0.6 par due 12/2026)	6.25% (Libor + 5.50%/Q)	12/10/2021	0.6	0.6 (2)(12)	
		First lien senior secured loan (\$0.1 par due 12/2026)	6.75% (Libor + 5.75%/Q)	12/2/2019	0.1	0.1 (2)(12)	
		First lien senior secured loan (\$23.2 par due 12/2026)	6.50% (Libor + 5.75%/Q)	12/15/2020	23.2	23.2 (2)(12)	
		First lien senior secured loan (\$14.9 par due 12/2026)	6.50% (Libor + 5.75%/Q)	12/15/2020	14.9	14.9 (12)	
					38.8	38.8	
					1,144.0	1,167.3	13.16%
Investment Funds and Vehicles							
ACAS Equity Holdings Corporation (5)	Investment company	Common stock (589 shares)		1/3/2017	0.4	0.4 (6)	
Ares IIIR/IVR CLO Ltd.	Investment vehicle	Subordinated notes (\$20.0 par due 4/2021)		1/3/2017	—	— (6)	
Blue Wolf Capital Fund II, L.P. (4)	Investment partnership	Limited partnership interest (8.50% interest)		1/3/2017	—	0.2 (6)(19)	
CoLTs 2005-1 Ltd. (5)	Investment vehicle	Preferred shares (360 shares)		1/3/2017	—	— (6)	
CREST Exeter Street Solar 2004-1	Investment vehicle	Preferred shares (3,500,000 shares)		1/3/2017	—	— (6)	
European Capital UK SME Debt LP (4)	Investment partnership	Limited partnership interest (45% interest)		1/3/2017	18.8	26.9 (6)(17)	
HCI Equity, LLC (5)	Investment company	Member interest (100.00% interest)		4/1/2010	—	— (6)(19)	
Partnership Capital Growth Investors III, L.P.	Investment partnership	Limited partnership interest (2.50% interest)		10/5/2011	1.8	3.6 (6)(19)	
PCG-Ares Sidecar Investment II, L.P. (4)	Investment partnership	Limited partnership interest (100.00% interest)		10/31/2014	7.0	11.1 (2)(6)(17)	
PCG-Ares Sidecar Investment, L.P. (4)	Investment partnership	Limited partnership interest (100.00% interest)		5/22/2014	4.3	1.3 (6)(17)	
Piper Jaffray Merchant Banking Fund I, L.P.	Investment partnership	Limited partnership interest (2.00% interest)		8/16/2012	0.1	1.0 (6)(19)	
Senior Direct Lending Program, LLC (5)(18)	Co-investment vehicle	Subordinated certificates (\$987.3 par due 12/2036)	8.21% (Libor + 8.00%/Q)(13)	7/27/2016	987.3	987.3 (6)	
		Member interest (87.50% interest)		7/27/2016	—	— (6)	
					987.3	987.3	
VSC Investors LLC	Investment company	Membership interest (1.95% interest)		1/24/2008	0.3	0.6 (2)(6)(19)	
					1,020.0	1,032.4	11.64%
Capital Goods							
AI Aqua Merger Sub, Inc.	End to end provider of water solutions to a wide range of customer bases	First lien senior secured loan (\$0.9 par due 7/2028)	4.50% (Libor + 4.00%/M)	6/17/2021	0.9	0.9 (2)(12)(19)	

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Arrowhead Holdco Company and Arrowhead GS Holdings, Inc. (16)	Distributor of non-discretionary, mission-critical aftermarket replacement parts	First lien senior secured revolving loan (\$3.7 par due 8/2027)	5.25% (Libor + 4.50%/Q)	8/31/2021	3.7	3.6	(2)(12)(15)
		First lien senior secured loan (\$27.6 par due 8/2028)	5.25% (Libor + 4.50%/M)	8/31/2021	27.6	27.2	(2)(12)
		Common stock (4,900 shares)		8/31/2021	4.9	6.7	(2)
					36.2	37.5	
Cadence Aerospace, LLC (16)	Aerospace precision components manufacturer	First lien senior secured revolving loan (\$7.9 par due 11/2022)	9.50% (Libor + 3.25% Cash + 5.25% PIK/Q)	11/14/2017	7.9	7.6	(2)(12)(15)
		First lien senior secured revolving loan (\$3.0 par due 11/2022)	8.75% (Base Rate + 5.50%/Q)	11/14/2017	3.0	2.9	(12)
		First lien senior secured revolving loan (\$0.7 par due 11/2023)	9.50% (Libor + 3.25% Cash + 5.25% PIK/Q)	7/22/2020	0.7	0.7	(2)(12)
		First lien senior secured loan (\$31.4 par due 11/2023)	9.50% (Libor + 3.25% Cash + 5.25% PIK/Q)	11/14/2017	31.3	30.5	(12)
		First lien senior secured loan (\$9.8 par due 11/2023)	9.50% (Libor + 3.25% Cash + 5.25% PIK/Q)	7/5/2018	9.8	9.5	(2)(12)
		First lien senior secured loan (\$12.0 par due 11/2023)	9.50% (Libor + 3.25% Cash + 5.25% PIK/Q)	10/31/2019	12.0	11.6	(2)(12)
		First lien senior secured loan (\$7.9 par due 11/2023)	9.50% (Libor + 3.25% Cash + 5.25% PIK/Q)	2/12/2020	7.9	7.6	(2)(12)
		First lien senior secured loan (\$4.0 par due 11/2023)	9.50% (Libor + 3.25% Cash + 5.25% PIK/Q)	7/31/2020	3.7	3.9	(12)
					76.3	74.3	
DFS Holding Company, Inc.	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	First lien senior secured loan (\$166.7 par due 8/2023)	8.50% (Libor + 6.00% Cash + 1.50% PIK/M)	7/26/2017	166.7	158.4	(12)
		First lien senior secured loan (\$4.3 par due 8/2023)	8.50% (Libor + 6.00% Cash + 1.50% PIK/M)	3/1/2017	4.3	4.1	(2)(12)
		First lien senior secured loan (\$5.0 par due 8/2023)	8.50% (Libor + 6.00% Cash + 1.50% PIK/M)	5/22/2020	5.0	4.7	(12)
		First lien senior secured loan (\$0.7 par due 2/2022)	8.50% (Libor + 6.00% Cash + 1.50% PIK/M)	5/22/2020	0.7	0.6	(12)
					176.7	167.8	
Dynamic NC Aerospace Holdings, LLC and Dynamic NC Investment Holdings, LP (16)	Provider of aerospace technology and equipment	First lien senior secured loan (\$25.7 par due 12/2026)	7.50% (Libor + 6.50%/Q)	12/30/2020	25.7	25.4	(12)
		Common units (9,773,000 units)		12/30/2020	9.8	8.6	
					35.5	34.0	
EPS NASS Parent, Inc. (16)	Provider of maintenance and engineering services for electrical infrastructure	First lien senior secured revolving loan (\$0.9 par due 4/2026)	6.75% (Libor + 5.75%/M)	4/19/2021	0.9	0.9	(2)(12)(15)
		First lien senior secured loan (\$30.5 par due 4/2028)	6.75% (Libor + 5.75%/Q)	4/19/2021	30.5	30.5	(2)(12)
					31.4	31.4	
ESCP PPG Holdings, LLC (4)	Distributor of new equipment and aftermarket parts to the heavy-duty truck industry	Class A units (3,500,000 units)		12/14/2016	3.5	2.8	(2)
Flow Control Solutions, Inc. (16)	Distributor and manufacturer of flow control systems components	First lien senior secured loan (\$10.8 par due 11/2024)	6.50% (Libor + 5.50%/Q)	11/21/2018	10.8	10.8	(12)
Harvey Tool Company, LLC (16)	Manufacturer of cutting tools used in the metalworking industry	First lien senior secured revolving loan (\$5.9 par due 10/2027)	6.25% (Libor + 5.50%/Q)	10/26/2021	5.9	5.8	(2)(12)(15)
		First lien senior secured loan (\$22.7 par due 10/2027)	6.25% (Libor + 5.50%/Q)	10/26/2021	22.7	22.5	(2)(12)
					28.6	28.3	

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Imaging Business Machines, L.L.C. and Scanner Holdings Corporation (5)	Provider of high-speed intelligent document scanning hardware and software	Senior subordinated loan (\$16.6 par due 6/2022)	14.00%	1/3/2017	16.6	16.6 (2)	
		Series A preferred stock (73,804,135 shares)		1/3/2017	1.2	34.8	
		Class A common stock (48,082 shares)		1/3/2017	—	0.2	
		Class B common stock (431,055 shares)		1/3/2017	0.1	1.4	
					17.9	53.0	
Kene Acquisition, Inc. and Kene Holdings, L.P. (16)	National utility services firm providing engineering and consulting services to natural gas, electric power and other energy and industrial end markets	First lien senior secured revolving loan	—%	8/8/2019	—	— (14)	
		First lien senior secured loan (\$41.1 par due 8/2026)	5.25% (Libor + 4.25%/Q)	8/8/2019	41.1	41.1 (12)	
		Class A units (4,549,000 units)		8/8/2019	4.5	5.3 (2)	
					45.6	46.4	
LTG Acquisition, Inc.	Designer and manufacturer of display, lighting and passenger communication systems for mass transportation markets	Class A membership units (5,000 units)		1/3/2017	5.1	—	
Maverick Acquisition, Inc. (16)	Manufacturer of precision machined components for defense and high-tech industrial platforms	First lien senior secured loan (\$57.8 par due 6/2027)	7.00% (Libor + 6.00%/Q)	6/1/2021	57.8	57.3 (2)(12)	
MB Aerospace Holdings II Corp.	Aerospace engine components manufacturer	First lien senior secured loan (\$11.7 par due 1/2025)	4.50% (Libor + 3.50%/Q)	6/24/2021	11.0	10.9 (2)(12)	
		Second lien senior secured loan (\$68.5 par due 1/2026)	10.00% (Libor + 9.00%/Q)	1/22/2018	68.5	61.6 (2)(12)	
		Second lien senior secured loan (\$23.6 par due 1/2026)	10.00% (Libor + 9.00%/Q)	5/28/2019	23.6	21.3 (2)(12)	
					103.1	93.8	
NCWS Intermediate, Inc. and NCWS Holdings LP (16)	Manufacturer and supplier of car wash equipment, parts and supplies to the conveyORIZED car wash market	First lien senior secured loan (\$12.1 par due 12/2026)	6.75% (Libor + 6.00%/Q)	12/29/2020	12.1	12.0 (2)(12)	
		First lien senior secured loan (\$176.4 par due 12/2026)	6.75% (Libor + 6.00%/Q)	11/4/2021	176.4	174.7 (2)(12)	
		Class A-2 common units (12,296,000 units)		12/29/2020	12.9	18.5 (2)	
					201.4	205.2	
Osmose Utilities Services, Inc. and Pine Intermediate Holding LLC	Provider of structural integrity management services to transmission and distribution infrastructure	Second lien senior secured loan (\$55.3 par due 6/2029)	7.25% (Libor + 6.75%/M)	6/23/2021	55.3	54.7 (2)(12)	
Precinmac (US) Holdings Inc., Trimaster Manufacturing Inc. and Blade Group Holdings, LP. (16)	Manufacturer of high-tolerance precision machined components and assemblies for the aerospace and defense industry	First lien senior secured loan (\$45.8 par due 8/2027)	7.00% (Libor + 6.00%/M)	8/31/2021	45.8	45.4 (2)(6)(12)	
		Class A units (88,420 units)		8/31/2021	13.4	13.4 (2)	
					59.2	58.8	
Sunk Rock Foundry Partners LP, Hatteras Electrical Manufacturing Holding Company and Sigma Electric Manufacturing Corporation, Diecast Beacon (16)	Manufacturer of metal castings, precision machined components and sub-assemblies in the electrical products, power transmission and distribution and general industrial markets	First lien senior secured revolving loan	—%	10/31/2017	—	— (14)	
					945.3	957.0	10.79%
Automobiles & Components							
Automotive Keys Group, LLC and Automotive Keys Investor, LLC	Provider of replacement wireless keys for automotive market	First lien senior secured loan (\$10.0 par due 11/2025)	6.00% (Libor + 5.00%/Q)	12/17/2021	10.0	10.0 (2)(12)	
		Preferred units (4,113,113 units)	9.00% PIK	11/6/2020	4.5	4.5	
		Class A common units (4,113,113 units)		11/6/2020	—	0.6 (2)	
					14.5	15.1	

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Continental Acquisition Holdings, Inc.	Distributor of aftermarket batteries to the electric utility vehicle, automotive, commercial, marine and industrial markets	First lien senior secured loan (\$36.5 par due 1/2027)	7.75% (Libor + 6.75%/Q)	1/20/2021	36.5	36.5	(2)(12)
		First lien senior secured loan (\$33.2 par due 1/2027)	7.75% (Libor + 6.75%/Q)	12/22/2021	33.2	33.2	(2)(12)
Eckler Industries, Inc. and Eckler Purchaser LLC (5)(16)	Restoration parts and accessories provider for classic automobiles	First lien senior secured revolving loan (\$6.7 par due 5/2022)		7/12/2012	6.5	4.7	(2)(11)
		First lien senior secured loan (\$26.3 par due 5/2022)		7/12/2012	25.5	18.4	(2)(11)
		Class A common units (67,972 units)		7/12/2012	16.4	—	(2)
					48.4	23.1	
Faraday&Future Inc., FF Inc., Faraday SPE, LLC and Faraday Future Intelligent Electric Inc.	Electric vehicle manufacturer	Second lien senior secured loan (\$80.3 par due 3/2022)	14.00% PIK	3/1/2021	79.9	80.3	(2)
		Warrant to purchase up to 633,008 shares of Class A common stock (expires 8/2027)		8/5/2021	2.3	1.2	(2)
					82.2	81.5	
Highline Aftermarket Acquisition, LLC, Highline Aftermarket SC Acquisition, Inc. and Highline PPC Blocker LLC (16)	Manufacturer and distributor of automotive fluids	First lien senior secured revolving loan (\$5.9 par due 11/2025)	3.85% (Libor + 3.75%/M)	11/9/2020	5.9	5.8	(2)(15)
		Second lien senior secured loan (\$70.4 par due 11/2028)	8.75% (Libor + 8.00%/Q)	11/9/2020	70.4	66.1	(2)(12)
		Co-invest units (59,230 units)		11/4/2020	5.9	3.5	(2)
					82.2	75.4	
Mac Lean-Fogg Company and MacLean-Fogg Holdings, L.L.C.	Manufacturer and supplier for the power utility and automotive markets worldwide	First lien senior secured loan (\$123.8 par due 12/2025)	5.88% (Libor + 5.25%/M)	12/21/2018	123.5	123.8	(12)
		First lien senior secured loan (\$19.1 par due 12/2025)	5.88% (Libor + 5.25%/M)	12/21/2018	19.1	19.1	(2)(12)
		Preferred units (59,453 units)	13.75% (4.50% Cash + 9.25% PIK)	10/9/2015	75.0	75.0	
					217.6	217.9	
Mavis Tire Express Services Topco Corp., Metis HoldCo, Inc., and Metis TopCo, LP (16)	Auto parts retailer	First lien senior secured revolving loan (\$15.6 par due 5/2026)	3.85% (Libor + 3.75%/M)	5/4/2021	15.6	15.3	(2)(15)
		Series A preferred stock (68,601 shares)	7.00% PIK	5/4/2021	71.8	71.8	(2)
		Class A-1 units (24,586 units)		5/4/2021	24.6	26.8	(2)
					112.0	113.9	
McLaren Group Limited	Automobile manufacturer and retailer	Senior preference shares (200,000 shares)	12.5% PIK	8/2/2021	20.7	27.1	(2)(6)
		Warrant to purchase up to 49,181 ordinary shares (expires 8/2028)		8/2/2021	5.5	5.1	(2)(6)
		Warrant to purchase up to 13,776 ordinary shares (expires 8/2028)		8/2/2021	1.6	1.4	(2)(6)
					27.8	33.6	
SK SPV IV, LLC	Collision repair site operator	Series A common stock (12,500 units)		8/18/2014	0.6	—	(2)
		Series B common stock (12,500 units)		8/18/2014	0.6	—	(2)
					1.2	—	
Sun Acquirer Corp. and Sun TopCo, LP (16)	Automotive parts and repair services retailer	First lien senior secured loan (\$17.4 par due 9/2028)	6.50% (Libor + 5.75%/Q)	11/18/2021	17.4	17.2	(2)(12)
		First lien senior secured loan (\$74.4 par due 9/2028)	6.50% (Libor + 5.75%/Q)	9/8/2021	74.4	73.7	(2)(12)
		Class A units (74,896 units)		9/8/2021	7.5	9.2	(2)
					99.3	100.1	

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Wand Newco 3, Inc.	Collision repair company	Second lien senior secured loan (\$180.2 par due 2/2027)	7.43% (Libor + 7.25%/Q)	2/5/2019	178.2	180.2 (2)	
					933.1	910.5	10.27%
Power Generation							
Apex Clean Energy TopCo, LLC (4)	Developer, builder and owner of utility-scale wind and solar power facilities	Class A common units (1,335,609.89 units)		11/17/2021	80.5	79.1	
Ferrellgas, L.P.	Distributor of propane and related accessories	Senior preferred units (\$5,708 units)	8.96%	3/30/2021	55.7	55.7	
Heelstone Renewable Energy, LLC (5)	Provider of cloud based IT solutions, infrastructure and services	First lien senior secured loan (\$39.0 par due 4/2024)	8.00% (Libor + 7.00%/Q)	4/14/2021	39.0	39.0 (2)(12)	
		Class A1 units (100 units)		4/14/2021	23.5	30.4	
					62.5	69.4	
Navisun LLC and Navisun Holdings LLC (5)	Owner and operator of commercial and industrial solar projects	First lien senior secured loan (\$54.4 par due 11/2023)	8.00% PIK	11/15/2017	54.4	54.4 (2)	
		First lien senior secured loan (\$15.2 par due 11/2023)	9.00% PIK	3/7/2019	15.2	15.2 (2)	
		First lien senior secured loan (\$46.5 par due 11/2023)	8% (5.00% Cash + 3.00%PIK/Q)	8/15/2019	46.5	46.5 (2)	
		Series A preferred units (1,000 units)	10.50% PIK	11/15/2017	14.7	15.8	
		Class A units (550 units)		11/15/2017	—	11.8	
					130.8	143.7	
Opal Fuels LLC	Owner of natural gas facilities	Senior subordinated loan (\$52.7 par due 12/2026)	8.00% PIK	5/1/2021	43.8	47.8	
PosiGen, Inc.	Seller and leaser of solar power systems for residential and commercial customers	Warrant to purchase up to 101,555 shares of series D-1 preferred stock (expires 6/2028)		6/10/2021	—	— (2)	
		Warrant to purchase up to 1,112,022 shares of common stock (expires 1/2027)		1/29/2020	—	— (2)	
					—	—	
Potomac Intermediate Holdings II LLC (5)	Gas turbine power generation facilities operator	Series A units (220,884,442 units)		11/9/2021	179.7	179.7	
Riverview Power LLC	Operator of natural gas and oil fired power generation facilities	First lien senior secured loan (\$54.2 par due 6/2024)	10.00% (Libor + 9.00%/Q)	8/30/2021	53.7	54.2 (2)(12)	
SEI Generation, LLC	Solar power developer	Senior subordinated loan (\$58.8 par due 12/2022)	10.25% (4.75% Cash + 5.50% PIK/Q)	12/17/2019	58.8	57.0 (2)	
Sunrun Atlas Depositor 2019-2, LLC and Sunrun Atlas Holdings 2019-2, LLC	Residential solar energy provider	First lien senior secured loan (\$0.1 par due 2/2055)	3.61%	10/28/2019	0.1	0.1 (2)	
		Senior subordinated loan (\$142.5 par due 11/2025)	8.75% (Libor + 2.75% Cash + 4.00% PIK/Q)	11/26/2019	142.5	142.5 (2)(12)	
					142.6	142.6	
Sunrun Xanadu Issuer 2019-1, LLC and Sunrun Xanadu Holdings 2019-1, LLC	Residential solar energy provider	First lien senior secured loan (\$0.4 par due 6/2054)	3.98%	6/7/2019	0.4	0.4 (2)	
		Senior subordinated loan (\$69.3 par due 7/2030)	8.75% (Libor + 3.98% Cash + 2.77% PIK/Q)	6/27/2019	69.3	69.3 (12)	
					69.7	69.7	
					877.8	898.9	10.14%
Consumer Durables & Apparel							
Badger Sportswear Acquisition, Inc.	Provider of team uniforms and athletic wear	Second lien senior secured loan (\$56.8 par due 3/2024)	10.25% (Libor + 9.00%/Q)	9/6/2016	56.8	56.8 (2)(12)	
Bowhunter Holdings, LLC	Provider of branded archery and bowhunting accessories	Common units (421 units)		4/24/2014	4.2	—	
Centric Brands LLC and Centric Brands GP LLC (16)	Designer, marketer and distributor of licensed and owned apparel	First lien senior secured revolving loan (\$2.3 par due 10/2024)	6.50% (Libor + 5.50%/Q)	5/20/2020	2.3	2.3 (2)(12)	

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Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		First lien senior secured loan (\$67.9 par due 10/2025)	10% PIK (Liber + 9%/Q)	10/29/2018	67.8	67.3 (2)(12)	
		Membership interests (279,392 interests)		10/29/2018	2.9	11.5 (2)	
					73.0	81.1	
DRS Holdings III, Inc. and DRS Holdings I, Inc. (16)	Footwear and orthopedic foot-care brand	First lien senior secured loan (\$29.8 par due 11/2025)	6.75% (Liber + 5.75%/Q)	11/1/2019	29.8	29.8 (12)	
		First lien senior secured loan (\$46.7 par due 11/2025)	6.75% (Liber + 5.75%/Q)	6/1/2021	46.7	46.7 (12)	
		Common stock (8,549 shares)		11/1/2019	8.5	11.3 (2)	
					85.0	87.8	
Implus Footcare, LLC	Provider of footwear and other accessories	First lien senior secured loan (\$103.3 par due 4/2024)	8.75% (Liber + 7.75%/Q)	6/1/2017	103.3	95.1 (2)(12)	
		First lien senior secured loan (\$14.1 par due 4/2024)	8.75% (Liber + 7.75%/Q)	6/1/2017	14.1	13.0 (2)(12)	
		First lien senior secured loan (\$1.3 par due 4/2024)	8.75% (Liber + 7.75%/Q)	6/30/2016	1.3	1.2 (2)(12)	
		First lien senior secured loan (\$5.0 par due 4/2024)	8.75% (Liber + 7.75%/Q)	7/17/2018	5.0	4.6 (2)(12)	
					123.7	113.9	
Lew's Intermediate Holdings, LLC (16)	Outdoor brand holding company	First lien senior secured revolving loan (\$1.8 par due 2/2026)	4.14% (Liber + 4.00%/Q)	2/11/2021	1.8	1.8 (2)	
		First lien senior secured loan (\$1.0 par due 2/2028)	5.75% (Liber + 5.00%/Q)	2/11/2021	1.0	1.0 (2)(12)	
					2.8	2.8	
Pelican Products, Inc. (16)	Flashlights manufacturer	Second lien senior secured loan (\$60.0 par due 12/2029)	8.25% (Liber + 7.75%/Q)	12/31/2021	60.0	59.4 (2)(12)	
Rawlings Sporting Goods Company, Inc. and Easton Diamond Sports, LLC	Sports equipment manufacturing company	First lien senior secured loan (\$93.2 par due 12/2026)	7.75% (Liber + 6.75%/Q)	12/31/2020	93.2	93.2 (2)(12)	
		First lien senior secured loan (\$8.8 par due 12/2026)	7.75% (Liber + 6.75%/Q)	11/3/2021	8.8	8.8 (2)(12)	
					102.0	102.0	
Reef Lifestyle, LLC (16)	Apparel retailer	First lien senior secured revolving loan (\$12.1 par due 10/2024)	8.5% (Liber + 5.50% Cash + 2.00% PIK/M)	10/26/2018	12.1	12.1 (2)(12)(15)	
		First lien senior secured revolving loan (\$0.6 par due 10/2024)	8.5% (Liber + 5.50% Cash + 2.00% PIK/M)	7/31/2020	0.6	0.6 (2)(12)	
		First lien senior secured loan (\$25.0 par due 10/2024)	8.5% (Liber + 5.50% Cash + 2.00% PIK/Q)	10/26/2018	25.0	25.0 (12)	
		First lien senior secured loan (\$1.1 par due 10/2024)	8.50% (Liber + 7.50%/Q)	7/31/2020	1.1	1.1 (12)	
					38.8	38.8	
S Toys Holdings LLC (fka The Step2 Company, LLC) (5)	Toy manufacturer	Class B common units (126,278,000 units)		10/30/2014	—	0.2	
		Common units (1,116,879 units)		4/1/2011	—	—	
		Warrant to purchase up to 3,157,895 units		4/1/2010	—	—	
					—	0.2	
SHO Holding I Corporation	Manufacturer and distributor of slip resistant footwear	Second lien senior secured loan (\$116.2 par due 10/2024)	9.54% PIK (Liber + 8.54%/M)	10/27/2015	115.6	98.9 (2)(12)	
Shock Doctor, Inc. and Shock Doctor Holdings, LLC (4)(16)	Developer, marketer and distributor of sports protection equipment and accessories	First lien senior secured revolving loan (\$1.1 par due 5/2024)	7.25% (Base Rate + 4.00%/M)	5/21/2019	1.1	1.1 (2)(12)(15)	
		First lien senior secured revolving loan (\$0.1 par due 5/2024)	6.50% (Liber + 5.50%/M)	5/21/2019	0.1	0.1 (2)(12)(15)	
		First lien senior secured loan (\$19.2 par due 5/2024)	6.00% (Liber + 5.00%/Q)	5/21/2019	19.1	19.1 (2)(12)	
		Class A preferred units (50,000 units)		3/14/2014	5.0	0.4 (2)	
		Class C preferred units (50,000 units)		4/22/2015	5.0	0.4 (2)	
		Preferred units (14,591 units)		5/14/2019	1.6	2.0 (2)	
					31.9	23.1	

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Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
SVP-Singer Holdings Inc. and SVP-Singer Holdings LP	Manufacturer of consumer sewing machines	First lien senior secured loan (\$44.9 par due 7/2028)	7.50% (Libor + 6.75%/Q)	7/30/2021	43.7	42.3 (2)(12)	
		Class A common units (6,264,706 units)		7/30/2021	26.1	24.5 (2)	
					69.8	66.8	
Totes Isotoner Corporation and Totes Ultimate Holdco, Inc. (4)	Designer, marketer, and distributor of rain and cold weather products	First lien senior secured loan (\$2.2 par due 12/2024)	7.00% (Libor + 6.00%/Q)	12/23/2019	2.2	1.9 (2)(12)	
		First lien senior secured loan (\$1.6 par due 6/2024)	5.00% (Libor + 4.00%/Q)	12/23/2019	1.6	1.6 (2)(12)	
		Common stock (861,000 shares)		12/23/2019	6.0	0.4 (2)	
					9.8	3.9	
Varsity Brands Holding Co., Inc. and BCPE Hercules Holdings, LP	Leading manufacturer and distributor of textiles, apparel & luxury goods	Second lien senior secured loan (\$21.1 par due 12/2025)	9.25% (Libor + 8.25%/M)	7/30/2018	21.1	20.3 (2)(12)	
		Second lien senior secured loan (\$122.7 par due 12/2025)	9.25% (Libor + 8.25%/M)	12/15/2017	122.8	117.9 (12)	
		Class A units (1,400 units)		7/30/2018	1.4	0.7 (2)	
					145.3	138.9	
					918.7	874.4	9.86%
Consumer Services							
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc. (5)	Restaurant owner and operator	First lien senior secured loan (\$111.4 par due 12/2022)		11/27/2006	—	— (2)(11)	
Aimbridge Acquisition Co., Inc.	Hotel operator	Second lien senior secured loan (\$22.5 par due 2/2027)	7.60% (Libor + 7.50%/M)	2/1/2019	22.2	21.4 (2)	
American Residential Services L.L.C. and Aragon Parent Holdings LP (16)	Heating, ventilation and air conditioning services provider	Second lien senior secured loan (\$56.4 par due 10/2028)	9.50% (Libor + 8.50%/Q)	10/15/2020	56.4	56.4 (2)(12)	
		Series A preferred units (2,531,500 units)	10.00% PIK	10/15/2020	2.8	3.7 (2)	
					59.2	60.1	
ATI Restoration, LLC (16)	Provider of disaster recovery services	First lien senior secured revolving loan (\$8.1 par due 7/2026)	6.00% (Libor + 5.00%/Q)	7/31/2020	8.1	8.1 (2)(12)(15)	
		First lien senior secured revolving loan (\$2.5 par due 7/2026)	7.25% (Base Rate + 4.00%/Q)	7/31/2020	2.5	2.5 (12)	
		First lien senior secured loan (\$33.3 par due 7/2026)	6.00% (Libor + 5.00%/Q)	7/31/2020	33.3	33.3 (12)	
					43.9	43.9	
Belfor Holdings, Inc. (16)	Disaster recovery services provider	First lien senior secured revolving loan (\$0.0 par due 4/2024)	5.50% (Base Rate + 2.25%/Q)	4/4/2019	—	— (2)(15)	
Cipriani USA, Inc. and Cipriani Group Holding S.A.R.L.	Manager and operator of banquet facilities, restaurants, hotels and other leisure properties	First lien senior secured loan (\$68.2 par due 5/2023)	11.75% (Libor + 10.75%/Q)	5/30/2018	67.4	61.4 (2)(12)	
		First lien senior secured loan (\$15.2 par due 5/2023)	11.75% (Libor + 10.75%/Q)	11/5/2018	15.2	13.6 (2)(12)	
		First lien senior secured loan (\$15.5 par due 5/2023)	11.75% PIK (Libor + 10.75%/M)	7/3/2019	15.3	13.9 (2)(12)	
		First lien senior secured loan (\$20.0 par due 5/2023)	11.75% (Libor + 10.75%/Q)	12/27/2019	18.9	18.0 (2)(12)	
		First lien senior secured loan (\$3.0 par due 5/2023)	11.75% (Libor + 10.75%/Q)	8/20/2018	3.0	2.7 (2)(12)	
		First lien senior secured loan (\$4.9 par due 5/2023)	11.75% (Libor + 10.75%/Q)	6/30/2020	4.9	4.4 (2)(12)	
		First lien senior secured loan (\$30.0 par due 5/2023)	11.75% PIK (Libor + 10.75%/Q)	12/22/2020	28.8	27.0 (2)(12)	
		Warrant to purchase up to 718.66 shares (expires 3/2041)		3/21/2021	2.1	3.4 (2)(6)	
					155.6	144.4	
Concert Golf Partners Holdco LLC (16)	Golf club owner and operator	First lien senior secured revolving loan (\$0.1 par due 8/2025)	5.50% (Libor + 4.50%/Q)	8/20/2019	0.1	0.1 (2)(12)	

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Essential Services Holding Corporation and OMERS Mahomes Investment Holdings LLC (16)	Provider of plumbing and HVAC services	First lien senior secured revolving loan	—%	11/16/2020	—	—	(14)
		First lien senior secured loan (\$72.7 par due 11/2026)	6.75% (Libor + 5.75%/Q)	11/16/2020	72.7	72.7	(2)(12)
		First lien senior secured loan (\$80.4 par due 11/2026)	6.75% (Libor + 5.75%/Q)	4/2/2021	80.4	80.4	(2)(12)
		Class A units (6,099 units)		11/16/2020	20.9	34.4	(2)
					174.0	187.5	
Garden Fresh Restaurant Corp. and GFRC Holdings LLC (16)	Restaurant owner and operator	First lien senior secured revolving loan (\$7.5 par due 2/2022)		2/1/2017	—	—	(2)(11)
		First lien senior secured loan (\$21.6 par due 2/2022)		2/1/2017	—	—	(2)(11)
Jenny C Acquisition, Inc.	Health club franchisor	Senior subordinated loan (\$1.4 par due 4/2025)	8.00% PIK	4/5/2019	1.4	1.4	(2)
Jim N Nicks Management, LLC (16)	Restaurant owner and operator	First lien senior secured revolving loan (\$2.8 par due 7/2023)	6.25% (Libor + 5.25%/Q)	7/10/2017	2.8	2.8	(2)(12)
		First lien senior secured loan (\$14.7 par due 7/2023)	6.25% (Libor + 5.25%/Q)	7/10/2017	14.7	14.7	(12)
					17.5	17.5	
KeyStone Sub-debt HoldCo, LLC	Planet Fitness franchisee	Senior subordinated loan (\$54.3 par due 1/2027)	10.00% PIK	1/20/2021	51.2	52.7	(2)
		Senior subordinated loan (\$7.2 par due 1/2027)	10.00% PIK	9/30/2021	7.2	7.0	(2)
		Warrant to purchase up to 24,7581 Class C interests (expires 1/2027)		1/20/2021	3.6	4.2	(2)
					62.0	63.9	
Len the Plumber, LLC, LTP Nefsville, LLC, LTP of NJ, LLC, and LTP LSI, LLC	Provider of plumbing services	First lien senior secured loan (\$9.1 par due 2/2026)	7.00% (Libor + 6.00%/Q)	10/14/2021	9.1	9.0	(2)(12)
LSP Holdco, LLC and ZBS Mechanical Group Co-Invest Fund 2, LLC (16)	Provider of residential HVAC and plumbing services	First lien senior secured loan (\$6.9 par due 10/2026)	7.00% (Libor + 6.00%/Q)	10/7/2021	6.9	6.8	(2)(12)
		Membership interest (2,771,000 interests)		10/7/2021	2.8	2.8	
					9.7	9.6	
ME Equity LLC	Franchisor in the massage industry	Common stock (3,000,000 shares)		9/27/2012	3.0	3.1	(2)
Movati Athletic (Group) Inc.	Premier health club operator	First lien senior secured loan (\$0.2 par due 10/2024)	7.45% (Base rate + 3.70% Cash + .50% PIK/Q)	10/5/2017	0.2	0.2	(2)(6)(12)
		First lien senior secured loan (\$2.9 par due 10/2024)	7.50% (CDOR + 5.50% Cash, 0.50% PIK/Q)	10/5/2017	3.0	2.7	(2)(6)(12)
		First lien senior secured loan (\$2.3 par due 10/2024)	7.50% (CDOR + 5.50% Cash + .50% PIK/Q)	10/5/2017	2.2	2.1	(6)(12)
					5.4	5.0	
OTG Management, LLC	Airport restaurant operator	Class A preferred units (3,000,000 units)		8/26/2016	25.3	15.8	
		Common units (3,000,000 units)		1/5/2011	3.0	—	
		Warrant to purchase up to 7.73% of common units		6/19/2008	0.1	—	
					28.4	15.8	
Pyramid Management Advisors, LLC and Pyramid Investors, LLC (16)	Hotel operator	First lien senior secured revolving loan (\$9.6 par due 7/2023)	8% (Libor + 5.75% Cash + 1.25% PIK/Q)	4/12/2018	9.6	8.8	(2)(12)(15)
		First lien senior secured loan (\$18.2 par due 7/2023)	8% (Libor + 5.75% Cash + 1.25% PIK/Q)	4/12/2018	18.2	16.8	(12)
		First lien senior secured loan (\$6.4 par due 7/2023)	8% (Libor + 5.75% Cash + 1.25% PIK/Q)	12/27/2019	6.4	5.8	(2)(12)
		Preferred membership units (996,833 units)		7/15/2016	1.0	0.5	
					35.2	31.9	

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Redwood Services, LLC and Redwood Services Holdco, LLC (16)	Provider of residential HVAC and plumbing services	First lien senior secured loan (\$1.0 par due 12/2025)	8.00% (Libor + 7.00%/Q)	12/22/2021	1.0	1.0 (2)(12)	
		First lien senior secured loan (\$12.5 par due 12/2025)	8.00% (Libor + 7.00%/Q)	12/31/2020	12.5	12.5 (2)(12)	
		Series D units (5,291,723 units)	8.00% PIK	12/31/2020	5.7	11.6	
					19.2	25.1	
Safe Home Security, Inc., Security Systems Inc., Safe Home Monitoring, Inc., National Protective Services, Inc., Bright Integrations LLC and Medguard Alert, Inc.	Provider of safety systems for business and residential customers	First lien senior secured loan (\$46.2 par due 8/2024)	8.25% (Libor + 7.25%/M)	8/4/2020	46.2	46.2 (2)(12)	
SV-Burton Holdings, LLC & LBC Breeze Holdings LLC (16)	Provider of HVAC and plumbing services to residential and commercial customers	First lien senior secured loan (\$11.0 par due 12/2027)	6.50% (Libor + 5.50%/Q)	12/6/2021	11.0	10.9 (2)(12)	
		Class A units (4,296 units)		12/6/2021	4.3	4.3	
					15.3	15.2	
Taymax Group, L.P., Taymax Group G.P., LLC, PF Salem Canada ULC and TCP Fit Parent, L.P. (16)	Planet Fitness franchisee	First lien senior secured revolving loan (\$0.5 par due 7/2024)	6.75% (Libor + 5.25% Cash + .50 PIK/Q)	7/31/2018	0.5	0.5 (2)(12)	
		First lien senior secured loan (\$1.1 par due 7/2025)	6.25% (Libor + 4.75% Cash + .50 PIK/Q)	3/5/2020	1.1	1.1 (2)(12)	
		Class A units (37,020 units)		7/31/2018	3.8	2.0	
					5.4	3.6	
The Alaska Club Partners, LLC, Athletic Club Partners LLC and The Alaska Club, Inc. (16)	Premier health club operator	First lien senior secured loan (\$15.5 par due 12/2024)	10.25% (Base rate + 5.00% Cash + 2.00% PIK/Q)	12/16/2019	15.5	14.1 (2)(12)	
The Arcticom Group, LLC and AMCP Mechanical Holdings, LP (16)	Refrigeration, heating, ventilation and air conditioning services provider	First lien senior secured revolving loan (\$2.0 par due 12/2027)	8.25% (Base Rate + 5.00%/Q)	12/22/2021	2.0	2.0 (2)(12)	
		First lien senior secured loan (\$47.2 par due 12/2027)	6.75% (Libor + 6.00%/Q)	12/22/2021	47.2	46.7 (2)(12)	
		Class A units (4,897,000 units)		12/22/2021	4.9	4.9	
					54.1	53.6	
YE Brands Holdings, LLC (16)	Sports camp operator	First lien senior secured loan (\$8.0 par due 10/2027)	6.25% (Libor + 5.50%/Q)	10/18/2021	8.0	7.9 (2)(12)	
					790.4	780.3	8.80%
Retailing and Distribution							
Atlas Intermediate III, L.L.C. (16)	Specialty chemicals distributor	First lien senior secured loan (\$0.2 par due 4/2025)	6.50% (Libor + 5.50%/Q)	3/31/2021	0.2	0.2 (2)(12)	
		First lien senior secured loan (\$2.1 par due 4/2025)	6.50% (Libor + 5.50%/Q)	11/19/2021	2.1	2.1 (2)(12)	
					2.3	2.3	
Bamboo Purchaser, Inc. (16)	Provider of nursery, garden, and greenhouse products	First lien senior secured loan (\$39.1 par due 11/2027)	6.75% (Libor + 6.00%/Q)	11/5/2021	39.1	38.6 (2)(12)	
Display Holding Company, Inc., Saldon Holdings, Inc. and Fastsigns Holdings Inc. (16)	Provider of visual communications solutions	First lien senior secured loan (\$16.0 par due 3/2025)	6.65% (Libor + 5.65%/M)	3/13/2019	16.0	16.0 (12)	
		First lien senior secured loan (\$0.1 par due 3/2025)	6.65% (Libor + 5.65%/M)	8/27/2019	0.1	0.1 (2)(12)	
		First lien senior secured loan (\$0.1 par due 3/2025)	6.65% (Libor + 5.65%/M)	6/25/2021	0.1	0.1 (2)(12)	
		Common units (600 units)		3/13/2019	0.6	1.0 (2)	
					16.8	17.2	
GPM Investments, LLC and ARKO Corp.	Convenience store operator	Common stock (2,088,478 shares)		12/22/2020	19.8	18.3	
		Warrant to purchase up to 1,088,780 common stock (expires 12/2025)		12/22/2020	1.6	1.9 (2)	
					21.4	20.2	
Marcone Yellowstone Buyer Inc. and Marcone Yellowstone Holdings, LLC	Distributor of OEM appliance aftermarket parts	First lien senior secured loan (\$18.7 par due 6/2028)	6.25% (Libor + 5.50%/Q)	6/23/2021	18.7	18.5 (2)(12)	
		First lien senior secured loan (\$2.1 par due 6/2028)	6.25% (Libor + 5.50%/Q)	12/31/2021	2.1	2.1 (12)	

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		First lien senior secured loan (\$6.6 par due 6/2028)	6.00% (Libor + 5.25%/Q)	12/31/2021	6.6	6.5 (12)	
		First lien senior secured loan (\$35.0 par due 6/2028)	6.25% (Libor + 5.50%/Q)	6/23/2021	35.0	34.6 (2)(12)	
		Class A common units (5,578 units)		6/23/2021	5.8	9.3 (2)	
					68.2	71.0	
McKenzie Creative Brands, LLC (16)	Designer, manufacturer and distributor of hunting-related supplies	First lien senior secured loan (\$84.5 par due 9/2023)	6.75% (Libor + 5.75%/Q)	9/18/2014	84.5	84.5 (8)(12)	
		First lien senior secured loan (\$5.5 par due 9/2023)	6.75% (Libor + 5.75%/A)	9/18/2014	5.5	5.5 (12)	
					90.0	90.0	
Moon Valley Nursery of Arizona Retail, LLC, Moon Valley Nursery Farm Holdings, LLC, Moon Valley Nursery RE Holdings LLC, and Stonecourt IV Partners, LP (16)	Operator of retail and wholesale tree and plant nurseries	First lien senior secured loan (\$79.0 par due 10/2027)	6.75% (Libor + 5.75%/Q)	10/8/2021	79.0	78.2 (12)	
		Limited partnership interests (96,939,151.71 interests)		10/8/2021	96.9	96.9	
					175.9	175.1	
North Haven Falcon Buyer, LLC and North Haven Falcon Holding Company, LLC (16)	Manufacturer of aftermarket golf cart parts and accessories	First lien senior secured loan (\$22.3 par due 5/2027)	7.00% (Libor + 6.00%/Q)	5/19/2021	22.3	22.1 (2)(12)	
		Class A units (50,000 units)		5/19/2021	5.0	4.1	
					27.3	26.2	
Reddy Ice LLC (16)	Packaged ice manufacturer and distributor	First lien senior secured revolving loan	—%	7/1/2019	—	— (14)	
		First lien senior secured loan (\$61.9 par due 7/2025)	7.50% (Libor + 6.50%/Q)	7/1/2019	61.9	61.9 (12)	
		First lien senior secured loan (\$4.3 par due 7/2025)	7.50% (Libor + 6.50%/B)	11/16/2020	4.3	4.3 (2)(12)	
		First lien senior secured loan (\$13.0 par due 7/2025)	7.50% (Libor + 6.50%/B)	10/20/2021	13.0	13.0 (2)(12)	
					79.2	79.2	
SCIH Salt Holdings Inc. (16)	Salt and packaged ice melt manufacturer and distributor	First lien senior secured revolving loan (\$2.1 par due 3/2025)	5.00% (Libor + 4.00%/M)	3/16/2020	2.0	1.9 (2)(12)(15)	
US Salt Investors, LLC and Emerald Lake Pearl Acquisition-A, L.P. (16)	Producer and packager of compressed, household, and packaged salt	First lien senior secured loan (\$40.1 par due 7/2028)	6.25% (Libor + 5.50%/Q)	7/19/2021	40.1	39.7 (2)(12)	
		Limited partner interests (0.4% interest)		7/19/2021	0.8	0.8 (2)	
					40.9	40.5	
					563.1	562.2	6.34%
Media & Entertainment							
Aventine Intermediate LLC & Aventine Holdings II LLC (16)	Media and production company	First lien senior secured loan (\$6.6 par due 6/2027)	6.75% (Libor + 6.00%/Q)	12/22/2021	6.6	6.5 (2)(12)	
		Senior subordinated loan (\$35.6 par due 12/2030)	10.25%	12/22/2021	35.6	35.3 (2)	
					42.2	41.8	
CMW Parent LLC (fka Black Arrow, Inc.)	Multiplatform media firm	Series A units (32 units)		9/11/2015	—	— (2)	
Global Music Rights, LLC (16)	Music right management company	First lien senior secured loan (\$22.3 par due 8/2028)	6.50% (Libor + 5.75%/Q)	8/27/2021	22.3	22.1 (2)(12)	
Miami Beckham United LLC	American professional soccer club	Class A preferred units (85,000 units)	8.50% PIK	9/17/2021	87.1	87.1	
MMax Investment Partners, Inc. (d/b/a Professional Fighters League) and PFL MMA, Inc.	Mixed martial arts league	First lien senior secured loan (\$15.4 par due 1/2026)	10.00% PIK	1/20/2021	14.0	13.9 (2)	
		Warrant to purchase up to 3,223,122 shares of common stock (expires 1/2027)		1/20/2021	1.7	1.9 (2)	
					15.7	15.8	
OUTFRONT Media Inc.	Provider of out-of-home advertising	Series A convertible perpetual preferred stock(25,000 shares)	7.00%	4/20/2020	25.0	44.4 (2)(6)	

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Padres L.P. (16)	Sports and entertainment	First lien senior secured loan (\$92.8 par due 3/2027)	6.00% (Libor + 5.00%/M)	3/18/2021	92.8	92.8 (2)(12)	
Production Resource Group, L.L.C. and PRG III, LLC (4)	Provider of rental equipment, labor, production management, scenery, and other products to various entertainment end-markets	First lien senior secured loan (\$15.0 par due 8/2024)	6% (Libor + 1.90% Cash + 3.10% PIK/Q)	7/31/2020	14.9	15.0 (2)(12)	
		First lien senior secured loan (\$34.9 par due 8/2024)	9.75% PIK (Libor + 8.5%/Q)	8/21/2018	34.9	34.9 (2)(12)	
		First lien senior secured loan (\$0.8 par due 8/2024)	8.5% (Libor + 5.00% Cash + 2.50% PIK/Q)	6/22/2021	0.8	0.8 (2)(12)	
		First lien senior secured loan (\$5.0 par due 8/2024)	6% PIK (Libor + 5%/Q)	8/5/2021	5.0	5.0 (2)(12)	
		Class A units (113,617 units)		10/6/2020	4.9	0.6 (2)	
					60.5	56.3	
Storm Investment S.a.r.l.	Spanish soccer club	First lien senior secured loan (\$70.2 par due 6/2029)	3.88% (Euribor + 3.75%/A)	6/24/2021	73.6	70.3 (2)(6)	
		Class A redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class B redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class C redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class D redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class E redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class F redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class G redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class H redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Class I redeemable shares (3,297,791 shares)		6/24/2021	1.6	1.5 (2)(6)	
		Ordinary shares (3,958 shares)		6/24/2021	—	— (2)(6)	
					88.0	83.8	
The Teaching Company Holdings, Inc.	Education publications provider	Preferred stock (10,663 shares)		9/29/2006	1.1	2.9 (2)	
		Common stock (15,393 shares)		9/29/2006	—	1.2 (2)	
					1.1	4.1	
					434.7	448.2	5.05%
Food and Beverage							
American Seafoods Group LLC and American Seafoods Partners LLC	Harvester and processor of seafood	Class A units (77,922 units)		8/19/2015	0.1	0.2 (2)	
		Warrant to purchase up to 7,422,078 Class A units (expires 8/2035)		8/19/2015	7.4	18.9 (2)	
					7.5	19.1	
Berner Food & Beverage, LLC (16)	Supplier of dairy-based food and beverage products	First lien senior secured revolving loan (\$0.4 par due 7/2026)	8.75% (Base Rate + 5.50%/Q)	7/30/2021	0.4	0.4 (2)(12)	
		First lien senior secured revolving loan (\$0.3 par due 7/2026)	7.50% (Libor + 6.50%/Q)	7/30/2021	0.3	0.3 (2)(12)	
					0.7	0.7	
Bragg Live Food Products, LLC and SPC Investment Co., L.P. (4) (16)	Health food company	First lien senior secured revolving loan (\$1.7 par due 12/2025)	7.25% (Libor + 6.25%/Q)	3/11/2019	1.7	1.6 (2)(12)	
		First lien senior secured loan (\$39.4 par due 12/2025)	7.25% (Libor + 6.25%/Q)	12/28/2020	39.4	37.4 (12)	
		Common units (14,850 units)		3/11/2019	11.5	8.8 (2)	
					52.6	47.8	
CHG PPC Parent LLC & PPC CHG Blocker LLC	Diversified food products manufacturer	Second lien senior secured loan (\$94.6 par due 12/2029)	7.25% (Libor + 6.75%/M)	12/8/2021	94.6	93.7 (2)(12)	

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		Common units (58.56 units)		12/10/2021	3.0	3.0 (2)	
					97.6	96.7	
Florida Food Products, LLC	Provider of plant extracts and juices	First lien senior secured loan (\$4.3 par due 10/2028)	5.75% (Libor + 5.00%/M)	10/18/2021	4.3	4.3 (2)(12)	
		Second lien senior secured loan (\$71.8 par due 10/2029)	8.75% (Libor + 8.00%/Q)	10/18/2021	71.8	71.1 (2)(12)	
					76.1	75.4	
Gehl Foods, LLC and GF Parent LLC	Producer of low-acid, aseptic food and beverage products	Class A preferred units (2,940 units)		5/13/2015	2.9	— (2)	
		Class A common units (60,000 units)		5/13/2015	0.1	— (2)	
		Class B common units (0.26 units)		5/13/2015	—	— (2)	
					3.0	—	
KC Culinarie Intermediate, LLC	Manufacturer of fresh refrigerated and frozen food products	First lien senior secured loan (\$29.1 par due 8/2025)	4.75% (Libor + 3.75%/M)	1/24/2020	28.9	27.6 (12)	
		Second lien senior secured loan (\$35.7 par due 8/2026)	8.75% (Libor + 7.75%/M)	8/24/2018	35.7	32.0 (2)(12)	
					64.6	59.6	
Manna Pro Products, LLC (16)	Manufacturer and supplier of specialty nutrition and care products for animals	First lien senior secured revolving loan (\$1.9 par due 12/2026)	7.00% (Libor + 6.00%/M)	12/10/2020	1.9	1.9 (2)(12)	
RF HP SCF Investor, LLC	Branded specialty food company	Membership interest (10.08% interest)		12/22/2016	12.5	19.0 (2)(6)	
Teasdale Foods, Inc. and Familia Group Holdings Inc.	Provider of beans, sauces and hominy to the retail, foodservice and wholesale channels	First lien senior secured loan (\$78.3 par due 12/2025)	8.00% (Libor + 6.60% Cash + .40 PIK/Q)	12/18/2020	78.3	73.6 (2)(12)	
		Warrant to purchase up to 57,827 shares of common stock (expires 2/2034)		2/4/2019	—	— (2)	
					78.3	73.6	
Triton Water Holdings, Inc.	Producer and provider of bottled water brands	First lien senior secured loan (\$1.0 par due 3/2028)	4.00% (Libor + 3.50%/Q)	3/17/2021	1.0	1.0 (2)(12)(19)	
		Senior subordinated loan (\$0.1 par due 4/2029)	6.25%	3/17/2021	0.1	0.1 (2)(19)	
					1.1	1.1	
Watermill Express, LLC and Watermill Express Holdings, LLC (16)	Owner and operator of self-service water and ice stations	First lien senior secured revolving loan	—%	4/20/2021	—	— (14)	
		First lien senior secured loan (\$19.4 par due 4/2027)	6.25% (Libor + 5.25%/Q)	4/20/2021	19.4	19.4 (12)	
		Class A units (282,200 units)	8.00% PIK	4/20/2021	3.0	2.7	
					22.4	22.1	
Winebow Holdings, Inc. and The Vintner Group, Inc.	Importer and distributor of wine	First lien senior secured loan (\$28.3 par due 7/2025)	7.25% (Libor + 6.25%/M)	4/19/2021	28.3	28.3 (12)	
					446.6	445.3	5.02%
Materials							
ASP-r-pac Acquisition Co LLC and ASP-r-pac Holdings LP (16)	Manufacturer and supplier of printed packaging and trimmings	First lien senior secured revolving loan (\$1.2 par due 12/2027)	6.75% (Libor + 6.00%/Q)	12/29/2021	1.2	1.2 (2)(12)	
		First lien senior secured loan (\$46.3 par due 12/2027)	6.75% (Libor + 6.00%/Q)	12/29/2021	46.3	45.8 (2)(12)	
		Class A units (195,990 units)		12/29/2021	19.6	19.6 (2)	
					67.1	66.6	
Genomatic, Inc.	Developer of a biotechnology platform for the production of chemical products	Warrant to purchase 322,422 shares of Series D preferred stock (expires 3/2023)		3/28/2013	—	—	
Halex Holdings, Inc. (5)	Manufacturer of flooring installation products	Common stock (51,853 shares)		1/3/2017	—	—	
H-Food Holdings, LLC and Matterhorn Parent, LLC	Food contract manufacturer	First lien senior secured loan (\$75.0 par due 5/2025)	6.00% (Libor + 5.00%/M)	12/29/2021	74.6	75.0 (2)(12)	
		Second lien senior secured loan (\$73.0 par due 3/2026)	7.10% (Libor + 7.00%/M)	11/25/2018	73.0	73.0 (2)	
		Common units (5,827 units)		11/25/2018	5.8	6.8	
					153.4	154.8	
IntraPac International LLC and IntraPac Canada Corporation (16)	Manufacturer of diversified packaging solutions and plastic injection molded products	First lien senior secured revolving loan (\$6.2 par due 1/2025)	6.25% (Libor + 5.50%/Q)	1/11/2019	6.2	6.2 (2)(6)(12)	

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		First lien senior secured loan (\$14.8 par due 1/2026)	6.25% (Libor + 5.50%/Q)	1/11/2019	14.8	14.8	(6)(12)
		First lien senior secured loan (\$10.8 par due 1/2026)	6.25% (Libor + 5.50%/Q)	6/4/2021	10.8	10.8	(2)(6)(12)
					31.8	31.8	
Nelipak Holding Company, Nelipak European Holdings Cooperatief U.A., KNPAK Holdings, LP and PAKNK Netherlands Treasury B.V. (16)	Manufacturer of thermoformed packaging for medical devices	First lien senior secured revolving loan (\$0.2 par due 7/2024)	5.25% (Libor + 4.25%/Q)	7/2/2019	0.2	0.2	(2)(6)(12)
		First lien senior secured loan (\$15.0 par due 7/2026)	5.25% (Libor + 4.25%/Q)	7/2/2019	15.0	15.0	(6)(12)
		First lien senior secured loan (\$5.2 par due 7/2026)	4.50% (Euribor + 4.50%/Q)	7/2/2019	5.1	5.2	(2)(6)
		First lien senior secured loan (\$24.4 par due 7/2026)	4.50% (Euribor + 4.50%/Q)	8/8/2019	24.0	24.4	(2)(6)
		Class A units (6,762,668 units)		7/2/2019	6.8	7.1	(2)(6)
					51.1	51.9	
Novipax Buyer, L.L.C. and Novipax Parent Holding Company, L.L.C.	Developer and manufacturer of absorbent pads for food products	First lien senior secured loan (\$23.9 par due 12/2026)	6.75% (Libor + 5.75%/Q)	12/1/2020	23.9	23.9	(12)
		Class A preferred units (4,772 units)	10.00% PIK	12/1/2020	5.2	6.3	(2)
		Class C units (4,772 units)		12/1/2020	—	—	(2)
					29.1	30.2	
Plaskolite PPC Intermediate II LLC and Plaskolite PPC Blocker LLC	Manufacturer of specialized acrylic and polycarbonate sheets	Second lien senior secured loan (\$55.0 par due 12/2026)	8.00% (Libor + 7.00%/Q)	12/14/2018	55.0	55.0	(2)(12)
		Co-Invest units (5,969 units)		12/14/2018	0.6	0.9	(2)
					55.6	55.9	
SCI PH Parent, Inc.	Industrial container manufacturer, reconditioner and servicer	Series B shares (11,4764 shares)		8/24/2018	1.1	1.2	(2)
					389.2	392.4	4.43%
Pharmaceuticals, Biotechnology & Life Sciences							
Abzena Holdings, Inc. and Astro Group Holdings Ltd. (16)	Organization providing discovery, development and manufacturing services to the pharmaceutical and biotechnology industries	First lien senior secured loan (\$13.7 par due 5/2026)	10.50% (Libor + 9.50%/Q)	5/7/2021	13.7	13.7	(2)(12)
		First lien senior secured loan (\$30.5 par due 5/2026)	11.50% (Libor + 4.75% Cash + 5.75% PIK/Q)	5/7/2021	30.5	30.5	(2)(12)
		Class A ordinary shares (1,237,500 shares)		5/7/2021	2.5	2.8	(2)
					46.7	47.0	
Alcami Corporation and ACM Holdings I, LLC (16)	Outsourced drug development services provider	First lien senior secured loan (\$29.2 par due 7/2025)	4.39% (Libor + 4.25%/B)	7/12/2018	29.1	28.0	
		Second lien senior secured loan (\$77.5 par due 7/2026)	8.14% (Libor + 8.00%/B)	7/12/2018	77.1	69.0	(2)
		Common units (3,663,533 units)		7/12/2018	35.0	19.5	(2)
					141.2	116.5	
Cobalt Buyer Sub, Inc., Cobalt Holdings I, LP, and Cobalt Intermediate I, Inc. (16)	Provider of biological products to life science and pharmaceutical companies	First lien senior secured revolving loan (\$0.6 par due 10/2027)	6.00% (Libor + 5.25%/M)	10/1/2021	0.6	0.6	(2)(12)
		First lien senior secured loan (\$29.1 par due 10/2028)	6.00% (Libor + 5.25%/Q)	10/1/2021	29.1	28.8	(2)(12)
		Series A preferred shares (60,235.91 shares)	10.75% (Libor + 10.00%/Q)	10/1/2021	60.2	60.2	(2)(12)
		Preferred units (3,019.50 units)	8.00% PIK	10/1/2021	3.1	0.3	(2)
		Class A common units (30,500 units)		10/1/2021	—	2.8	(2)
					93.0	92.7	

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NMC Skincare Intermediate Holdings II, LLC (16)	Developer, manufacturer and marketer of skincare products	First lien senior secured revolving loan (\$6.2 par due 10/2024)	6.00% (Libor + 5.00%/M)	10/31/2018	6.2	6.1 (2)(12)	
		First lien senior secured loan (\$24.2 par due 10/2024)	6.00% (Libor + 5.00%/M)	10/31/2018	24.2	23.9 (12)	
		First lien senior secured loan (\$8.1 par due 10/2024)	6.00% (Libor + 5.00%/M)	10/31/2018	8.1	8.1 (12)	
					38.5	38.1	
North American Science Associates, LLC, Cardinal Purchaser LLC and Cardinal Topco Holdings, L.P. (16)	Contract research organization providing research and development and testing of medical devices	First lien senior secured loan (\$48.0 par due 9/2027)	6.50% (Libor + 5.75%/Q)	9/15/2020	48.0	48.0 (12)	
		First lien senior secured loan (\$2.6 par due 9/2027)	6.50% (Libor + 5.75%/Q)	2/26/2021	2.6	2.6 (12)	
		First lien senior secured loan (\$0.1 par due 9/2027)	6.50% (Libor + 5.75%/Q)	9/13/2021	0.1	0.1 (2)(12)	
		Class A preferred units (13,528 units)	8.00% PIK	9/15/2020	14.9	32.8 (2)	
					65.6	83.5	
TerSera Therapeutics LLC (16)	Acquirer and developer of specialty therapeutic pharmaceutical products	First lien senior secured revolving loan	—%	11/20/2019	—	— (14)	
		First lien senior secured loan (\$5.1 par due 3/2025)	6.60% (Libor + 5.60%/Q)	5/3/2017	5.0	5.1 (12)	
		First lien senior secured loan (\$2.1 par due 3/2025)	6.60% (Libor + 5.60%/Q)	9/27/2018	2.1	2.1 (12)	
		First lien senior secured loan (\$1.8 par due 3/2025)	6.60% (Libor + 5.60%/Q)	4/1/2019	1.8	1.8 (12)	
					8.9	9.0	
Vertice Pharma UK Parent Limited	Manufacturer and distributor of generic pharmaceutical products	Preferred shares (40,662 shares)		12/21/2015	0.3	— (6)	
					394.2	386.8	4.36%
Energy							
Birch Permian, LLC	Operator of private exploration oil and production company	Second lien senior secured loan (\$75.7 par due 4/2023)	9.50% (Libor + 8.00%/Q)	4/12/2019	75.5	75.7 (2)(12)	
Cheyenne Petroleum Company Limited Partnership, CPC 2001 LLC and Mill Shoals LLC	Private oil exploration and production company	Second lien senior secured loan (\$63.1 par due 1/2024)	10.00% (Libor + 9.00%/Q)	7/10/2019	63.1	63.1 (2)(12)	
Halcon Holdings, LLC (16)	Operator of development, exploration, and production oil company	First lien senior secured loan (\$19.0 par due 11/2025)	7.17% (Libor + 7.00%/M)	11/24/2021	18.7	18.9 (2)	
Murchison Oil and Gas, LLC and Murchison Holdings, LLC	Exploration and production company	First lien senior secured loan (\$2.7 par due 10/2023)	11.00% (Libor + 9.00%/Q)	9/19/2019	2.7	2.7 (2)(12)	
		First lien senior secured loan (\$38.3 par due 10/2023)	10.00% (Libor + 8.00%/Q)	9/19/2019	38.3	38.3 (2)(12)	
		Preferred units (21,667 units)	0.08	10/26/2018	24.9	27.4	
					65.9	68.4	
Sundance Energy Inc. (4)	Oil and gas producer	Common stock (157,970 shares)		4/23/2021	69.8	68.6 (2)	
VPROP Operating, LLC and V SandCo, LLC (5)(16)	Sand-based proppant producer and distributor to the oil and natural gas industry	First lien senior secured loan (\$7.0 par due 11/2024)	11.00% PIK (Libor + 9.50%/M)	11/6/2020	7.0	7.0 (2)(12)	
		First lien senior secured loan (\$5.5 par due 11/2024)	11.00% PIK (Libor + 9.50%/M)	6/12/2020	5.5	5.5 (2)(12)	
		First lien senior secured loan (\$25.1 par due 11/2024)	11.00% PIK (Libor + 9.50%/M)	3/1/2017	25.1	25.1 (2)(12)	
		Class A units (347,900 units)		11/6/2020	32.8	39.9 (2)	
					70.4	77.5	
					363.4	372.2	4.20%
Food & Staples Retailing							
Balrog Acquisition, Inc., Balrog Topco, Inc. and Balrog Parent, L.P.	Manufacturer and distributor of specialty bakery ingredients	Second lien senior secured loan (\$29.5 par due 9/2029)	7.50% (Libor + 7.00%/Q)	9/3/2021	29.5	29.4 (2)(12)	
		Class A preferred units (5,484 units)	8.00% PIK	9/3/2021	5.6	5.5 (2)	
		Series A preferred shares (21,921 shares)	11.00% PIK	9/3/2021	22.7	22.7 (2)	

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					57.8	57.6	
Continental Cafe, LLC and Infinity Ovation Yacht Charters, LLC (16)	Diversified contract food service provider	First lien senior secured loan (\$15.7 par due 11/2027)	8.00% (Libor + 7.00%/Q)	11/30/2021	15.7	15.5 (2)(12)	
DecoPac, Inc. and KCAKE Holdings Inc. (16)	Supplier of cake decorating solutions and products to in-store bakeries	First lien senior secured revolving loan (\$2.4 par due 5/2026)	7.00% (Libor + 6.00%/M)	5/14/2021	2.4	2.4 (2)(12)	
		First lien senior secured loan (\$148.5 par due 5/2028)	9.00% (Libor + 6.00% Cash + 2.00% PIK/Q)	5/14/2021	148.5	148.5 (2)(12)	
		Common stock (9,599 shares)		5/14/2021	9.6	10.0 (2)	
					160.5	160.9	
FS Squared Holding Corp. and FS Squared, LLC (16)	Provider of on-site vending and micro market solutions	First lien senior secured revolving loan	—%	3/28/2019	—	— (14)	
		First lien senior secured loan (\$0.1 par due 3/2025)	5.36% (Libor + 5.25%/M)	3/28/2019	0.1	0.1 (2)	
		Class A units (113,219 units)		3/28/2019	11.1	19.2 (2)	
					11.2	19.3	
JWC/KI Holdings, LLC	Foodservice sales and marketing agency	Membership units (5,000 units)		11/16/2015	5.0	7.7 (2)	
SFE Intermediate Holdco LLC (16)	Provider of outsourced foodservice to K-12 school districts	First lien senior secured loan (\$10.1 par due 7/2024)	5.75% (Libor + 4.75%/Q)	9/5/2018	10.1	10.1 (12)	
		First lien senior secured loan (\$6.3 par due 7/2024)	5.75% (Libor + 4.75%/Q)	7/31/2017	6.3	6.3 (12)	
					16.4	16.4	
VCP-EDC Co-Invest, LLC	Distributor of foodservice equipment and supplies	Membership units (2,970,000 units)		6/9/2017	2.8	0.4	
					269.4	277.8	3.13%
Technology Hardware & Equipment							
Chariot Buyer LLC (16)	Provider of smart access solutions across residential and commercial properties	First lien senior secured revolving loan (\$0.2 par due 11/2026)	5.75% (Base Rate + 2.50%/M)	11/3/2021	0.2	0.2 (2)	
		First lien senior secured revolving loan (\$2.5 par due 11/2026)	3.60% (Libor + 3.50%/M)	11/3/2021	2.5	2.5 (2)	
		Second lien senior secured loan (\$134.4 par due 11/2029)	7.50% (Libor + 6.75%/M)	11/3/2021	134.4	133.0 (2)(12)	
					137.1	135.7	
Everspin Technologies, Inc.	Designer and manufacturer of computer memory solutions	Warrant to purchase up to 18,461 shares of common stock (expires 10/2026)		10/7/2016	0.4	— (2)	
Micromeritics Instrument Corp. (16)	Scientific instrument manufacturer	First lien senior secured revolving loan	—%	12/18/2019	—	— (14)	
		First lien senior secured loan (\$32.0 par due 12/2025)	6.00% (Libor + 5.00%/Q)	12/18/2019	32.0	32.0 (12)	
					32.0	32.0	
Repairify, Inc. and Repairify Holdings, LLC (16)	Provider of automotive diagnostics scans and solutions	Class A common units (163,820 units)		6/14/2021	4.9	4.8 (2)	
Wildcat BuyerCo, Inc. and Wildcat Parent, LP (16)	Provider and supplier of electrical components for commercial and industrial applications	First lien senior secured loan (\$18.2 par due 2/2026)	6.75% (Libor + 5.75%/Q)	2/27/2020	18.2	18.2 (12)	
		First lien senior secured loan (\$9.5 par due 2/2026)	6.75% (Libor + 5.75%/Q)	11/18/2021	9.5	9.5 (2)(12)	
		Limited partnership interests (17,655 interests)		2/27/2020	1.8	2.8 (2)	
					29.5	30.5	
					203.9	203.0	2.29%
Transportation							
Commercial Trailer Leasing, Inc. (16)	Trailer leasing company	First lien senior secured loan (\$92.8 par due 1/2026)	7.25% (Libor + 6.25%/Q)	1/19/2021	92.8	92.8 (2)(12)	
		Second lien senior secured loan (\$19.9 par due 1/2027)	13.00%	1/19/2021	19.9	19.9 (2)	
					112.7	112.7	

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2021
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Shur-Co Acquisition, Inc. and Shur-Co HoldCo, Inc. (16)	Provider of tarp systems and accessories for trucks, trailers, carts, and specialty equipment used in the agriculture, construction and flatbed markets	First lien senior secured revolving loan (\$1.0 par due 6/2027)	7.00% (Libor + 6.00%/Q)	6/30/2021	1.0	1.0 (2)(12)	
		First lien senior secured loan (\$27.0 par due 6/2027)	7.00% (Libor + 6.00%/Q)	6/30/2021	27.0	27.0 (12)	
		Common stock (7,598,999 shares)		6/30/2021	7.6	8.9 (2)	
					35.6	36.9	
					148.3	149.6	1.69%
Household & Personal Products							
CDI Holdings III Corp. and CDI Holdings I Corp. (16)	Provider of personal care appliances	First lien senior secured loan (\$3.8 par due 12/2027)	6.75% (Libor + 5.75%/Q)	12/22/2021	3.8	3.8 (2)(12)	
		Common stock (6,149 shares)		12/22/2021	6.1	6.1 (2)	
					9.9	9.9	
Foundation Consumer Brands, LLC	Pharmaceutical holding company of over the counter brands	First lien senior secured loan (\$24.9 par due 10/2026)	7.38% (Libor + 6.38%/Q)	2/12/2021	24.4	24.8 (12)	
Premier Specialties, Inc. and RMC V CIV XLIV, L.P. (16)	Manufacturer and supplier of natural fragrance materials and cosmeceuticals	First lien senior secured loan (\$27.5 par due 8/2027)	6.75% (Libor + 5.75%/M)	8/20/2021	27.5	27.3 (2)(12)	
		Limited partner interests (4.58% interest)		8/20/2021	4.7	4.1 (2)	
					32.2	31.4	
Rug Doctor, LLC and RD Holdco Inc. (5)	Manufacturer and marketer of carpet cleaning machines	Second lien senior secured loan (\$22.0 par due 5/2023)	11.25% PIK (Libor + 9.75%/M)	1/3/2017	22.0	21.0 (2)(12)	
		Common stock (458,596 shares)		1/3/2017	14.0	—	
		Warrant to purchase up to 56,372 shares of common stock (expires 12/2023)		1/3/2017	—	—	
					36.0	21.0	
Walnut Parent, Inc.	Manufacturer of natural solution pest and animal control products	First lien senior secured loan (\$14.9 par due 11/2027)	6.50% (Libor + 5.50%/M)	11/9/2020	14.9	14.9 (12)	
		First lien senior secured loan (\$19.9 par due 11/2027)	6.50% (Libor + 5.50%/Q)	11/22/2021	19.9	19.9 (2)(12)	
					34.8	34.8	
					137.3	121.9	1.37%
Education							
Excellence Holdings Corp.	Developer, manufacturer and retailer of educational products	First lien senior secured loan (\$9.6 par due 4/2023)	7% (Libor + 1.50% Cash + 4.50% PIK/Q)	4/17/2017	9.6	9.3 (2)(12)	
Flinn Scientific, Inc. and WCI-Quantum Holdings, Inc. (16)	Distributor of instructional products, services and resources	First lien senior secured revolving loan (\$4.9 par due 8/2023)	5.50% (Libor + 4.75%/A)	8/31/2018	4.9	4.8 (2)(12)	
		First lien senior secured loan (\$30.0 par due 8/2023)	5.50% (Libor + 4.75%/Q)	7/26/2017	30.0	29.3 (12)	
		First lien senior secured loan (\$1.1 par due 8/2023)	5.50% (Libor + 4.75%/Q)	8/31/2018	1.1	1.1 (12)	
		Series A preferred stock (1,272 shares)		10/24/2014	0.7	1.1 (2)	
					36.7	36.3	
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.	Private school operator	First lien senior secured loan (\$4.0 par due 10/2022)	10.50% (Libor + 9.00%/Q)	3/12/2020	4.0	4.0 (2)(12)	
		Senior preferred series A-1 shares (151,056 shares)		10/31/2015	98.2	36.4 (2)	
		Series B preferred stock (348,615 shares)		8/5/2010	1.0	— (2)	
		Series B preferred stock (1,401,385 shares)		8/5/2010	4.0	— (2)	
		Series C preferred stock (517,942 shares)		6/7/2010	0.1	— (2)	
		Series C preferred stock (1,994,644 shares)		6/7/2010	0.5	— (2)	
		Common stock (4 shares)		6/7/2010	—	— (2)	

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2021
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		Common stock (16 shares)		6/7/2010	—	— (2)	
					107.8	40.4	
Primrose Holding Corporation (4)	Franchisor of education-based early childhood centers	Common stock (7,227 shares)		1/3/2017	4.6	27.0	
					158.7	113.0	1.27%
Telecommunication Services							
Emergency Communications Network, LLC (16)	Provider of mission critical emergency mass notification solutions	First lien senior secured loan (\$46.0 par due 6/2023)	8.75% (Libor + 2.63% Cash + 5.12% PIK/Q)	6/1/2017	46.0	42.4 (2)(12)	
					46.0	42.4	0.48%
Total Investments					<u>\$ 19,810.0</u>	<u>\$ 20,009.5</u>	225.65%

Derivative Instruments

Forward currency contracts

Description	Notional Amount to be Purchased		Notional Amount to be sold		Counterparty	Settlement Date	Unrealized Appreciation / (Depreciation)
Forward currency contract	\$	240	CAD	309	Truist Financial Corporation	January 28, 2022	\$ (5)
Forward currency contract	\$	163	CAD	209	Truist Financial Corporation	January 19, 2022	(2)
Forward currency contract	\$	172	€	153	Truist Financial Corporation	January 28, 2022	(2)
Forward currency contract	\$	126	£	95	Truist Financial Corporation	January 28, 2022	(3)
Forward currency contract	\$	1	CAD	2	Truist Financial Corporation	January 28, 2022	—
Total							<u>\$ (12)</u>

- (1) Other than the Company's investments listed in footnote 5 below (subject to the limitations set forth therein), the Company does not "Control" any of its portfolio companies, for the purposes of the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"). In general, under the Investment Company Act, the Company would "Control" a portfolio company if the Company owned more than 25% of its outstanding voting securities (i.e., securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. All of the Company's portfolio company investments, which as of December 31, 2021 represented 226% of the Company's net assets or 96% of the Company's total assets, are subject to legal restrictions on sales.
- (2) These assets are pledged as collateral under the Company's or the Company's consolidated subsidiaries' various revolving credit facilities and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than the obligations under each of the respective facility (see Note 5).
- (3) Investments without an interest rate are non-income producing.

- (4) As defined in the Investment Company Act, the Company is deemed to be an “Affiliated Person” because it owns 5% or more of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2021 in which the issuer was an Affiliated Person of the Company (but not a portfolio company that the Company is deemed to Control) are as follows:

(in millions) Company	For the Year Ended December 31, 2021										As of December 31, 2021
	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)	Fair Value	
Apex Clean Energy TopCo, LLC	\$ 80.5	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (1.4)	\$ 79.1	
APG Intermediate Holdings Corporation and APG Holdings, LLC	\$ —	\$ 0.1	\$ —	\$ 1.0	\$ —	\$ —	\$ —	\$ —	\$ (1.1)	\$ 25.0	
Blue Angel Buyer 1, LLC and Blue Angel Holdco, LLC	\$ —	\$ —	\$ 9.7	\$ —	\$ —	\$ —	\$ —	\$ 46.3	\$ (18.4)	\$ —	
Blue Wolf Capital Fund II, L.P.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.5	\$ —	\$ 0.2	
Bragg Live Food Products, LLC and SPC Investment Co., L.P.	\$ 4.6	\$ 7.8	\$ —	\$ 3.1	\$ —	\$ 0.2	\$ 0.1	\$ —	\$ (4.4)	\$ 47.8	
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC	\$ —	\$ 27.2	\$ 4.5	\$ (0.5)	\$ —	\$ —	\$ 0.9	\$ 10.7	\$ (8.0)	\$ —	
ESCP PPG Holdings, LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.3)	\$ 2.8	
European Capital UK SME Debt LP	\$ —	\$ 7.7	\$ —	\$ —	\$ —	\$ 0.4	\$ —	\$ —	\$ 4.9	\$ 26.9	
Panda Temple Power, LLC and T1 Power Holdings LLC	\$ —	\$ 19.6	\$ —	\$ 0.2	\$ —	\$ —	\$ —	\$ 9.8	\$ 0.9	\$ —	
PCG-Ares Sidecar Investment II, L.P.	\$ 0.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.8	\$ 11.1	
PCG-Ares Sidecar Investment, L.P.	\$ —	\$ 0.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1.5	\$ 1.3	
Primrose Holding Corporation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12.9	\$ 27.0	
Production Resource Group, L.L.C. and PRG III, LLC	\$ 11.5	\$ 0.1	\$ —	\$ 4.8	\$ 0.3	\$ —	\$ —	\$ 0.1	\$ (4.3)	\$ 56.3	
Shock Doctor, Inc. and Shock Doctor Holdings, LLC	\$ 0.8	\$ 1.4	\$ —	\$ 1.4	\$ —	\$ —	\$ —	\$ 0.1	\$ 4.3	\$ 23.1	
Sundance Energy Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (1.1)	\$ 68.6	
Totes Isotoner Corporation and Totes Ultimate Holdco, Inc.	\$ —	\$ —	\$ —	\$ 0.3	\$ —	\$ —	\$ —	\$ —	\$ (1.5)	\$ 3.9	
	\$ 97.5	\$ 64.5	\$ 14.2	\$ 10.3	\$ 0.3	\$ 0.6	\$ 1.0	\$ 67.5	\$ (15.2)	\$ 373.1	

- (5) As defined in the Investment Company Act, the Company is deemed to be both an “Affiliated Person” and “Control” this portfolio company because it owns more than 25% of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2021 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control are as follows:

(in millions) Company	For the Year Ended December 31, 2021										As of December 31, 2021	
	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)	Fair Value		
Absolute Dental Group LLC and Absolute Dental Equity, LLC	\$ 50.5	\$ 26.4	\$ —	\$ 4.1	\$ 1.6	\$ —	\$ 0.1	\$ —	\$ 5.0	\$ 63.9		
ACAS Equity Holdings Corporation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.4	\$ 0.4		
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.	\$ —	\$ 58.4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (57.2)	\$ 58.4	\$ —		
BW Landco LLC	\$ —	\$ —	\$ 20.9	\$ —	\$ —	\$ —	\$ —	\$ 20.8	\$ (16.0)	\$ —		
CoLTs 2005-1 Ltd.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		
CoLTs 2005-2 Ltd.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.2	\$ —	\$ —		
Eckler Industries, Inc. and Eckler Purchaser LLC	\$ 3.5	\$ —	\$ —	\$ 2.5	\$ —	\$ —	\$ —	\$ —	\$ (8.1)	\$ 23.1		
Halex Holdings, Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		
HCI Equity, LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.1)	\$ —		
Heelstone Renewable Energy, LLC	\$ 41.7	\$ 8.5	\$ —	\$ 1.5	\$ 0.7	\$ 0.4	\$ —	\$ 0.2	\$ 9.3	\$ 69.4		
Imaging Business Machines, L.L.C. and Scanner Holdings Corporation	\$ —	\$ —	\$ —	\$ 2.4	\$ —	\$ —	\$ 0.6	\$ —	\$ 8.4	\$ 53.0		
Ivy Hill Asset Management, L.P.	\$ 347.5	\$ 70.5	\$ 37.0	\$ 2.9	\$ —	\$ 93.0	\$ —	\$ —	\$ 67.3	\$ 935.8		
Joyce Lane Capital LLC and Joyce Lane Financing SPV LLC (fka Ciena Capital LLC)	\$ —	\$ 0.3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.3		
Navisun LLC and Navisun Holdings LLC	\$ 6.6	\$ —	\$ —	\$ 8.9	\$ 0.1	\$ 0.4	\$ 0.1	\$ —	\$ 12.6	\$ 143.7		
NECCO Holdings, Inc. and New England Confectionery Company, Inc.	\$ 1.9	\$ 14.5	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (12.4)	\$ 8.0	\$ —		
NECCO Realty Investments LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		
Potomac Intermediate Holdings II LLC	\$ 68.4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 179.7		
PS Operating Company LLC and PS Op Holdings LLC	\$ 3.9	\$ 1.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 25.1		
Rug Doctor, LLC and RD Holdco Inc.	\$ —	\$ —	\$ —	\$ 2.4	\$ —	\$ —	\$ —	\$ —	\$ (1.1)	\$ 21.0		
S Toys Holdings LLC (fka The Step2 Company, LLC)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.3)	\$ 0.2		
Senior Direct Lending Program, LLC	\$ 232.2	\$ 367.7	\$ —	\$ 138.0	\$ 18.6	\$ —	\$ 3.8	\$ —	\$ —	\$ 987.3		
Singer Sewing Company, SVP-Singer Holdings, LLC and SVP-Singer Holdings LP	\$ —	\$ 234.2	\$ —	\$ 25.4	\$ 1.9	\$ 6.7	\$ 0.5	\$ 109.7	\$ (87.8)	\$ —		
Startec Equity, LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		
VPROP Operating, LLC and V SandCo, LLC	\$ 0.9	\$ —	\$ —	\$ 4.0	\$ —	\$ —	\$ —	\$ —	\$ 5.4	\$ 77.5		
	<u>\$ 757.1</u>	<u>\$ 781.7</u>	<u>\$ 57.9</u>	<u>\$ 192.1</u>	<u>\$ 22.9</u>	<u>\$ 100.5</u>	<u>\$ 5.1</u>	<u>\$ 61.3</u>	<u>\$ 61.4</u>	<u>\$ 2,580.4</u>		

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

afford the Company the right to elect directors of the SDLP or any other special rights (see Note 4 to the consolidated financial statements).

- (6) This portfolio company is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets. Pursuant to Section 55(a) of the Investment Company Act, 16% of the Company's total assets are represented by investments at fair value and other assets that are considered "non-qualifying assets" as of December 31, 2021.
- (7) Variable rate loans to the Company's portfolio companies bear interest at a rate that may be determined by reference to either the London Interbank Offered Rate ("LIBOR") or an alternate base rate (commonly based on the Federal Funds Rate or the Prime Rate), at the borrower's option, which reset annually (A), semi-annually (S), quarterly (Q), bi-monthly (B), monthly (M) or daily (D). For each such loan, the Company has provided the interest rate in effect on the date presented.
- (8) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.00% on \$46.9 in aggregate principal amount of a "first out" tranche of the portfolio company's senior term debt previously syndicated by the Company into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.
- (9) The Company sold a participating interest of approximately \$0.6 in aggregate principal amount of the portfolio company's first lien senior secured delayed draw term loan. As the transaction did not qualify as a "true sale" in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company recorded a corresponding \$0.2 secured borrowing, at fair value, included in "secured borrowings" in the accompanying consolidated balance sheet. As of December 31, 2021, the interest rate in effect for the secured borrowing was 14.50%.
- (10) The Company sold a participating interest of approximately \$75.0 in aggregate principal amount outstanding of the portfolio company's first lien senior secured revolving loan. As the transaction did not qualify as a "true sale" in accordance with GAAP, the Company recorded a corresponding \$73.2 secured borrowing, at fair value, included in "secured borrowings" in the accompanying consolidated balance sheet. As of December 31, 2021, the interest rate in effect for the secured borrowing was 8.50%.
- (11) Loan was on non-accrual status as of December 31, 2021.
- (12) Loan includes interest rate floor feature.
- (13) In addition to the interest earned based on the stated contractual interest rate of this security, the certificates entitle the holders thereof to receive a portion of the excess cash flow from the SDLP's loan portfolio, after expenses, which may result in a return to the Company greater than the contractual stated interest rate.
- (14) As of December 31, 2021, no amounts were funded by the Company under this first lien senior secured revolving loan; however, there were letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 for further information on letters of credit commitments related to certain portfolio companies.
- (15) As of December 31, 2021, in addition to the amounts funded by the Company under this first lien senior secured revolving loan, there were also letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 for further information on letters of credit commitments related to certain portfolio companies.
- (16) As of December 31, 2021, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to issue letters of credit through a financial intermediary on behalf of certain portfolio companies. Such commitments are subject to the satisfaction of certain conditions set forth in the documents governing these loans and letters of credit and there can be no assurance that such conditions will be satisfied. See Note 7 for further information on revolving and delayed draw loan commitments, including commitments to issue letters of credit, related to certain portfolio companies.

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
A.U.L. Corp.	\$ 1.2	\$ —	\$ 1.2	\$ —	\$ —	\$ 1.2
Absolute Dental Group LLC and Absolute Dental Equity, LLC	7.0	(4.0)	3.0	—	—	3.0
Abzena Holdings, Inc. and Astro Group Holdings Ltd.	13.7	—	13.7	—	—	13.7
Accommodations Plus Technologies LLC and Accommodations Plus Technologies Holdings LLC	4.1	(4.1)	—	—	—	—
ADG, LLC and RC IV GEDC Investor LLC	13.7	(11.9)	1.8	—	—	1.8
AffiniPay Midco, LLC and AffiniPay Intermediate Holdings, LLC	9.0	—	9.0	—	—	9.0
AI Aqua Merger Sub, Inc.	0.1	—	0.1	—	—	0.1
Alcami Corporation and ACM Holdings I, LLC	29.0	—	29.0	—	—	29.0
Alera Group, Inc.	1.0	—	1.0	—	—	1.0
American Residential Services L.L.C. and Aragorn Parent Holdings LP	4.5	—	4.5	—	—	4.5
Anaqua Parent Holdings, Inc. & Astorg VII Co-Invest Anaqua	4.3	—	4.3	—	—	4.3
APG Intermediate Holdings Corporation and APG Holdings, LLC	0.1	—	0.1	—	—	0.1
Appriss Health, LLC and Appriss Health Intermediate Holdings, Inc.	0.1	—	0.1	—	—	0.1
Apptio, Inc.	4.2	(1.7)	2.5	—	—	2.5
AQ Sunshine, Inc.	1.8	(0.3)	1.5	—	—	1.5
Argenbright Holdings V, LLC	1.3	—	1.3	—	—	1.3
Arrowhead Holdco Company and Arrowhead GS Holdings, Inc.	20.0	(5.0)	15.0	—	—	15.0
ASP-r-pac Acquisition CO LLC and ASP-r-pac Holdings LP	6.2	(1.2)	5.0	—	—	5.0
Athenahealth, Inc., VVC Holding Corp., Virence Intermediate Holding Corp., and Virence Holdings LLC	33.1	—	33.1	—	—	33.1
ATI Restoration, LLC	12.5	(11.4)	1.1	—	—	1.1
Atlas Intermediate III, L.L.C.	0.4	—	0.4	—	—	0.4
Aventine Intermediate LLC and Aventine Holdings II LLC	2.6	—	2.6	—	—	2.6
Avetta, LLC	4.2	—	4.2	—	—	4.2
AxiomSL Group, Inc. and Calypso Group, Inc.	3.9	—	3.9	—	—	3.9
Bamboo Purchaser, Inc.	4.1	—	4.1	—	—	4.1
Banyan Software Holdings, LLC	33.8	—	33.8	—	—	33.8
Beacon Pointe Harmony, LLC	9.0	—	9.0	—	—	9.0
Bearcat Buyer, Inc. and Bearcat Parent, Inc.	32.8	—	32.8	—	—	32.8
Belfor Holdings, Inc.	25.0	(4.0)	21.0	—	—	21.0
Benecon Midco II LLC and Locutus Holdco LLC	4.5	—	4.5	—	—	4.5
Benefytt Technologies, Inc.	5.9	—	5.9	—	—	5.9
Berner Food & Beverage, LLC	1.7	(0.7)	1.0	—	—	1.0
Borrower R365 Holdings LLC	1.5	—	1.5	—	—	1.5
Bragg Live Food Products, LLC and SPC Investment Co., L.P.	4.4	(1.7)	2.7	—	—	2.7
Businessolver.com, Inc.	18.9	—	18.9	—	—	18.9
Cadence Aerospace, LLC	15.1	(11.7)	3.4	—	—	3.4
Capstone Acquisition Holdings, Inc. and Capstone Parent Holdings, LP	27.3	(11.2)	16.1	—	—	16.1
Cardinal Parent, Inc. and Packers Software Intermediate Holdings, Inc.	5.0	(0.6)	4.4	—	—	4.4
CCS-CMGC Holdings, Inc.	12.0	(3.0)	9.0	—	—	9.0
CDI Holdings III Corp. and CDI Holdings I Corp.	0.9	—	0.9	—	—	0.9
Center for Autism and Related Disorders, LLC	8.5	(8.3)	0.2	—	—	0.2
Centric Brands LLC and Centric Brands GP LLC	7.9	(2.3)	5.6	—	—	5.6
Chariot Buyer LLC	12.3	(2.8)	9.5	—	—	9.5
Cobalt Buyer Sub, Inc., Cobalt Holdings I, LP, and Cobalt Intermediate I, Inc.	23.7	(0.6)	23.1	—	—	23.1
Commercial Trailer Leasing, Inc.	3.3	—	3.3	—	—	3.3

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
Comprehensive EyeCare Partners, LLC	1.9	(0.3)	1.6	—	—	1.6
Concert Golf Partners Holdco LLC	0.6	(0.1)	0.5	—	—	0.5
Consilio Midco Limited and Consilio Investment Holdings, L.P.	20.0	—	20.0	—	0	20.0
Continental Café, LLC and Infinity Ovation Yacht Charters, LLC	8.0	—	8.0	—	—	8.0
CoreLogic, Inc. and T-VIII Celestial Co-Invest LP	38.9	—	38.9	—	—	38.9
Cority Software Inc., IQS, Inc. and Cority Parent, Inc.	0.1	—	0.1	—	—	0.1
Cornerstone OnDemand, Inc. and Sunshine Software Holdings, Inc.	38.7	(0.1)	38.6	—	—	38.6
Cozzini Bros., Inc. and BH-Sharp Holdings LP	15.0	—	15.0	—	—	15.0
CrossCountry Mortgage, LLC	56.3	—	56.3	—	—	56.3
CST Buyer Company (d/b/a Intoxalock)	6.1	—	6.1	—	—	6.1
CVP Holdco, Inc. and OMERS Wildcats Investment Holdings LLC	19.7	(0.4)	19.3	—	—	19.3
DecoPac, Inc. and KCAKE Holdings Inc.	16.5	(2.4)	14.1	—	—	14.1
Denali Holdco LLC and Denali Topco LLC	5.4	—	5.4	—	—	5.4
DFC Global Facility Borrower III LLC	103.5	(73.2)	30.3	—	—	30.3
Diligent Corporation and Diligent Preferred Issuer, Inc.	9.7	—	9.7	—	—	9.7
Display Holding Company, Inc., Saldon Holdings, Inc. and Fastsigns Holdings Inc.	2.3	—	2.3	—	—	2.3
DRS Holdings III, Inc. and DRS Holdings I, Inc.	10.8	—	10.8	—	—	10.8
DS Admiral Bidco, LLC	0.1	—	0.1	—	—	0.1
DTI Holdco, Inc. and OPE DTI Holdings, Inc.	6.6	(5.2)	1.4	—	—	1.4
Dye & Durham Corporation	19.5	—	19.5	—	—	19.5
Dynamic NC Aerospace Holdings, LLC and Dynamic NC Investment Holdings, LP	7.1	—	7.1	—	—	7.1
Eckler Industries, Inc. and Eckler Purchaser LLC	6.9	(6.7)	0.2	—	(0.2)	—
Elemica Parent, Inc. & EZ Elemica Holdings, Inc.	4.1	(2.3)	1.8	—	—	1.8
Emergency Communications Network, LLC	6.5	—	6.5	—	—	6.5
EP Wealth Advisors, LLC	2.8	(0.2)	2.6	—	—	2.6
EpiServer Inc. and Episerver Sweden Holdings AB	14.5	—	14.5	—	—	14.5
EPS NASS Parent, Inc.	6.6	(0.9)	5.7	—	—	5.7
eResearch Technology, Inc. and Astorg VII Co-Invest ERT	2.5	—	2.5	—	—	2.5
Essential Services Holding Corporation and OMERS Mahomes Investment Holdings LLC	53.3	(1.0)	52.3	—	—	52.3
Extrahop Networks, Inc.	8.5	—	8.5	—	—	8.5
FL Hawk Intermediate Holdings, Inc.	0.5	—	0.5	—	—	0.5
Flinn Scientific, Inc. and WCI-Quantum Holdings, Inc.	10.0	(4.9)	5.1	—	—	5.1
Flow Control Solutions, Inc.	6.0	—	6.0	—	—	6.0
FM:Systems Group, LLC	1.5	(1.5)	—	—	—	—
Forescout Technologies, Inc.	0.1	—	0.1	—	—	0.1
Foundation Risk Partners, Corp.	38.1	—	38.1	—	—	38.1
FS Squared Holding Corp. and FS Squared, LLC	9.6	(0.5)	9.1	—	—	9.1
Galway Borrower LLC	23.3	(0.4)	22.9	—	—	22.9
Garden Fresh Restaurant Corp. and GFRC Holdings LLC	7.5	(7.5)	—	—	—	—
Genesis Acquisition Co. and Genesis Ultimate Holding Co.	1.5	(1.5)	—	—	—	—
GHX Ultimate Parent Corporation, Commerce Parent, Inc. and Commerce Topco, LLC	47.5	—	47.5	—	—	47.5
GI Ranger Intermediate LLC	9.0	—	9.0	—	—	9.0
Global Music Rights, LLC	4.3	—	4.3	—	—	4.3
GraphPAD Software, LLC, Insightful Science Intermediate I, LLC and Insightful Science Holdings, LLC	5.0	—	5.0	—	—	5.0
Green Street Parent, LLC and Green Street Intermediate Holdings, LLC	0.3	—	0.3	—	—	0.3
HAI Acquisition Corporation and Aloha Topco, LLC	19.0	—	19.0	—	—	19.0

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
Halcon Holdings, LLC	6.8	—	6.8	—	—	6.8
Harvey Tool Company, LLC	29.5	(5.9)	23.6	—	—	23.6
HealthEdge Software, Inc.	42.3	(0.3)	42.0	—	—	42.0
Heavy Construction Systems Specialists, LLC	4.0	—	4.0	—	—	4.0
Heelstone Renewable Energy, LLC	51.0	—	51.0	—	—	51.0
Help/Systems Holdings, Inc.	7.5	—	7.5	—	—	7.5
HH-Stella, Inc. and Bedrock Parent Holdings, LP	18.1	(0.5)	17.6	—	—	17.6
High Street Buyer, Inc. and High Street Holdco LLC	8.0	—	8.0	—	—	8.0
Highline Aftermarket Acquisition, LLC, Highline Aftermarket SC Acquisition, Inc. and Highline PPC Blocker LLC	9.5	(5.9)	3.6	—	—	3.6
Hometown Food Company	3.9	—	3.9	—	—	3.9
Huskies Parent, Inc., GI Insurity Parent LLC and GI Insurity TopCo LP	22.6	(1.6)	21.0	—	—	21.0
IntraPac International LLC and IntraPac Canada Corporation	19.2	(6.2)	13.0	—	—	13.0
JDC Healthcare Management, LLC	4.4	(4.4)	—	—	—	—
Jim N Nicks Management, LLC	4.8	(2.8)	2.0	—	—	2.0
Joyce Lane Capital LLC and Joyce Lane Financing SPV LLC (fka Ciena Capital LLC)	1.4	—	1.4	—	—	1.4
K2 Insurance Services, LLC and K2 Holdco LP	10.9	—	10.9	—	—	10.9
KBHS Acquisition, LLC (d/b/a Alita Care, LLC)	5.0	(0.8)	4.2	—	—	4.2
Kellermeyer Bergensons Services, LLC	23.0	—	23.0	—	—	23.0
Kene Acquisition, Inc. and Kene Holdings, L.P.	8.9	(0.2)	8.7	—	—	8.7
Laboratories Bidco LLC and Laboratories Topco LLC	44.6	—	44.6	—	—	44.6
Lakers Buyer, Inc. and Lakers Parent LLC	11.1	(3.6)	7.5	—	—	7.5
Lew's Intermediate Holdings, LLC	2.3	(1.8)	0.5	—	—	0.5
Lido Advisors, LLC	0.8	—	0.8	—	—	0.8
LSP Holdco, LLC and ZBS Mechanical Group Co-Invest Fund 2, LLC	16.2	—	16.2	—	—	16.2
Majesco and Magic Topco, L.P.	2.0	—	2.0	—	—	2.0
Manna Pro Products, LLC	7.0	(1.9)	5.1	—	—	5.1
Maverick Acquisition, Inc.	17.2	—	17.2	—	—	17.2
Mavis Tire Express Services Topco Corp., Metis Holdco, Inc. and Metis Topco, LP	32.9	(23.4)	9.5	—	—	9.5
McKenzie Creative Brands, LLC	4.5	—	4.5	—	—	4.5
Medline Borrower, LP	6.9	—	6.9	—	—	6.9
Micromeritics Instrument Corp.	4.1	(0.1)	4.0	—	—	4.0
Ministry Brands Holdings, LLC and RCP MB Investments B, L.P.	31.3	—	31.3	—	—	31.3
Ministry Brands, LLC and MB Parent HoldCo, L.P. (dba Community Brands)	10.9	(5.0)	5.9	—	—	5.9
MMIT Holdings, LLC	4.6	(0.6)	4.0	—	—	4.0
Monica Holdco (US) Inc.	3.6	—	3.6	—	—	3.6
Moon Valley Nursery of Arizona Retail, LLC, Moon Valley Nursery Farm Holdings, LLC, Moon Valley Nursery RE Holdings LLC, and Stonecourt IV Partners, LP	15.2	—	15.2	—	—	15.2
MRI Software LLC	10.2	—	10.2	—	—	10.2
n2y Holding, LLC	0.1	—	0.1	—	—	0.1
NAS, LLC and Nationwide Marketing Group, LLC	3.0	(0.6)	2.4	—	—	2.4
National Intergovernmental Purchasing Alliance Company	9.0	—	9.0	—	—	9.0
NCWS Intermediate, Inc. and NCWS Holdings LP	28.3	—	28.3	—	—	28.3
Nelipak Holding Company, Nelipak European Holdings Coöperatief U.A., KNPak Holdings, LP and PAKNK Netherlands Treasury B.V.	0.6	(0.2)	0.4	—	—	0.4
Nest Topco Borrower Inc., KKR Nest Co-Invest L.P., and NBY 2021-1	119.1	—	119.1	—	—	119.1
NMC Skincare Intermediate Holdings II, LLC	9.1	(6.2)	2.9	—	—	2.9
NMN Holdings III Corp. and NMN Holdings LP	12.5	(1.1)	11.4	—	—	11.4
North American Fire Holdings, LLC and North American Fire Ultimate Holdings, LLC	23.9	—	23.9	—	—	23.9

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
North American Science Associates, LLC, Cardinal Purchaser LLC and Cardinal Topco Holdings, L.P.	6.0	—	6.0	—	—	6.0
North Haven Falcon Buyer, LLC and North Haven Falcon Holding Company, LLC	6.7	—	6.7	—	—	6.7
North Haven Stack Buyer, LLC	10.0	—	10.0	—	—	10.0
NSM Insurance Group, LLC	6.0	(0.7)	5.3	—	—	5.3
NueHealth Performance, LLC	6.2	(3.3)	2.9	—	—	2.9
Olympia Acquisition, Inc. and Olympia TopCo, L.P.	11.0	(10.3)	0.7	—	—	0.7
OneDigital Borrower LLC	7.5	—	7.5	—	—	7.5
Padres L.P.	64.2	—	64.2	—	—	64.2
Pathway Vet Alliance LLC and Jedi Group Holdings LLC	1.9	—	1.9	—	—	1.9
Patriot Growth Insurance Services, LLC	6.7	—	6.7	—	—	6.7
Paya, Inc and GTCR-Ultra Holdings LLC	4.5	—	4.5	—	—	4.5
PDI TA Holdings, Inc., Peachtree Parent, Inc. and Insight PDI Holdings, LLC	7.6	—	7.6	—	—	7.6
Pegasus Global Enterprise Holdings, LLC, Mekone Blocker Acquisition, Inc. and Mekone Parent, LLC	45.9	—	45.9	—	—	45.9
Pelican Products, Inc.	2.3	—	2.3	—	—	2.3
People Corporation	29.4	(2.9)	26.5	—	—	26.5
Perforce Software, Inc.	0.5	—	0.5	—	—	0.5
Petroleum Service Group LLC	16.9	(3.8)	13.1	—	—	13.1
Pluralsight, Inc.	0.3	—	0.3	—	0	0.3
Precinmac (US) Holdings Inc., Trimaster Manufacturing Inc. and Blade Group Holdings, LP.	15.5	—	15.5	—	—	15.5
Premier Specialties, Inc. and RMCF V CIV XLIV, L.P.	11.0	—	11.0	—	—	11.0
Premise Health Holding Corp. and OMERS Bluejay Investment Holdings LP	36.0	(12.6)	23.4	—	—	23.4
Pritchard Industries, LLC and LJ Pritchard TopCo Holdings, LLC	29.7	—	29.7	—	—	29.7
Production Resource Group, L.L.C. and PRG III, LLC	2.5	—	2.5	—	—	2.5
ProfitSolv Purchaser, Inc. and PS Co-Invest, L.P.	15.0	—	15.0	—	—	15.0
Project Essential Bidco, Inc. and Project Essential Super Parent, Inc.	1.1	—	1.1	—	—	1.1
Project Potter Buyer, LLC and Project Potter Parent, L.P.	43.8	(0.9)	42.9	—	—	42.9
Proofpoint, Inc.	3.1	—	3.1	—	—	3.1
PS Operating Company LLC and PS Op Holdings LLC	5.9	(2.8)	3.1	—	—	3.1
Pyramid Management Advisors, LLC and Pyramid Investors, LLC	9.7	(9.7)	—	—	0	—
QF Holdings, Inc.	6.0	—	6.0	—	—	6.0
Radius Aerospace, Inc. and Radius Aerospace Europe Limited	2.9	—	2.9	—	—	2.9
Raptor Technologies, LLC, Sycamore Bidco LTD and Rocket Parent, LLC	4.4	—	4.4	—	—	4.4
Reddy Ice LLC	0.3	—	0.3	—	—	0.3
Redwood Services, LLC and Redwood Services Holdco, LLC	4.7	—	4.7	—	—	4.7
Reef Lifestyle, LLC	32.8	(13.2)	19.6	—	—	19.6
Registrar Intermediate, LLC and PSP Registrar Co-Investment Fund, L.P.	28.0	—	28.0	—	—	28.0
Relativity ODA LLC	3.8	—	3.8	—	—	3.8
Repairify, Inc. and Repairify Holdings, LLC	7.3	—	7.3	—	—	7.3
Rialto Management Group, LLC	1.3	(0.2)	1.1	—	—	1.1
RMS HoldCo II, LLC and RMS Group Holdings, Inc.	2.9	—	2.9	—	—	2.9
Rodeo AcquisitionCo LLC	6.2	(0.4)	5.8	—	—	5.8
RSC Acquisition, Inc. and RSC Insurance Brokerage, Inc.	0.6	(0.3)	0.3	—	—	0.3
RTI Surgical, Inc. and Pioneer Surgical Technology, Inc.	15.9	(5.0)	10.9	—	—	10.9

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
Safe Home Security, Inc., Security Systems Inc., Safe Home Monitoring, Inc., National Protective Services, Inc., Bright Integrations LLC and Medguard Alert, Inc.	8.5	—	8.5	—	—	8.5
Schill Landscaping and Lawn Care Services, LLC and Landscape Parallel Partners, LP	5.1	—	5.1	—	—	5.1
SCIH Salt Holdings Inc.	7.5	(6.2)	1.3	—	—	1.3
SCM Insurance Services Inc.	4.3	—	4.3	—	—	4.3
SFE Intermediate Holdco LLC	10.2	—	10.2	—	—	10.2
Shock Doctor, Inc. and Shock Doctor Holdings, LLC	2.5	(1.2)	1.3	—	—	1.3
Shur-Co Acquisition, Inc. and Shur-Co Holdco, Inc.	5.0	(1.0)	4.0	—	—	4.0
SiroMed Physician Services, Inc. and SiroMed Equity Holdings, LLC	7.1	—	7.1	—	—	7.1
SM Wellness Holdings, Inc. and SM Holdco, Inc.	3.8	—	3.8	—	—	3.8
Spring Insurance Solutions, LLC	5.6	—	5.6	—	—	5.6
Star US Bidco LLC	8.5	—	8.5	—	—	8.5
Stealth Holding LLC and UCIT Online Security Inc.	2.9	—	2.9	—	—	2.9
Sun Acquirer Corp. and Sun TopCo, LP	26.8	—	26.8	—	—	26.8
Sundance Group Holdings, Inc.	7.6	(0.9)	6.7	—	—	6.7
Sunk Rock Foundry Partners LP, Hatteras Electrical Manufacturing Holding Company and Sigma Electric Manufacturing Corporation, Diecast Beacon	7.5	(0.6)	6.9	—	—	6.9
Sunshine Sub, LLC	5.8	—	5.8	—	—	5.8
SV-Burton Holdings, LLC and LBC Breeze Holdings LLC	7.3	—	7.3	—	—	7.3
Symplr Software Inc. and Symplr Software Intermediate Holdings, Inc.	7.0	—	7.0	—	—	7.0
Synergy HomeCare Franchising, LLC and NP/Synergy Holdings, LLC	4.2	—	4.2	—	—	4.2
TA/WEG Holdings, LLC	9.3	(0.8)	8.5	—	—	8.5
Taymax Group, L.P., Taymax Group G.P., LLC, PF Salem Canada ULC and TCP Fit Parent, L.P.	1.9	(0.5)	1.4	—	(0.3)	1.1
TCP Hawker Intermediate LLC	5.3	—	5.3	—	—	5.3
Teligent, Inc.	3.4	—	3.4	—	(3.4)	—
TerSera Therapeutics LLC	0.1	—	0.1	—	—	0.1
The Alaska Club Partners, LLC, Athletic Club Partners LLC and The Alaska Club, Inc.	1.1	—	1.1	—	—	1.1
The Arcticom Group, LLC and AMCP Mechanical Holdings, LP	29.5	(2.0)	27.5	—	—	27.5
The Ultimate Software Group, Inc. and H&F Unite Partners, L.P.	10.0	(0.1)	9.9	—	—	9.9
The Ultimus Group Midco, LLC, The Ultimus Group, LLC, and The Ultimus Group Aggregator, LP	6.9	—	6.9	—	—	6.9
Therapy Brands Holdings LLC	8.6	—	8.6	—	—	8.6
Thermostat Purchaser III, Inc.	11.7	—	11.7	—	—	11.7
THG Acquisition, LLC	34.8	—	34.8	—	—	34.8
United Digestive MSO Parent, LLC	8.4	—	8.4	—	—	8.4
US Salt Investors, LLC and Emerald Lake Pearl Acquisition-A, L.P.	9.9	—	9.9	—	—	9.9
Verscend Holding Corp.	22.5	(0.1)	22.4	—	—	22.4
VLS Recovery Services, LLC	23.8	(1.5)	22.3	—	—	22.3
VPP Intermediate Holdings, LLC and VPP Group Holdings, L.P.	6.2	—	6.2	—	—	6.2
VPROP Operating, LLC and V SandCo, LLC	7.1	—	7.1	—	—	7.1
VS Buyer, LLC	8.1	—	8.1	—	—	8.1
Watchfire Enterprises, Inc.	2.0	—	2.0	—	—	2.0
Watermill Express, LLC and Watermill Express Holdings, LLC	1.9	—	1.9	—	—	1.9
WebPT, Inc.	0.1	—	0.1	—	—	0.1
Wellness AcquisitionCo, Inc.	0.1	—	0.1	—	—	0.1
Wildcat BuyerCo, Inc. and Wildcat Parent, LP	9.9	—	9.9	—	0	9.9
WorkWave Intermediate II, LLC	5.2	—	5.2	—	—	5.2
WSHP FC Acquisition LLC	10.3	(1.5)	8.8	—	—	8.8

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
XIFIN, Inc. and ACP Charger Co-Invest LLC	8.9	(1.1)	7.8	—	—	7.8
YE Brands Holdings, LLC	1.2	—	1.2	—	—	1.2
	<u>\$ 2,732.5</u>	<u>\$ (352.3)</u>	<u>\$ 2,380.2</u>	<u>\$ —</u>	<u>\$ (3.9)</u>	<u>\$ 2,376.3</u>

(17) As of December 31, 2021, the Company was party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

(in millions) Company	Total private equity commitments	Less: funded private equity commitments	Total unfunded private equity commitments	Less: private equity commitments substantially at the discretion of the Company	Total net adjusted unfunded private equity commitments
PCG-Ares Sidecar Investment, L.P. and PCG-Ares Sidecar Investment II, L.P.	\$ 50.0	\$ (12.5)	\$ 37.5	\$ (37.5)	—
European Capital UK SME Debt LP	60.9	(55.1)	5.8	(5.8)	—
	<u>\$ 110.9</u>	<u>\$ (67.6)</u>	<u>\$ 43.3</u>	<u>\$ (43.3)</u>	<u>\$ —</u>

(18) As of December 31, 2021, the Company had commitments to co-invest in the SDLP for its portion of the SDLP's commitment to fund delayed draw loans of up to \$62. See Note 4 to the consolidated financial statements for more information on the SDLP.

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

(20) As of December 31, 2021, the estimated net unrealized gain for federal tax purposes was \$0.1 billion based on a tax cost basis of \$19.9. As of December 31, 2021, the estimated aggregate gross unrealized loss for federal income tax purposes was \$0.7 billion and the estimated aggregate gross unrealized gain for federal income tax purposes was \$0.8 billion.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2020
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Health Care Services							
Absolute Dental Group LLC and Absolute Dental Equity, LLC (5) (15)	Dental services provider	First lien senior secured loan (\$9.2 par due 9/2022)	11.00% PIK (Libor + 10.00%/Q)	1/5/2016	\$ 9.2	\$ 9.2 (2)(11)	
		First lien senior secured loan (\$16.4 par due 9/2022)	11.00% PIK (Libor + 10.00%/Q)	1/5/2016	16.4	16.4 (2)(11)	
		Class A pref units (14,750,000 units)		1/5/2016	4.7	5.3 (2)	
		Common units (7,200,000 units)		1/5/2016	—	— (2)	
					30.3	30.9	
Acessa Health Inc. (fka HALT Medical, Inc.)	Medical supply provider	Common stock (569,823 shares)		6/22/2017	0.1	—	
ADCS Billings Intermediate Holdings, LLC (15)	Dermatology practice	First lien senior secured revolving loan (\$4.8 par due 5/2022)	6.75% (Libor + 5.75%/Q)	5/18/2016	4.8	4.7 (2)(11)	
ADG, LLC and RC IV GEDC Investor LLC (15)	Dental services provider	First lien senior secured revolving loan (\$7.7 par due 9/2022)	7.50% (Libor + 1.50% Cash, 2.75% PIK/M)	9/28/2016	7.7	6.9 (2)(11)	
		Second lien senior secured loan (\$103.3 par due 3/2024)		9/28/2016	89.0	77.5 (2)(10)	
		Membership units (3,000,000 units)		9/28/2016	3.0	— (2)	
					99.7	84.4	
Alteon Health, LLC	Provider of physician management services	First lien senior secured loan (\$2.8 par due 9/2023)	7.50% (Libor + 6.50%/Q)	5/15/2017	2.8	2.3 (2)(11)	
Athenahealth, Inc., VVC Holding Corp., Virence Intermediate Holding Corp., and Virence Holdings LLC (15)	Revenue cycle management provider to the physician practices and acute care hospitals	Second lien senior secured loan (\$210.3 par due 2/2027)	8.65% (Libor + 8.50%/M)	2/11/2019	210.3	210.3 (2)	
		Senior preferred stock (121,810 shares)	11.28% PIK (Libor + 11.13%/Q)	2/11/2019	149.4	149.4 (2)	
		Class A interests (0.39% interest)		2/11/2019	9.0	13.9 (2)	
					368.7	373.6	
Bearcat Buyer, Inc. and Bearcat Parent, Inc. (15)	Provider of central institutional review boards over clinical trials	First lien senior secured revolving loan (\$0.1 par due 7/2024)	5.25% (Libor + 4.25%/Q)	7/9/2019	0.1	0.1 (2)(11)	
		First lien senior secured loan (\$30.6 par due 7/2026)	5.25% (Libor + 4.25%/Q)	7/9/2019	30.6	30.6 (2)(11)	
		First lien senior secured loan (\$17.0 par due 7/2026)	5.25% (Libor + 4.25%/Q)	9/10/2019	17.0	17.0 (2)(11)	
		Second lien senior secured loan (\$64.2 par due 7/2027)	9.25% (Libor + 8.25%/Q)	7/9/2019	64.2	64.2 (2)(11)	
		Second lien senior secured loan (\$5.3 par due 7/2027)	9.25% (Libor + 8.25%/Q)	7/9/2019	5.3	5.3 (2)(11)	
		Second lien senior secured loan (\$12.7 par due 7/2027)	9.25% (Libor + 8.25%/Q)	9/10/2019	12.7	12.7 (2)(11)	
		Class B common units (4,211 units)		7/9/2019	4.2	8.3 (2)	
					134.1	138.2	
CCS-CMGC Holdings, Inc. (15)	Correctional facility healthcare operator	First lien senior secured revolving loan		10/1/2018	—	— (13)	
		First lien senior secured loan (\$34.3 par due 10/2025)	5.67% (Libor + 5.50%/Q)	9/25/2018	34.1	32.9 (2)	
					34.1	32.9	
Center for Autism and Related Disorders, LLC (15)	Autism treatment and services provider specializing in applied behavior analysis therapy	First lien senior secured revolving loan (\$7.5 par due 11/2023)	4.73% (Libor + 4.50%/Q)	11/21/2018	7.5	7.1 (2)(14)	
Comprehensive EyeCare Partners, LLC (15)	Vision care practice management company	First lien senior secured revolving loan (\$1.3 par due 2/2024)	7.00% (Libor + 5.75%/Q)	2/14/2018	1.3	1.3 (2)(11)	
		First lien senior secured loan (\$5.3 par due 2/2024)	7.00% (Libor + 5.75%/Q)	2/14/2018	5.3	5.2 (2)(11)	
		First lien senior secured loan (\$1.0 par due 2/2024)	8.00% (Base Rate + 4.75%/Q)	2/14/2018	1.0	1.0 (2)(11)	
		First lien senior secured loan (\$2.7 par due 2/2024)	7.00% (Libor + 5.75%/Q)	2/14/2018	2.7	2.7 (2)(11)	
					10.3	10.2	

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Convey Health Solutions, Inc.	Healthcare workforce management software provider	First lien senior secured loan (\$3.1 par due 9/2026)	6.25% (Libor + 5.25%/Q)	9/4/2019	3.1	3.1	(2)(11)
		First lien senior secured loan (\$2.3 par due 9/2026)	10.00% (Libor + 9.00%/Q)	4/8/2020	2.3	2.3	(2)(11)
					5.4	5.4	
CVP Holdco, Inc. and OMERS Wildcats Investment Holdings LLC (15)	Veterinary hospital operator	First lien senior secured revolving loan		10/31/2019	—	—	(13)
		First lien senior secured loan (\$53.2 par due 10/2025)	6.25% (Libor + 5.25%/Q)	10/31/2019	53.2	53.2	(2)(11)
		First lien senior secured loan (\$31.3 par due 10/2025)	6.25% (Libor + 5.25%/Q)	10/31/2019	31.3	31.3	(2)(11)
		Common stock (32,429 shares)		10/31/2019	10.0	11.9	(2)
					94.5	96.4	
D4C Dental Brands HoldCo, Inc. and Bambino Group Holdings, LLC	Dental services provider	Class A preferred units (1,000,000 units)		12/21/2016	1.0	1.0	(2)
DCA Investment Holding LLC (15)	Multi-branded dental practice management	First lien senior secured revolving loan (\$5.7 par due 7/2021)	6.25% (Libor + 5.25%/Q)	7/2/2015	5.7	5.5	(2)(11)(14)
		First lien senior secured loan (\$18.1 par due 7/2021)	6.25% (Libor + 5.25%/Q)	7/2/2015	18.1	17.6	(2)(11)
					23.8	23.1	
Emerus Holdings, Inc.	Freestanding 24-hour emergency care micro-hospitals operator	First lien senior secured loan (\$16.9 par due 2/2022)	14.00%	2/21/2019	16.9	16.9	(2)
Evolut Health LLC and Evolut Health, Inc. (15)	Medical technology company focused on value based care services and payment solutions	First lien senior secured loan (\$67.1 par due 12/2024)	9.00% (Libor + 8.00%/Q)	12/30/2019	61.2	75.9	(2)(6)(11)
		Warrant to purchase up to 1,354,968 shares of common stock (expires 1/2025)		12/30/2019	5.9	7.0	(2)(6)
					67.1	82.9	
GHX Ultimate Parent Corporation, Commerce Parent, Inc. and Commerce Topco, LLC	On-demand supply chain automation solutions provider to the healthcare industry	Second lien senior secured loan (\$34.5 par due 6/2025)	9.00% (Libor + 8.00%/Q)	6/30/2017	34.3	34.5	(2)(11)
		Second lien senior secured loan (\$55.0 par due 6/2025)	9.00% (Libor + 8.00%/Q)	1/13/2020	55.0	55.0	(2)(11)
		Series A preferred stock (110,425 shares)	11.75% (Libor + 10.75%/Q)	6/30/2017	166.9	166.9	(2)(11)
		Class A units (14,013,303 units)		6/30/2017	14.0	17.3	(2)
					270.2	273.7	
Global Medical Response Inc	Emergency air medical services provider	Senior subordinated loan (\$182.7 par due 3/2026)	8.88% (Libor + 7.88%/Q)	3/14/2018	182.7	182.7	(2)(11)
		Warrant to purchase up to 115,733 units of common stock (expires 3/2028)		3/14/2018	0.9	2.1	(2)
					183.6	184.8	
HealthEdge Software, Inc. (15)	Provider of financial, administrative and clinical software platforms to the healthcare industry	First lien senior secured revolving loan		4/9/2020	—	—	(13)
		First lien senior secured loan (\$47.5 par due 4/2026)	7.25% (Libor + 6.25%/M)	12/16/2020	47.5	47.5	(2)(11)
		First lien senior secured loan (\$3.7 par due 4/2026)	7.25% (Libor + 6.25%/M)	4/9/2020	3.7	3.7	(2)(11)
		First lien senior secured loan (\$10.7 par due 4/2026)	7.25% (Libor + 6.25%/M)	4/9/2020	10.7	10.7	(2)(11)
					61.9	61.9	
Hygiene Borrower LLC (15)	Adenosine triphosphate testing technology provider	Second lien senior secured loan (\$2.5 par due 8/2023)	8.75% (Libor + 7.75%/Q)	8/26/2016	2.5	2.5	(2)(11)
		Second lien senior secured loan (\$10.7 par due 8/2023)	8.75% (Libor + 7.75%/Q)	2/27/2017	10.7	10.7	(2)(11)
		Second lien senior secured loan (\$11.1 par due 8/2023)	8.75% (Libor + 7.75%/Q)	6/29/2018	11.1	11.1	(2)(11)
		Second lien senior secured loan (\$0.6 par due 8/2023)	8.75% (Libor + 7.75%/Q)	6/29/2018	0.6	0.6	(2)(11)
					24.9	24.9	
JDC Healthcare Management, LLC (15)	Dental services provider	First lien senior secured revolving loan (\$0.8 par due 4/2022)		4/10/2017	0.5	0.6	(2)(10)

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		First lien senior secured loan (\$29.9 par due 4/2023)		4/10/2017	27.9	23.1	(2)(10)
		First lien senior secured loan (\$4.2 par due 4/2023)		4/10/2017	3.9	3.2	(2)(10)
					32.3	26.9	
LivaNova USA Inc.	Medical device company focused on treating cardiovascular and neurological diseases	First lien senior secured loan (\$42.5 par due 6/2025)	7.50% (Libor + 6.50%/Q)	6/10/2020	42.5	42.0	(11)
MB2 Dental Solutions, LLC (15)	Dental services provider	First lien senior secured revolving loan (\$2.9 par due 9/2023)	8.75% (Base Rate + 5.50%/Q)	9/29/2017	2.9	2.9	(2)(11)
MCH Holdings, Inc. and MC Acquisition Holdings I, LLC	Healthcare professional provider	First lien senior secured loan (\$113.5 par due 7/2021)	8.50% (Libor + 7.00%/M)	7/26/2017	113.5	113.5	(2)(11)
		Class A units (1,438,643 shares)		1/17/2014	1.5	1.1	(2)
					115.0	114.6	
Minerva Surgical, Inc. (15)	Medical device company focused on women's health	First lien senior secured loan (\$31.5 par due 12/2022)	11.50% (Libor + 3.50% Cash, 6.00% PIK/Q)	12/30/2019	30.7	31.5	(2)(11)
Napa Management Services Corporation and ASP NAPA Holdings, LLC	Anesthesia management services provider	Second lien senior secured loan (\$72.8 par due 10/2023)	12.00% PIK (Libor + 11.00%/Q)	4/19/2016	72.8	67.0	(2)(11)
		Preferred units (1,842 units)	15.00% PIK	6/29/2020	0.1	0.1	(2)
		Senior preferred units (5,320 units)	8.00% PIK	6/29/2020	0.3	0.3	(2)
		Class A units (25,277 units)		4/19/2016	2.5	0.9	(2)
					75.7	68.3	
NMN Holdings III Corp. and NMN Holdings LP (15)	Provider of complex rehabilitation technology solutions for patients with mobility loss	First lien senior secured revolving loan		11/13/2018	—	—	(13)
		Partnership units (30,000 units)		11/13/2018	3.0	4.7	(2)
					3.0	4.7	
NueHealth Performance, LLC (15)	Developer, builder and manager of specialty surgical hospitals and ambulatory surgery centers	First lien senior secured loan (\$11.1 par due 9/2023)	8.25% (Libor + 7.25%/M)	9/27/2018	11.1	11.0	(2)(11)
		First lien senior secured loan (\$1.5 par due 9/2023)	8.25% (Libor + 7.25%/M)	9/27/2018	1.5	1.5	(2)(11)
					12.6	12.5	
Olympia Acquisition, Inc. and Olympia TopCo, L.P. (15)	Behavioral health and special education platform provider	First lien senior secured revolving loan (\$10.1 par due 9/2024)	8.50% (Libor + 5.50% Cash, 2.00% PIK/Q)	9/24/2019	10.1	9.3	(2)(11)
		First lien senior secured loan (\$0.0 par due 9/2026)	8.50% (Libor + 5.50% Cash, 2.00% PIK/M)	12/31/2020	0.1	—	(2)(11)
		First lien senior secured loan (\$42.5 par due 9/2026)	8.50% (Libor + 5.50% Cash, 2.00% PIK/M)	9/24/2019	42.5	39.1	(2)(11)
		Class A common units (9,549,000 units)		9/24/2019	9.5	3.2	(2)
					62.2	51.6	
OMH-HealthEdge Holdings, LLC	Provider of financial, administrative and clinical software platforms to the healthcare industry	First lien senior secured loan (\$26.4 par due 10/2025)	6.25% (Libor + 5.25%/Q)	10/24/2019	26.4	26.4	(2)(11)
OneSmile Intermediate, LLC	Dental services provider	Senior subordinated loan (\$8.5 par due 10/2026)	8.00% PIK	12/1/2020	8.5	7.1	(2)
OSYS Holdings, LLC	Provider of technology-enabled solutions to pharmacies	Limited liability company membership interest (1.57%)		11/21/2013	1.0	0.7	(2)
Pathway Vet Alliance LLC and Jedi Group Holdings LLC (15)	Veterinary hospital operator	First lien senior secured revolving loan		3/31/2020	—	—	(13)
		Second lien senior secured loan (\$76.3 par due 3/2028)	8.75% (Libor + 7.75%/M)	3/31/2020	76.3	76.3	(2)(11)
		Class R common units (6,004,768 units)		3/31/2020	6.0	8.0	(2)
					82.3	84.3	
Performance Health Supply, Inc.	Distributor of rehabilitation supplies and equipment	Second lien senior secured loan (\$84.0 par due 8/2023)	11.50% PIK (Libor + 10.50%/Q)	9/2/2015	83.3	74.8	(2)(11)
PetVet Care Centers, LLC	Veterinary hospital operator	First lien senior secured loan (\$26.0 par due 2/2025)	5.25% (Libor + 4.25%/M)	10/31/2019	25.6	26.0	(2)(11)

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PhyMED Management LLC	Provider of anesthesia services	Second lien senior secured loan (\$50.0 par due 9/2022)	12.00% (Libor + 2.50% Cash, 8.50% PIK/Q)	12/18/2015	49.9	46.0	(2)(11)
Premise Health Holding Corp. and OMERS Bluejay Investment Holdings LP (15)	Provider of employer-sponsored onsite health and wellness clinics and pharmacies	First lien senior secured revolving loan (\$12.0 par due 7/2023)	3.47% (Libor + 3.25%/Q)	7/10/2018	12.0	11.9	(2)(14)
		First lien senior secured loan (\$10.7 par due 7/2025)	3.75% (Libor + 3.50%/Q)	7/10/2018	10.7	10.6	(2)
		Second lien senior secured loan (\$67.1 par due 7/2026)	7.75% (Libor + 7.50%/Q)	7/10/2018	66.6	67.1	(2)
		Class A units (9,775 units)		7/10/2018	9.8	14.4	(2)
					99.1	104.0	
Project Ruby Ultimate Parent Corp.	Provider of care coordination and transition management software solutions	First lien senior secured loan (\$1.6 par due 2/2024)	5.25% (Libor + 4.25%/Q)	12/31/2020	1.6	1.6	(2)(11)
		Second lien senior secured loan (\$1.4 par due 2/2025)	9.25% (Libor + 8.25%/Q)	12/31/2020	1.4	1.4	(2)(11)
					3.0	3.0	
Respicardia, Inc.	Developer of implantable therapies to improve cardiovascular health	Warrant to purchase up to 99,094 shares of Series C preferred stock (expires 6/2022)		6/28/2012	—	—	(2)
RTI Surgical, Inc. and Pioneer Surgical Technology, Inc. (15)	Manufacturer of biologic, metal and synthetic implants/devices	First lien senior secured loan (\$38.1 par due 7/2026)	8.25% (Libor + 6.75%/Q)	7/20/2020	38.1	37.4	(11)
SCSG EA Acquisition Company, Inc. (15)	Provider of outsourced clinical services to hospitals and health systems	First lien senior secured revolving loan		9/1/2017	—	—	(13)
SiroMed Physician Services, Inc. and SiroMed Equity Holdings, LLC (15)	Outsourced anesthesia provider	First lien senior secured loan (\$13.2 par due 3/2024)	5.75% (Libor + 4.75%/Q)	3/26/2018	13.2	10.4	(2)(11)
		Common units (684,854 units)		3/26/2018	4.8	—	(2)
					18.0	10.4	
SM Wellness Holdings, Inc. and SM Holdco, Inc. (15)	Breast cancer screening provider	First lien senior secured loan (\$7.0 par due 8/2024)	7.00% (Libor + 6.25%/Q)	8/1/2018	7.0	6.9	(2)(11)
		First lien senior secured loan (\$2.0 par due 8/2024)	7.00% (Libor + 6.25%/Q)	9/25/2019	2.0	2.0	(2)(11)
		Series A preferred stock (44,975 shares)	10.48% PIK (Libor + 10.25%/Q)	8/1/2018	60.2	60.2	(2)
		Series A units (8,041 units)		8/1/2018	8.0	—	(2)
		Series B units (804,142 units)		8/1/2018	—	4.4	(2)
					77.2	73.5	
Symplr Software Inc. and Symplr Software Intermediate Holdings, Inc. (15)	SaaS based healthcare compliance platform provider	Second lien senior secured loan (\$53.5 par due 12/2028)	8.50% (Libor + 7.75%/Q)	12/22/2020	53.5	52.4	(2)(11)
		Series C preferred shares (75,939 shares)	11.00% PIK	12/22/2020	76.1	76.1	(2)
					129.6	128.5	
Synergy HomeCare Franchising, LLC and NP/Synergy Holdings, LLC (15)	Franchisor of private-pay home care for the elderly	First lien senior secured revolving loan		4/2/2018	—	—	(13)
		First lien senior secured loan (\$15.7 par due 4/2024)	6.75% (Libor + 5.75%/Q)	4/2/2018	15.7	15.7	(2)(11)
		Common units (550 units)		4/2/2018	0.6	0.8	
					16.3	16.5	
Teligent, Inc.	Pharmaceutical company that develops, manufactures and markets injectable pharmaceutical products	Second lien senior secured loan (\$59.3 par due 6/2024)		12/13/2018	52.3	28.5	(2)(10)
		Second lien senior secured loan (\$34.3 par due 6/2024)		12/13/2018	30.4	16.5	(2)(10)
		Warrant to purchase up to 490,492 shares of common stock (expires 4/2025)		4/6/2020	—	—	(2)
		Warrant to purchase up to 122,548 shares of common stock (expires 7/2025)		7/20/2020	—	—	(2)
					82.7	45.0	
Touchstone Acquisition, Inc. and Touchstone Holding, L.P.	Manufacturer of consumable products in the dental, medical, cosmetic and consumer/industrial end-markets	First lien senior secured loan (\$25.2 par due 11/2025)	4.90% (Libor + 4.75%/M)	11/15/2018	25.2	24.7	(2)

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		First lien senior secured loan (\$11.2 par due 11/2025)	4.90% (Libor + 4.75%/M)	11/15/2018	11.2	10.9	
		Class A preferred units (2,149 units)	8.00% PIK	11/15/2018	2.5	2.5 (2)	
					38.9	38.1	
U.S. Anesthesia Partners, Inc.	Anesthesiology service provider	Second lien senior secured loan (\$71.8 par due 6/2025)	8.25% (Libor + 7.25%/Q)	6/16/2017	71.2	70.4 (2)(11)	
United Digestive MSO Parent, LLC (15)	Gastroenterology physician group	First lien senior secured loan (\$1.1 par due 12/2024)	5.00% (Libor + 4.00%/Q)	12/14/2018	1.1	1.1 (2)(11)	
		First lien senior secured loan (\$2.4 par due 12/2024)	5.00% (Libor + 4.00%/Q)	12/14/2018	2.4	2.4 (2)(11)	
					3.5	3.5	
Urgent Cares of America Holdings I, LLC and FastMed Holdings I, LLC	Operator of urgent care clinics	Preferred units (7,696,613 units)		6/11/2015	7.7	—	
		Series A common units (2,000,000 units)		6/11/2015	2.0	—	
		Series C common units (5,288,427 units)		6/11/2015	—	—	
					9.7	—	
Urology Management Associates, LLC and JWC/UMA Holdings, L.P.	Urology private practice	First lien senior secured loan (\$9.7 par due 8/2024)	6.00% (Libor + 5.00%/M)	8/31/2018	9.6	9.7 (11)	
		Limited partnership interests (3.64% interest)		8/31/2018	4.8	3.7 (2)	
					14.4	13.4	
WSHP FC Acquisition LLC (15)	Provider of biospecimen products for pharma research	First lien senior secured revolving loan (\$3.3 par due 3/2024)	7.25% (Libor + 6.25%/Q)	3/30/2018	3.3	3.3 (2)(11)	
		First lien senior secured loan (\$27.9 par due 3/2024)	7.25% (Libor + 6.25%/Q)	3/30/2018	27.9	27.9 (2)(11)	
		First lien senior secured loan (\$5.9 par due 3/2024)	7.25% (Libor + 6.25%/Q)	3/30/2018	5.9	5.9 (2)(11)	
		First lien senior secured loan (\$4.6 par due 3/2024)	7.25% (Libor + 6.25%/Q)	2/11/2019	4.6	4.6 (2)(11)	
		First lien senior secured loan (\$8.6 par due 3/2024)	7.25% (Libor + 6.25%/Q)	8/30/2019	8.6	8.6 (2)(11)	
		First lien senior secured loan (\$10.9 par due 3/2024)	7.25% (Libor + 6.25%/Q)	10/31/2019	10.9	10.9 (2)(11)	
					61.2	61.2	
					2,758.5	2,680.5	37.35%
Software & Services							
AffiniPay Midco, LLC and AffiniPay Intermediate Holdings, LLC (15)	Payment processing solution provider	First lien senior secured revolving loan		2/28/2020	—	— (13)	
		First lien senior secured loan (\$64.6 par due 3/2026)	6.25% (Libor + 5.00%/Q)	2/28/2020	64.6	64.6 (2)(11)	
		Senior subordinated loan (\$24.2 par due 2/2028)	12.75% PIK	2/28/2020	24.2	24.2 (2)	
					88.8	88.8	
Anaqua Parent Holdings, Inc. & Astorg VII Co-Invest Anaqua (15)	Provider of intellectual property management lifecycle software	First lien senior secured loan (\$5.1 par due 4/2026)	5.50% (Euribor + 5.50%/Q)	4/10/2019	4.7	5.1	
		Limited partnership units (4,400,000 units)		6/13/2019	5.0	8.8 (2)(6)	
					9.7	13.9	
APG Intermediate Holdings Corporation and APG Holdings, LLC (4)(15)	Aircraft performance software provider	First lien senior secured loan (\$12.8 par due 1/2025)	6.75% (Libor + 5.25%/Q)	1/3/2020	12.8	12.8 (2)(11)	
		First lien senior secured loan (\$0.8 par due 1/2025)	6.75% (Libor + 5.25%/Q)	1/3/2020	0.8	0.8 (2)(11)	
		Class A membership units (9,750,000 units)		1/3/2020	9.8	12.6 (2)	
					23.4	26.2	
Apptio, Inc. (15)	Provider of cloud-based technology business management solutions	First lien senior secured loan (\$62.2 par due 1/2025)	8.25% (Libor + 7.25%/Q)	1/10/2019	62.2	62.2 (11)	
Banyan Software Holdings, LLC (15)	Vertical software businesses holding company	First lien senior secured loan (\$18.6 par due 10/2026)	8.50% (Libor + 7.50%/Q)	10/30/2020	18.6	18.4 (2)(11)	

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Blue Campaigns Intermediate Holding Corp. and Elevate Parent, Inc. (dba EveryAction) (15)	Provider of fundraising and organizing efforts and digital services to non-profits and political campaigns	First lien senior secured revolving loan		8/20/2018	—	— (13)	
		First lien senior secured loan (\$47.2 par due 8/2023)	8.50% (Libor + 6.75%/Q)	8/20/2018	47.2	47.2 (11)	
		Series A preferred stock (150,000 shares)		9/26/2018	1.5	2.0 (2)	
					48.7	49.2	
CallMiner, Inc.	Provider of cloud-based conversational analytics solutions	Warrant to purchase up to 2,350,636 shares of Series 1 preferred stock (expires 7/2024)		7/23/2014	—	— (2)	
Cardinal Parent, Inc. and Packers Software Intermediate Holdings, Inc. (15)	Provider of software and technology-enabled content and analytical solutions to insurance brokers	Second lien senior secured loan (\$48.1 par due 11/2028)	8.50% (Libor + 7.75%/Q)	11/12/2020	48.1	47.2 (2)(11)	
		Series A-2 preferred shares (8,963 shares)	11.25% PIK (Libor + 11.00%/Q)	12/23/2020	9.0	9.0 (2)	
		Series A preferred shares (24,898 shares)	11.21% PIK (Libor + 11.00%/Q)	11/12/2020	25.3	25.3 (2)	
					82.4	81.5	
Clearwater Analytics, LLC (15)	Provider of integrated cloud-based investment portfolio management, accounting, reporting and analytics software	First lien senior secured loan (\$45.9 par due 10/2025)	7.25% (Libor + 6.25%/Q)	10/19/2020	45.9	45.9 (2)(11)	
Cority Software Inc., IQS, Inc. and Project Falcon Parent, Inc. (15)	Provider of environmental, health and safety software to track compliance data	First lien senior secured loan (\$6.4 par due 7/2026)	6.25% (Libor + 5.25%/Q)	7/2/2019	6.4	6.4 (2)(6)(11)	
		First lien senior secured loan (\$4.5 par due 7/2026)	6.25% (Libor + 5.25%/Q)	10/15/2019	4.5	4.5 (2)(6)(11)	
		First lien senior secured loan (\$1.1 par due 7/2026)	8.25% (Libor + 7.25%/Q)	9/3/2020	1.1	1.1 (2)(6)(11)	
		Preferred equity (198 shares)	9.00% PIK	7/2/2019	0.2	0.2 (2)(6)	
		Common equity (190,143 shares)		7/2/2019	—	0.2 (2)(6)	
					12.2	12.4	
Datix Bidco Limited	Global healthcare software company that provides software solutions for patient safety and risk management	First lien senior secured loan (\$0.1 par due 4/2025)	4.74% (Libor + 4.50%/Q)	10/7/2019	—	— (2)(6)	
Diligent Corporation (15)	Provider of secure SaaS solutions for board and leadership team documents	First lien senior secured revolving loan		8/4/2020	—	— (13)	
		First lien senior secured loan (\$33.4 par due 8/2025)	7.25% (Libor + 6.25%/Q)	8/4/2020	32.6	33.0 (11)	
					32.6	33.0	
Drilling Info Holdings, Inc. and Titan DI Preferred Holdings, Inc.	SaaS based business analytics company focused on oil and gas industry	Second lien senior secured loan (\$25.0 par due 7/2026)	8.40% (Libor + 8.25%/M)	2/11/2020	25.0	24.3 (2)	
		Preferred stock (29.53 shares)	13.50% PIK	2/11/2020	32.3	33.3 (2)	
					57.3	57.6	
Elemica Parent, Inc. & EZ Elemica Holdings, Inc. (15)	SaaS based supply chain management software provider focused on chemical markets	First lien senior secured revolving loan (\$3.4 par due 9/2025)	7.00% (Libor + 6.00%/Q)	9/18/2019	3.4	3.3 (2)	
		First lien senior secured loan (\$51.0 par due 9/2025)	7.00% (Libor + 6.00%/Q)	9/18/2019	51.0	49.5 (2)(11)	
		First lien senior secured loan (\$11.5 par due 9/2025)	7.00% (Libor + 6.00%/Q)	9/18/2019	11.5	11.2 (2)(11)	
		First lien senior secured loan (\$5.8 par due 9/2025)	7.00% (Libor + 6.00%/Q)	12/15/2020	5.8	5.6 (2)(11)	
		Preferred equity (4,599 shares)		9/18/2019	4.6	5.1	
					76.3	74.7	
EP Purchaser, L.L.C., Entertainment Partners Canada ULC and TPG VIII EP Co-Invest II, L.P. (15)	Provider of entertainment workforce and production management solutions	First lien senior secured loan (\$29.2 par due 5/2026)	6.50% (Libor + 6.25%/Q)	5/10/2019	29.2	27.4	
		First lien senior secured loan (\$20.5 par due 5/2026)	6.50% (Libor + 6.25%/Q)	5/10/2019	20.5	19.3 (2)(9)	
		First lien senior secured loan (\$10.7 par due 5/2026)	6.50% (Libor + 6.25%/Q)	5/10/2019	10.7	10.0 (2)(6)	

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		First lien senior secured loan (\$4.1 par due 5/2026)	6.50% (Libor + 6.25%/Q)	5/10/2019	4.1	3.8	(2)(6)(9)
		Partnership units (5,034,483 units)		5/10/2019	5.0	5.8	(2)
					69.5	66.3	
Episerver Inc. and Goldcup 17308 AB (15)	Provider of web content management and digital commerce solutions	First lien senior secured loan (\$6.5 par due 10/2024)	6.00% (Euribor + 6.00%/Q)	3/22/2019	6.0	6.3	(2)(6)
		First lien senior secured loan (\$27.2 par due 10/2024)	6.75% (Libor + 5.75%/Q)	10/9/2018	27.2	26.6	(2)(6)(11)
					33.2	32.9	
eResearch Technology, Inc. and Astorg VII Co-Invest ERT (15)	Provider of mission-critical, software-enabled clinical research solutions	Second lien senior secured loan (\$19.9 par due 2/2028)	8.50% (Libor + 8.00%/M)	2/4/2020	19.5	19.8	(2)(11)
		Limited partnership interest (3,300,000 shares)		1/31/2020	3.7	4.0	(2)(6)
					23.2	23.8	
First Insight, Inc.	Software company providing merchandising and pricing solutions to companies worldwide	Warrant to purchase up to 122,827 units of Series C preferred stock (expires 3/2024)		3/20/2014	—	—	(2)
FM: Systems Group LLC (15)	Provider of facilities and space management software solutions	First lien senior secured revolving loan (\$1.5 par due 12/2024)	7.50% (Libor + 6.50%/Q)	2/8/2018	1.5	1.5	(2)(11)
		First lien senior secured loan (\$3.2 par due 12/2024)	7.50% (Libor + 6.50%/Q)	12/2/2019	3.2	3.2	(2)(11)
					4.7	4.7	
Forescout Technologies, Inc. (15)	Network access control solutions provider	First lien senior secured loan (\$17.0 par due 8/2026)	10.50% PIK (Libor + 9.50%/Q)	8/17/2020	16.6	16.9	(2)(11)
Frontline Technologies Group Holding LLC, Frontline Technologies Blocker Buyer, Inc., Frontline Technologies Holdings, LLC and Frontline Technologies Parent, LLC	Provider of human capital management and SaaS-based software solutions to employees and administrators of K-12 school organizations	First lien senior secured loan (\$17.4 par due 9/2023)	6.75% (Libor + 5.75%/M)	12/30/2020	17.4	17.4	(2)(11)
		Class A preferred units (4,574 units)	9.00% PIK	9/18/2017	5.6	6.2	
		Class B common units (499,050 units)		9/18/2017	—	4.6	
					23.0	28.2	
Genesis Acquisition Co. and Genesis Holding Co. (15)	Child care management software and services provider	First lien senior secured revolving loan (\$1.5 par due 7/2024)	4.25% (Libor + 4.00%/Q)	7/31/2018	1.5	1.4	(2)
		First lien senior secured loan (\$0.2 par due 7/2024)	4.25% (Libor + 4.00%/Q)	7/31/2018	0.2	0.1	(2)
		Second lien senior secured loan (\$25.8 par due 7/2025)	7.73% (Libor + 7.50%/Q)	7/31/2018	25.8	23.7	(2)
		Second lien senior secured loan (\$6.6 par due 7/2025)	7.73% (Libor + 7.50%/Q)	7/31/2018	6.6	6.0	(2)
		Class A common stock (8 shares)		7/31/2018	0.8	0.6	(2)
					34.9	31.8	
Graphpad Software, LLC (15)	Provider of data analysis, statistics, and visualization software solutions for scientific research applications	First lien senior secured loan (\$0.5 par due 12/2023)	7.00% (Libor + 6.00%/Q)	11/2/2020	0.5	0.5	(2)(11)
GTCR-Ultra Holdings III, LLC and GTCR-Ultra Holdings LLC (15)	Provider of payment processing and merchant acquiring solutions	Class B units (2,878,372 units)		8/1/2017	—	—	(2)
Help/Systems Holdings, Inc. (15)	Provider of IT operations management and cybersecurity software	First lien senior secured loan (\$26.0 par due 11/2026)	5.75% (Libor + 4.75%/Q)	11/22/2019	26.0	26.0	(2)(11)
IfByPhone Inc.	Voice-based marketing automation software provider	Warrant to purchase up to 124,300 shares of Series C preferred stock (expires 10/2022)		10/15/2012	0.1	—	(2)
Infogix, Inc. and Infogix Parent Corporation (15)	Enterprise data analytics and integrity software solutions provider	First lien senior secured revolving loan (\$5.3 par due 4/2024)	7.00% (Libor + 6.00%/Q)	4/18/2018	5.3	5.3	(2)(11)
		Series A preferred stock (2,475 shares)		1/3/2017	2.6	3.9	
		Common stock (1,297,768 shares)		1/3/2017	—	—	
					7.9	9.2	

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Immar, Inc.	Technology-driven solutions provider for retailers, wholesalers and manufacturers	First lien senior secured loan (\$15.5 par due 5/2024)	5.00% (Libor + 4.00%/Q)	1/31/2019	15.0	15.2	(2)(11)
		Second lien senior secured loan (\$28.3 par due 5/2025)	9.00% (Libor + 8.00%/Q)	4/25/2017	28.0	27.4	(2)(11)
					43.0	42.6	
Huskies Parent, Inc. (15)	Insurance software provider	First lien senior secured revolving loan (\$0.6 par due 7/2024)	4.15% (Libor + 4.00%/M)	7/18/2019	0.6	0.6	(2)
Invoice Cloud, Inc. (15)	Provider of electronic payment processing solutions	First lien senior secured revolving loan		2/11/2019	—	—	(13)
		First lien senior secured loan (\$34.3 par due 2/2024)	7.50% (Libor + 3.25% Cash, 3.25% PIK/Q)	2/11/2019	34.3	34.3	(2)(11)
		First lien senior secured loan (\$13.9 par due 2/2024)	7.50% (Libor + 3.25% Cash, 3.25% PIK/Q)	2/11/2019	13.8	13.9	(2)(11)
					48.1	48.2	
IV Rollover Holdings, LLC	Solar power generation facility developer and operator	Class B units (170,490 units)		5/31/2017	—	—	(2)
		Class X units (5,000,000 units)		5/31/2017	2.3	2.3	(2)
					2.3	2.3	
Majeseo and Magic Topco, L.P. (15)	Insurance software provider	First lien senior secured revolving loan		9/21/2020	—	—	(13)
		First lien senior secured loan (\$36.7 par due 9/2027)	8.75% (Libor + 7.75%/Q)	9/21/2020	36.7	36.4	(2)(11)
		Class A units (2,199 units)	9.00% PIK	9/21/2020	2.3	2.3	(2)
		Class B units (494,157 units)		9/21/2020	—	—	(2)
					39.0	38.7	
Ministry Brands, LLC and MB Parent HoldCo, L.P. (dba Community Brands) (15)	Software and payment services provider to faith-based institutions	First lien senior secured loan (\$9.3 par due 12/2022)	5.00% (Libor + 4.00%/Q)	4/6/2017	9.3	9.0	(2)(11)
		First lien senior secured loan (\$4.8 par due 12/2022)	5.00% (Libor + 4.00%/Q)	8/22/2017	4.8	4.7	(2)(11)
		Second lien senior secured loan (\$90.0 par due 6/2023)	10.25% (Libor + 9.25%/Q)	12/2/2016	89.7	89.1	(2)(11)
		Second lien senior secured loan (\$16.6 par due 6/2023)	10.25% (Libor + 9.25%/Q)	12/2/2016	16.6	16.4	(2)(11)
		Second lien senior secured loan (\$9.2 par due 6/2023)	10.25% (Libor + 9.25%/Q)	4/6/2017	9.2	9.1	(2)(11)
		Second lien senior secured loan (\$4.7 par due 6/2023)	10.25% (Libor + 9.25%/Q)	4/6/2017	4.7	4.7	(2)(11)
		Second lien senior secured loan (\$17.9 par due 6/2023)	10.25% (Libor + 9.25%/Q)	8/22/2017	17.9	17.7	(2)(11)
		Second lien senior secured loan (\$10.3 par due 6/2023)	9.00% (Libor + 8.00%/Q)	4/18/2018	10.3	10.0	(2)(11)
		Second lien senior secured loan (\$38.6 par due 6/2023)	9.00% (Libor + 8.00%/Q)	4/18/2018	38.6	37.5	(2)(11)
		Class A units (500,000 units)		12/2/2016	5.0	4.0	(2)
					206.1	202.2	
MRI Software LLC (15)	Provider of real estate and investment management software	First lien senior secured loan (\$50.4 par due 2/2026)	6.50% (Libor + 5.50%/Q)	2/10/2020	50.4	49.9	(2)(11)
		First lien senior secured loan (\$0.5 par due 2/2026)	6.50% (Libor + 5.50%/Q)	8/28/2020	0.5	0.5	(2)(11)
					50.9	50.4	
Novetta Solutions, LLC	Provider of advanced analytics solutions for the government, defense and commercial industries	First lien senior secured loan (\$8.4 par due 10/2022)	6.00% (Libor + 5.00%/Q)	1/3/2017	8.3	8.4	(2)(11)
		Second lien senior secured loan (\$31.0 par due 10/2023)	9.50% (Libor + 8.50%/Q)	1/3/2017	29.8	31.0	(2)(11)
					38.1	39.4	
nThrive, Inc. (fka Precyse Acquisition Corp.)	Provider of healthcare information management technology and services	Second lien senior secured loan (\$10.0 par due 4/2023)	10.75% (Libor + 9.75%/M)	4/20/2016	9.9	10.0	(2)(11)
PayNearMe, Inc.	Electronic cash payment system provider	Warrant to purchase up to 195,726 shares of Series E preferred stock (expires 3/2023)		3/11/2016	0.2	—	(2)
PaySimple, Inc. (15)	Provider of business management solutions	First lien senior secured revolving loan		8/23/2019	—	—	(13)

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		First lien senior secured loan (\$35.4 par due 8/2025)	5.65% (Libor + 5.50%/M)	9/23/2020	35.4	35.1 (2)	
					35.4	35.1	
PDI TA Holdings, Inc., Peachtree Parent, Inc. and Insight PDI Holdings, LLC (15)	Provider of enterprise management software for the convenience retail and petroleum wholesale market	First lien senior secured loan (\$54.0 par due 10/2024)	5.50% (Libor + 4.50%/Q)	3/19/2019	54.0	54.0 (2)(11)	
		Second lien senior secured loan (\$8.3 par due 10/2025)	9.50% (Libor + 8.50%/Q)	12/17/2020	8.3	8.3 (2)(11)	
		Second lien senior secured loan (\$70.1 par due 10/2025)	9.50% (Libor + 8.50%/Q)	3/19/2019	70.1	70.1 (2)(11)	
		Series A preferred stock (13,656 shares)	13.25% PIK	3/19/2019	17.0	17.2 (2)	
		Class A units (2,062,493 units)		3/19/2019	2.1	2.4 (2)	
					151.5	152.0	
Pegasus Global Enterprise Holdings, LLC, Mekone Blocker Acquisition, Inc. and Mekone Parent, LLC (15)	Provider of plant maintenance and scheduling software	First lien senior secured loan (\$20.0 par due 5/2025)	6.75% (Libor + 5.75%/Q)	5/29/2019	20.0	20.0 (2)(11)	
		First lien senior secured loan (\$5.8 par due 5/2025)	6.75% (Libor + 5.75%/Q)	5/29/2019	5.8	5.8 (2)(11)	
		First lien senior secured loan (\$5.8 par due 5/2025)	7.25% (Libor + 6.25%/Q)	6/24/2020	5.8	5.8 (2)(11)	
		First lien senior secured loan (\$48.7 par due 5/2025)	7.25% (Libor + 6.25%/Q)	10/16/2020	48.7	48.7 (2)(11)	
		First lien senior secured loan (\$1.8 par due 5/2025)	7.25% (Libor + 6.25%/Q)	10/16/2020	1.8	1.8 (2)(11)	
		Class A units (5,000 units)		5/29/2019	5.0	9.2	
					87.1	91.3	
Perforce Software, Inc. (15)	Developer of software used for application development	First lien senior secured revolving loan (\$0.1 par due 7/2024)	4.65% (Libor + 4.50%/M)	7/1/2019	0.1	0.1 (2)	
PHNTM Holdings, Inc. and Planview Parent, Inc.	Provider of project and portfolio management software	Class A common stock (990 shares)		1/27/2017	1.0	2.2 (2)	
		Class B common stock (168,329 shares)		1/27/2017	—	0.4 (2)	
					1.0	2.6	
Poplicus Incorporated	Business intelligence and market analytics platform for companies that sell to the public sector	Warrant to purchase up to 2,402,991 shares of Series C preferred stock (expires 6/2025)		6/25/2015	0.1	— (2)	
Project Alpha Intermediate Holding, Inc. and Qlik Parent, Inc.	Provider of data visualization software for data analytics	Class A common stock (7,445 shares)		8/22/2016	7.4	10.8 (2)	
		Class B common stock (1,841,609 shares)		8/22/2016	0.1	0.1 (2)	
					7.5	10.9	
Project Potter Buyer, LLC and Project Potter Parent, L.P. (15)	Software solutions provider to the ready-mix concrete industry	First lien senior secured revolving loan		4/23/2020	—	— (13)	
		First lien senior secured loan (\$44.5 par due 4/2027)	9.25% (Libor + 8.25%/M)	4/23/2020	44.5	44.5 (2)(11)	
		First lien senior secured loan (\$13.0 par due 4/2027)	9.25% (Libor + 8.25%/M)	10/30/2020	13.0	13.0 (2)(11)	
		First lien senior secured loan (\$14.6 par due 4/2027)	9.25% (Libor + 8.25%/M)	11/18/2020	14.6	14.6 (2)(11)	
		First lien senior secured loan (\$5.0 par due 4/2027)	9.25% (Libor + 8.25%/M)	11/18/2020	5.0	5.0 (2)(11)	
		Class A units (1,599 units)	9.00% PIK	4/23/2020	1.7	1.7 (2)	
		Class B units (588,636 units)		4/23/2020	—	— (2)	
					78.8	78.8	
QF Holdings, Inc. (15)	SaaS based electronic health record software provider	First lien senior secured loan (\$24.4 par due 9/2024)	8.00% (Libor + 7.00%/Q)	9/19/2019	24.4	24.4 (2)(11)	
		First lien senior secured loan (\$4.9 par due 9/2024)	8.00% (Libor + 7.00%/Q)	9/19/2019	4.9	4.9 (2)(11)	
					29.3	29.3	
Raptor Technologies, LLC and Rocket Parent, LLC (15)	Provider of SaaS-based safety and security software to the K-12 school market	First lien senior secured revolving loan (\$0.8 par due 12/2023)	7.00% (Libor + 6.00%/M)	12/17/2018	0.8	0.8 (2)(11)	
		First lien senior secured loan (\$15.7 par due 12/2024)	7.00% (Libor + 6.00%/Q)	12/17/2018	15.7	15.2 (2)(11)	

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		First lien senior secured loan (\$5.3 par due 12/2024)	7.00% (Libor + 6.00%/Q)	12/17/2018	5.3	5.2	(2)(11)
		Class A common units (2,294,000 units)		12/17/2018	2.3	1.9	
					24.1	23.1	
Regent Education, Inc.	Provider of software solutions designed to optimize the financial aid and enrollment processes	Warrant to purchase up to 5,393,194 shares of common stock (expires 12/2026)		12/23/2016	—	—	(2)
		Warrant to purchase up to 987 shares of common stock (expires 12/2026)		12/23/2016	—	—	(2)
					—	—	
Retriever Medical/Dental Payments LLC, FSDC Holdings, LLC, Rectangle Ware-Ever Pay LLC and Retriever Enterprises, LLC (15)	Provider of payment processing services and software to healthcare providers	First lien senior secured loan (\$26.5 par due 2/2023)	6.75% (Libor + 5.75%/Q)	3/4/2019	26.5	26.5	(2)(11)
RMCF III CIV XXIX, L.P	Software provider for clinical trial management	Limited partnership interest (99.90% interest)		12/19/2014	1.0	13.8	(2)
Severin Acquisition, LLC, PeopleAdmin, Inc., Promachos Holding, Inc. and Performance Matters LLC (15)	Provider of student information system software solutions to the K-12 education market	First lien senior secured revolving loan (\$2.0 par due 8/2023)	3.40% (Libor + 3.25%/M)	8/1/2018	2.0	2.0	(2)
		First lien senior secured loan (\$26.6 par due 8/2025)	5.50% (Libor + 4.50%/M)	11/22/2019	26.6	26.6	(11)
		Second lien senior secured loan (\$80.0 par due 8/2026)	6.90% (Libor + 6.75%/M)	6/12/2018	79.4	80.0	(2)
					108.0	108.6	
Smarsh Inc., MobileGuard, LLC, Actiance, Inc. and Skywalker TopCo, LLC	SaaS based communication archival service provider	First lien senior secured loan (\$13.3 par due 11/2025)	9.25% (Libor + 8.25%/Q)	11/20/2020	13.3	13.0	(2)(11)
		Common units (1,432,835 units)		11/20/2020	4.8	4.8	(2)
					18.1	17.8	
SocialFlow, Inc.	Social media optimization platform provider	Warrant to purchase up to 215,331 shares of Series C preferred stock (expires 1/2026)		1/13/2016	—	—	(2)
Sophia, L.P.	Provider of ERP software and services for higher education institutions	Second lien senior secured loan (\$105.9 par due 10/2028)	9.00% (Libor + 8.00%/Q)	10/7/2020	105.9	103.8	(2)(11)
SoundCloud Limited	Platform for receiving, sending, and distributing music	Common stock (73,422 shares)		8/15/2017	0.4	0.7	(2)(6)
SpareFoot, LLC (15)	PMS solutions and web services for the self-storage industry	First lien senior secured revolving loan (\$1.2 par due 4/2023)	6.00% (Libor + 5.00%/Q)	4/13/2018	1.2	1.2	(2)(11)(14)
		First lien senior secured loan (\$1.2 par due 4/2024)	6.00% (Libor + 5.00%/Q)	5/6/2020	1.2	1.2	(2)(11)
		Second lien senior secured loan (\$6.1 par due 4/2025)	10.25% (Libor + 9.25%/Q)	4/13/2018	6.0	6.1	(2)(11)
		Second lien senior secured loan (\$4.2 par due 4/2025)	10.25% (Libor + 9.25%/Q)	8/31/2018	4.1	4.2	(2)(11)
		Second lien senior secured loan (\$2.5 par due 4/2025)	10.25% (Libor + 9.25%/Q)	7/1/2019	2.5	2.5	(2)(11)
		Second lien senior secured loan (\$1.3 par due 4/2025)	10.25% (Libor + 9.25%/Q)	7/1/2019	1.3	1.3	(2)(11)
		Second lien senior secured loan (\$1.1 par due 4/2025)	10.25% (Libor + 9.25%/Q)	5/6/2020	1.1	1.1	(2)(11)
					17.4	17.6	
Sparta Systems, Inc., Project Silverback Holdings Corp. and Silverback Holdings, Inc. (15)	Quality management software provider	First lien senior secured revolving loan		8/21/2017	—	—	(13)
		Second lien senior secured loan (\$20.0 par due 8/2025)	9.25% (Libor + 8.25%/M)	8/21/2017	19.8	20.0	(2)(11)
		Series B preferred stock (10,084 shares)		8/21/2017	1.1	3.8	
					20.9	23.8	
Storm UK Holdco Limited and Storm US Holdco Inc. (15)	Provider of water infrastructure software solutions for municipalities / utilities and engineering consulting firms	First lien senior secured revolving loan (\$0.2 par due 5/2022)	6.25% (Libor + 5.25%/M)	5/5/2017	0.2	0.2	(2)(6)(11)
Surf Holdings, LLC	Cybersecurity solutions provider	Second lien senior secured loan (\$25.0 par due 3/2028)	9.00% (Libor + 8.00%/Q)	3/5/2020	25.0	25.0	(2)(6)(11)

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TCP Hawker Intermediate LLC (15)	Workforce management solutions provider	First lien senior secured loan (\$6.7 par due 8/2026)	6.50% (Libor + 5.50%/M)	12/1/2020	6.7	6.7	(2)(11)
		First lien senior secured loan (\$35.1 par due 8/2026)	6.50% (Libor + 5.50%/Q)	8/30/2019	35.1	35.1	(2)(11)
		First lien senior secured loan (\$7.4 par due 8/2026)	6.50% (Libor + 5.50%/M)	8/30/2019	7.4	7.4	(2)(11)
					49.2	49.2	
The Ultimate Software Group, Inc. and H&F Unite Partners, L.P. (15)	Provider of cloud based HCM solutions for businesses	First lien senior secured revolving loan		5/3/2019	—	—	(6)(13)
		Second lien senior secured loan (\$205.4 par due 5/2027)	8.15% (Libor + 8.00%/M)	5/3/2019	205.4	205.4	(2)(6)
		Limited partnership interests (12,583,556 interests)		5/3/2019	12.6	14.4	(2)(6)
					218.0	219.8	
Vela Trading Technologies, LLC (15)	Provider of market data software and content to global financial services clients	First lien senior secured revolving loan (\$3.4 par due 6/2022)	6.50% (Libor + 5.00% Cash, 0.50% PIK/Q)	2/8/2018	3.4	3.2	(2)(11)
		First lien senior secured revolving loan (\$0.1 par due 6/2022)	9.00% (Libor + 7.50 Cash, 0.50% PIK/Q)	2/8/2018	0.1	0.1	(2)(11)
		First lien senior secured loan (\$4.5 par due 6/2022)	11.00% (Libor + 7.50% Cash, 2.50% PIK/Q)	4/17/2018	4.5	4.3	(2)(11)
					8.0	7.6	
Velocity Holdings Corp.	Hosted enterprise resource planning application management services provider	Common units (1,713,546 units)		12/13/2013	4.5	2.4	
Verscend Holding Corp. (15)	Healthcare analytics solutions provider	First lien senior secured revolving loan		8/27/2018	—	—	(13)
WebPT, Inc. (15)	Electronic medical record software provider	First lien senior secured loan (\$48.1 par due 8/2024)	7.75% (Libor + 6.75%/Q)	8/28/2019	48.1	47.6	(2)(11)
Zemax Software Holdings, LLC (15)	Provider of optical illumination design software to design engineers	First lien senior secured revolving loan (\$2.0 par due 6/2024)	8.00% (Base Rate + 4.75%/Q)	6/25/2018	2.0	2.0	(2)(11)
		First lien senior secured loan (\$16.7 par due 6/2024)	6.75% (Libor + 5.75%/Q)	6/25/2018	16.7	16.7	(2)(11)
					18.7	18.7	
					2,320.7	2,344.8	32.67%
Commercial & Professional Services							
Accommodations Plus Technologies LLC and Accommodations Plus Technologies Holdings LLC (15)	Provider of outsourced crew accommodations and logistics management solutions to the airline industry	First lien senior secured revolving loan (\$4.1 par due 5/2023)	10.25% (Libor + 9.25%/Q)	5/11/2018	4.1	3.9	(2)(11)
		Class A common units (236,358 units)		5/11/2018	4.3	4.6	
					8.4	8.5	
Aero Operating LLC	Provider of snow removal and melting service for airports and marine terminals	First lien senior secured loan (\$36.9 par due 2/2026)	8.00% (Libor + 6.50%/M)	2/7/2020	36.9	35.1	(2)(11)
AMCP Clean Intermediate, LLC (15)	Provider of janitorial and facilities management services	First lien senior secured revolving loan		10/1/2018	—	—	(13)
		First lien senior secured loan (\$1.4 par due 10/2024)	7.25% (Libor + 6.25%/Q)	7/31/2020	1.4	1.4	(2)(11)
		First lien senior secured loan (\$0.7 par due 10/2024)	7.25% (Libor + 6.25%/Q)	10/1/2020	0.7	0.7	(2)(11)
		First lien senior secured loan (\$8.7 par due 10/2024)	7.25% (Libor + 6.25%/Q)	12/14/2020	8.7	8.7	(2)(11)
					10.8	10.8	
Capstone Acquisition Holdings, Inc. and Capstone Parent Holdings, LP (15)	Outsourced supply chain solutions provider to operators of distribution centers	First lien senior secured revolving loan (\$1.4 par due 11/2025)	5.75% (Libor + 4.75%/M)	11/12/2020	1.4	1.4	(2)(11)(14)
		Second lien senior secured loan (\$68.3 par due 11/2028)	9.75% (Libor + 8.75%/Q)	11/12/2020	68.3	66.9	(2)(11)
		Class A units (10,581 units)		11/12/2020	10.6	10.6	(2)
					80.3	78.9	
Cozzini Bros., Inc. and BH-Sharp Holdings LP (15)	Provider of commercial knife sharpening and cutlery services in the restaurant industry	First lien senior secured revolving loan		3/10/2017	—	—	(13)

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		First lien senior secured loan (\$12.0 par due 3/2023)	8.50% (Libor + 3.00% Cash, 4.50% PIK/Q)	3/10/2017	12.0	10.3	(2)(11)
		Common units (2,950,000 units)		3/10/2017	3.0	0.3	(2)
					15.0	10.6	
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC (4)(15)	Provider of outsourced healthcare linen management solutions	First lien senior secured revolving loan		3/13/2014	—	—	(13)
		First lien senior secured loan (\$9.9 par due 12/2021)	7.25% (Libor + 6.25%/M)	3/13/2014	9.9	9.9	(2)(11)
		First lien senior secured loan (\$0.9 par due 12/2021)	7.25% (Libor + 6.25%/M)	4/6/2017	0.9	0.9	(2)(11)
		First lien senior secured loan (\$5.0 par due 12/2021)	7.25% (Libor + 6.25%/M)	2/22/2019	5.0	5.0	(11)
		First lien senior secured loan (\$11.3 par due 12/2021)	7.25% (Libor + 6.25%/M)	6/12/2018	11.3	11.3	(2)(11)
		Class A preferred units (3,393,973 units)		3/13/2014	4.0	6.0	(2)
		Class B common units (377,108 units)		3/13/2014	0.4	6.5	(2)
					31.5	39.6	
Divisions Holding Corporation and RC V Tecmo Investor LLC (15)	Technology based aggregator for facility maintenance services	First lien senior secured revolving loan (\$2.5 par due 8/2026)	7.50% (Libor + 6.50%/Q)	8/14/2020	2.5	2.5	(2)(11)
		First lien senior secured loan (\$43.6 par due 8/2026)	7.50% (Libor + 6.50%/Q)	8/14/2020	43.6	43.2	(2)(11)
		Common member units (9,624,000 units)		8/14/2020	9.6	15.5	(2)
					55.7	61.2	
DTI Holdco, Inc. and OPE DTI Holdings, Inc. (15)	Provider of legal process outsourcing and managed services	First lien senior secured revolving loan (\$0.4 par due 9/2022)	6.75% (Base Rate + 3.50%/Q)	9/23/2016	0.4	0.4	(2)(14)
		First lien senior secured revolving loan (\$4.4 par due 9/2022)	4.71% (Libor + 4.50%/Q)	9/23/2016	4.4	3.9	(2)(14)
		Class A common stock (7,500 shares)		8/19/2014	7.5	3.7	(2)
		Class B common stock (7,500 shares)		8/19/2014	—	—	(2)
					12.3	8.0	
Elevation Services Parent Holdings, LLC (15)	Elevator service platform	First lien senior secured revolving loan (\$0.4 par due 12/2026)	6.50% (Libor + 5.50%/Q)	12/18/2020	0.4	0.4	(2)(11)
		First lien senior secured loan (\$8.8 par due 12/2026)	6.50% (Libor + 5.50%/Q)	12/18/2020	8.8	8.7	(2)(11)
					9.2	9.1	
HAI Acquisition Corporation and Aloha Topco, LLC (15)	Professional employer organization offering human resources, compliance and risk management services	First lien senior secured loan (\$61.7 par due 11/2024)	6.50% (Libor + 5.50%/M)	11/1/2017	61.7	61.7	(2)(11)
		Class A units (16,980 units)		11/1/2017	1.7	2.5	(2)
					63.4	64.2	
IMIA Holdings, Inc. (15)	Marine preservation maintenance company	First lien senior secured revolving loan		10/26/2018	—	—	(13)
		First lien senior secured loan (\$28.4 par due 10/2025)	7.00% (Libor + 6.00%/Q)	10/26/2018	28.3	28.4	(11)
					28.3	28.4	
IRI Holdings, Inc., IRI Group Holdings, Inc. and IRI Parent, L.P.	Market research company focused on the consumer packaged goods industry	First lien senior secured loan (\$57.7 par due 12/2025)	4.40% (Libor + 4.25%/M)	11/30/2018	57.2	57.7	
		First lien senior secured loan (\$7.9 par due 12/2025)	5.15% (Libor + 5.00%/M)	9/28/2020	7.5	7.9	(2)
		Second lien senior secured loan (\$86.8 par due 11/2026)	8.15% (Libor + 8.00%/M)	11/30/2018	85.7	86.8	(2)
		Series A-1 preferred shares (46,900 shares)	11.50% PIK (Libor + 10.50%/S)	11/30/2018	58.2	58.9	(2)(11)
		Class A-1 common units (90,500 units)		11/30/2018	9.1	16.5	(2)
					217.7	227.8	

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Kellermeyer Bergensons Services, LLC (15)	Provider of janitorial and facilities management services	First lien senior secured loan (\$1.7 par due 11/2026)	7.50% (Libor + 6.50%/Q)	11/7/2019	1.7	1.7	(2)(11)
		First lien senior secured loan (\$30.0 par due 11/2026)	7.50% (Libor + 6.50%/Q)	11/7/2019	29.7	30.0	(2)(11)
		First lien senior secured loan (\$6.6 par due 11/2026)	7.50% (Libor + 6.50%/Q)	11/7/2019	6.6	6.6	(2)(11)
					38.0	38.3	
KPS Global LLC and Cool Group LLC	Manufacturer of walk-in cooler and freezer systems	First lien senior secured loan (\$15.2 par due 4/2022)	6.50% (Libor + 5.50%/M)	4/5/2017	15.2	15.2	(2)(11)
		First lien senior secured loan (\$4.1 par due 4/2022)	6.50% (Libor + 5.50%/M)	11/16/2018	4.1	4.1	(2)(11)
		Class A units (13,292 units)		9/21/2018	1.1	2.0	
					20.4	21.3	
Laboratories Bidco LLC (15)	Lab testing services for nicotine containing products	First lien senior secured loan (\$20.8 par due 6/2024)	7.00% (Libor + 6.00%/Q)	10/30/2020	20.8	20.8	(2)(11)
		First lien senior secured loan (\$29.5 par due 6/2024)	7.00% (Libor + 6.00%/Q)	10/4/2019	29.5	29.5	(2)(11)
		First lien senior secured loan (\$25.5 par due 6/2024)	7.00% (CDOR + 6.00%/Q)	10/4/2019	24.4	25.5	(11)
					74.7	75.8	
Microstar Logistics LLC, Microstar Global Asset Management LLC, and MStar Holding Corporation	Keg management solutions provider	Second lien senior secured loan (\$138.9 par due 7/2023)	10.00% PIK (Libor + 9.00%/Q)	8/13/2020	138.9	119.4	(2)(11)
		Series A preferred stock (1,507 shares)		8/13/2020	1.5	2.1	(2)
		Common stock (54,710 shares)		12/14/2012	4.9	1.0	(2)
					145.3	122.5	
NAS, LLC and Nationwide Marketing Group, LLC (15)	Buying and marketing services organization for appliance, furniture and consumer electronics dealers	First lien senior secured loan (\$6.4 par due 6/2024)	7.50% (Libor + 6.50%/Q)	11/3/2020	6.4	6.4	(2)(11)
NM GRC Holdco, LLC	Regulatory compliance services provider to financial institutions	First lien senior secured loan (\$35.6 par due 2/2024)	8.50% (Libor + 6.00% Cash, 1.50% PIK/M)	2/9/2018	35.4	34.2	(2)(11)
		First lien senior secured loan (\$9.5 par due 2/2024)	8.50% (Libor + 6.00% Cash, 1.50% PIK/M)	2/9/2018	9.5	9.1	(2)(11)
					44.9	43.3	
Petroleum Service Group LLC (15)	Provider of operational services for US petrochemical and refining companies	First lien senior secured revolving loan		7/23/2019	—	—	(13)
		First lien senior secured loan (\$34.6 par due 7/2025)	6.25% (Libor + 5.25%/Q)	7/23/2019	34.6	34.6	(11)
		First lien senior secured loan (\$0.7 par due 7/2025)	6.25% (Libor + 5.25%/Q)	7/23/2019	0.7	0.7	(2)(11)
					35.3	35.3	
QC Supply, LLC (15)	Specialty distributor and solutions provider to the swine and poultry markets	First lien senior secured revolving loan (\$8.8 par due 12/2021)	8.00% (Libor + 7.00%/M)	12/29/2016	8.8	8.1	(2)(11)(14)
		First lien senior secured loan (\$25.8 par due 12/2022)	8.00% (Libor + 6.50% Cash, 0.50% PIK/M)	12/29/2016	25.8	23.8	(2)(11)
		First lien senior secured loan (\$8.7 par due 12/2022)	8.00% (Libor + 6.50% Cash, 0.50% PIK/M)	12/29/2016	8.7	8.0	(2)(11)
					43.3	39.9	
R2 Acquisition Corp.	Marketing services	Common stock (250,000 shares)		5/29/2007	0.3	0.3	(2)
RE Community Holdings GP, LLC and RE Community Holdings, LP	Operator of municipal recycling facilities	Limited partnership interest (2.86% interest)		3/1/2011	—	—	(2)
		Limited partnership interest (2.49% interest)		3/1/2011	—	—	(2)
					—	—	
Research Now Group, LLC and Survey Sampling International, LLC	Provider of outsourced data collection to the market research industry	First lien senior secured loan (\$41.1 par due 12/2024)	6.50% (Libor + 5.50%/Q)	2/14/2019	41.1	39.9	(2)(11)

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SecurAmerica, LLC, ERM LLC, ERM Of America, LLC, SecurAmerica Corporation, SecurAmerica Aviation Security LLC, American Security Programs, Inc., USI LLC, Argenbright Holdings IV, LLC and Scrub Holdings, Inc (15)	Provider of outsourced security guard services, outsourced facilities management and outsourced aviation services	First lien senior secured loan (\$4.7 par due 12/2023)	9.25% (Libor + 8.00%/Q)	11/24/2020	4.7	4.7	(2)(11)
		First lien senior secured loan (\$25.7 par due 12/2023)	9.25% (Libor + 8.00%/M)	12/21/2018	25.7	25.7	(2)(11)
		First lien senior secured loan (\$9.7 par due 12/2023)	9.25% (Libor + 8.00%/M)	12/21/2018	9.7	9.7	(2)(11)
		First lien senior secured loan (\$1.7 par due 12/2023)	9.25% (Libor + 8.00%/M)	12/21/2018	1.7	1.7	(2)(11)
		First lien senior secured loan (\$1.1 par due 12/2023)	9.25% (Libor + 8.00%/M)	12/21/2018	1.1	1.1	(2)(11)
		First lien senior secured loan (\$3.0 par due 7/2021)	9.25% (Libor + 3.50% Cash, 4.50% PIK/Q)	4/16/2020	3.0	3.0	(2)(11)
SSE Buyer, Inc., Supply Source Enterprises, Inc., Impact Products LLC, The Safety Zone, LLC and SSE Parent, LP (15)	Manufacturer and distributor of personal protection equipment, commercial cleaning, maintenance and safety products	First lien senior secured loan (\$22.0 par due 6/2026)	10.22% (Libor + 9.22%/Q)	6/30/2020	22.0	22.0	(2)(11)
		Limited partnership class A-1 units (2,173 units)		6/30/2020	1.1	1.7	(2)
		Limited partnership class A-2 units (2,173 units)		6/30/2020	1.1	1.7	(2)
					24.2	25.4	
		Member interest		4/1/2020	—	—	
					22.0	22.0	(2)(11)
Startec Equity, LLC (5)	Communication services						
TDG Group Holding Company and TDG Co-Invest, LP (15)	Operator of multiple franchise concepts primarily related to home maintenance or repairs	First lien senior secured revolving loan (\$0.1 par due 5/2024)	5.40% (Libor + 5.25%/M)	5/31/2018	0.1	0.1	(2)(14)
		Preferred units (2,871,000 units)		5/31/2018	2.9	3.5	(2)
		Common units (29,000 units)		5/31/2018	—	2.1	(2)
Tyden Group Holding Corp.	Producer and marketer of global cargo security, product identification and traceability products and utility meter products						
		Preferred stock (46,276 shares)		1/3/2017	0.4	0.4	(6)
		Common stock (5,521,203 shares)		1/3/2017	2.0	1.1	(6)
Visual Edge Technology, Inc.	Provider of outsourced office solutions with a focus on printer and copier equipment and other parts and supplies	First lien senior secured loan (\$16.8 par due 8/2022)	8.50% (Libor + 5.75% Cash, 1.25% PIK/M)	8/31/2017	16.7	16.6	(2)(11)
		First lien senior secured loan (\$15.7 par due 8/2022)	8.50% (Libor + 5.75% Cash, 1.25% PIK/Q)	8/31/2017	15.7	15.5	(2)(11)
		Senior subordinated loan (\$75.6 par due 9/2024)	16.00% PIK	8/31/2017	73.4	74.0	(2)
		Warrant to purchase up to 3,094,492 shares of common stock (expires 8/2027)		8/31/2017	—	—	(2)
		Warrant to purchase up to 2,838,079 shares of preferred stock (expires 8/2027)		8/31/2017	3.9	2.6	(2)
VLS Recovery Services, LLC (15)	Provider of commercial and industrial waste processing and disposal services						
		First lien senior secured revolving loan		10/17/2017	—	—	(13)
VRC Companies, LLC (15)	Provider of records and information management services	First lien senior secured loan (\$26.4 par due 3/2023)	7.50% (Libor + 6.50%/Q)	3/31/2017	26.4	26.4	(2)(11)
WCI-HFG Holdings, LLC	Distributor of repair and replacement parts for commercial kitchen equipment	Preferred units (1,400,000 units)		10/20/2015	1.4	1.7	(2)
XIFIN, Inc. and ACP Charger Co-Invest LLC (15)	Revenue cycle management provider to labs	First lien senior secured loan (\$2.1 par due 2/2026)	6.25% (Libor + 5.25%/Q)	2/6/2020	2.1	2.1	(2)(11)

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		Common stock (180,000 shares)		2/6/2020	1.8	2.6 (2)	
					3.9	4.7	
					1,250.6	1,239.7	17.27%
Investment Funds and Vehicles							
ACAS Equity Holdings Corporation (5)	Investment company	Common stock (589 shares)		1/3/2017	0.4	— (6)	
Ares IIIR/IVR CLO Ltd.	Investment vehicle	Subordinated notes (\$20.0 par due 4/2021)		1/3/2017	—	— (6)	
Blue Wolf Capital Fund II, L.P. (4)	Investment partnership	Limited partnership interest (8.50% interest)		1/3/2017	—	0.2 (6)(18)	
Co.LTs 2005-1 Ltd. (5)	Investment vehicle	Preferred shares (360 shares)		1/3/2017	—	— (6)	
Co.LTs 2005-2 Ltd. (5)	Investment vehicle	Preferred shares (34,170,000 shares)		1/3/2017	—	— (6)	
CREST Exeter Street Solar 2004-1	Investment vehicle	Preferred shares (3,500,000 shares)		1/3/2017	—	— (6)	
European Capital UK SME Debt LP (4)	Investment partnership	Limited partnership interest (45% interest)		1/3/2017	26.6	29.7 (6)(16)	
HCI Equity, LLC (5)	Investment company	Member interest (100.00% interest)		4/1/2010	—	0.1 (6)(18)	
Partnership Capital Growth Investors III, L.P.	Investment partnership	Limited partnership interest (2.50% interest)		10/5/2011	2.8	3.4 (6)(18)	
PCG-Ares Sidecar Investment II, L.P. (4)	Investment partnership	Limited partnership interest (100.00% interest)		10/31/2014	6.9	10.2 (2)(6)(16)	
PCG-Ares Sidecar Investment, L.P. (4)	Investment partnership	Limited partnership interest (100.00% interest)		5/22/2014	4.8	0.4 (6)(16)	
Piper Jaffray Merchant Banking Fund I, L.P.	Investment partnership	Limited partnership interest (2.00% interest)		8/16/2012	1.1	1.3 (6)(18)	
Senior Direct Lending Program, LLC (5)(17)	Co-investment vehicle	Subordinated certificates (\$1122.9 par due 12/2036)	8.24% (Libor + 8.00%Q)(12)	7/27/2016	1,122.9	1,122.9 (6)	
		Member interest (87.50% interest)		7/27/2016	—	— (6)	
					1,122.9	1,122.9	
VSC Investors LLC	Investment company	Membership interest (1.95% interest)		1/24/2008	0.3	0.5 (2)(6)(18)	
					1,165.8	1,168.7	16.29%
Consumer Services							
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc. (5)	Restaurant owner and operator	First lien senior secured loan (\$56.6 par due 12/2019)		11/27/2006	39.9	— (2)(10)	
		First lien senior secured loan (\$6.6 par due 12/2019)		12/22/2016	4.8	— (2)(10)	
		Promissory note (\$31.8 par due 12/2023)		11/27/2006	13.8	— (2)	
		Warrant to purchase up to 0.95 units of Series D common stock (expires 12/2023)		12/18/2013	—	— (2)	
					58.5	—	
Aimbridge Acquisition Co., Inc.	Hotel operator	Second lien senior secured loan (\$22.5 par due 2/2027)	7.65% (Libor + 7.50%M)	2/1/2019	22.2	20.0 (2)	
American Residential Services L.L.C. and Aragorn Parent Holdings LP (15)	Heating, ventilation and air conditioning services provider	First lien senior secured revolving loan (\$0.5 par due 10/2025)	3.65% (Libor + 3.50%M)	10/15/2020	0.5	0.5 (2)(14)	
		Second lien senior secured loan (\$56.4 par due 10/2028)	9.50% (Libor + 8.50%Q)	10/15/2020	56.4	55.8 (2)(11)	
		Series A preferred units (2,531,500 units)	10.00% PIK	10/15/2020	2.6	2.5 (2)	
					59.5	58.8	
ATI Restoration, LLC (15)	Provider of disaster recovery services	First lien senior secured revolving loan		7/31/2020	—	— (13)	
		First lien senior secured loan (\$33.7 par due 7/2026)	6.50% (Libor + 5.50%Q)	7/31/2020	33.7	33.3 (11)	
					33.7	33.3	
ChargePoint, Inc.	Developer and operator of electric vehicle charging stations	Warrant to purchase up to 809,126 shares of Series E preferred stock (expires 12/2024)		12/30/2014	0.3	3.0 (2)	

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Cipriani USA, Inc. (15)	Manager and operator of banquet facilities, restaurants, hotels and other leisure properties	First lien senior secured loan (\$12.6 par due 5/2023)	11.75% (Libor + 10.75%/M)	12/22/2020	12.6	11.1	(2)(11)
		First lien senior secured loan (\$68.2 par due 5/2023)	11.75% (Libor + 10.75%/M)	5/30/2018	66.8	60.0	(2)(11)
		First lien senior secured loan (\$12.2 par due 5/2023)	11.75% (Libor + 10.75%/M)	11/5/2018	12.2	10.7	(2)(11)
		First lien senior secured loan (\$15.0 par due 5/2023)	11.75% (Libor + 10.75%/M)	7/3/2019	14.7	13.2	(2)(11)
		First lien senior secured loan (\$20.0 par due 5/2023)	11.75% (Libor + 10.75%/M)	12/27/2019	18.2	17.6	(2)(11)
		First lien senior secured loan (\$3.0 par due 5/2023)	11.75% (Libor + 10.75%/M)	8/20/2018	3.0	2.7	(2)(11)
		First lien senior secured loan (\$3.0 par due 5/2023)	11.75% (Libor + 10.75%/M)	11/5/2018	3.0	2.7	(2)(11)
		First lien senior secured loan (\$4.9 par due 5/2023)	11.75% (Libor + 10.75%/M)	6/30/2020	4.9	4.3	(2)(11)
					135.4	122.3	
Concert Golf Partners Holdco LLC (15)	Golf club owner and operator	First lien senior secured loan (\$18.2 par due 8/2025)	5.50% (Libor + 4.50%/Q)	8/20/2019	18.2	18.2	(2)(11)
		First lien senior secured loan (\$2.2 par due 8/2025)	5.50% (Libor + 4.50%/Q)	8/20/2019	2.2	2.2	(2)(11)
					20.4	20.4	
Essential Services Holding Corporation and OMERS Mahomes Investment Holdings LLC (15)	Provider of plumbing and HVAC services	First lien senior secured revolving loan		11/16/2020	—	—	(13)
		First lien senior secured loan (\$115.8 par due 11/2026)	6.75% (Libor + 5.75%/Q)	11/16/2020	115.8	114.6	(2)(11)
		First lien senior secured loan (\$33.0 par due 11/2026)	6.75% (Libor + 5.75%/Q)	11/16/2020	33.0	32.7	(2)(11)
		Class A units (5,803.43 units)		11/16/2020	19.6	19.6	(2)
					168.4	166.9	
FWR Holding Corporation (15)	Restaurant owner, operator, and franchisor	First lien senior secured revolving loan		8/21/2017	—	—	(13)
		First lien senior secured loan (\$4.0 par due 8/2023)	8.00% (Libor + 5.50% Cash, 1.50% PIK/Q)	8/21/2017	4.0	3.7	(2)(11)
		First lien senior secured loan (\$0.5 par due 8/2023)	8.00% (Libor + 5.50% Cash, 1.50% PIK/Q)	8/21/2017	0.5	0.5	(2)(11)
		First lien senior secured loan (\$0.5 par due 8/2023)	8.00% (Libor + 5.50% Cash, 1.50% PIK/Q)	2/28/2019	0.5	0.5	(2)(11)
		First lien senior secured loan (\$0.8 par due 8/2023)	8.00% (Libor + 5.50% Cash, 1.50% PIK/Q)	2/28/2019	0.8	0.8	(2)(11)
		First lien senior secured loan (\$0.5 par due 8/2023)	8.00% (Libor + 5.50% Cash, 1.50% PIK/Q)	2/28/2019	0.5	0.5	(2)(11)
		First lien senior secured loan (\$0.7 par due 8/2023)	8.00% (Libor + 5.50% Cash, 1.50% PIK/Q)	2/28/2019	0.7	0.6	(2)(11)
		First lien senior secured loan (\$1.8 par due 8/2023)	8.00% (Libor + 5.50% Cash, 1.50% PIK/Q)	12/20/2019	1.8	1.7	(2)(11)
					8.8	8.3	
Garden Fresh Restaurant Corp. and GFRC Holdings LLC (15)	Restaurant owner and operator	First lien senior secured revolving loan (\$6.9 par due 2/2022)		2/1/2017	6.3	—	(2)(10)
		First lien senior secured loan (\$19.6 par due 2/2022)		2/1/2017	17.9	—	(2)(10)
					24.2	—	
Jenny C Acquisition, Inc.	Health club franchisor	Senior subordinated loan (\$1.3 par due 4/2025)	8.00% PIK	4/5/2019	1.3	1.3	(2)
Jim N Nicks Management, LLC (15)	Restaurant owner and operator	First lien senior secured revolving loan (\$4.9 par due 7/2023)	6.25% (Libor + 5.25%/Q)	7/10/2017	4.9	4.4	(2)(11)
		First lien senior secured loan (\$13.7 par due 7/2023)	6.25% (Libor + 5.25%/Q)	7/10/2017	13.7	12.5	(2)(11)
		First lien senior secured loan (\$1.1 par due 7/2023)	6.25% (Libor + 5.25%/Q)	7/10/2017	1.1	1.0	(2)(11)
					19.7	17.9	

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ME Equity LLC	Franchisor in the massage industry	Common stock (3,000,000 shares)		9/27/2012	3.0	2.2	(2)
Movati Athletic (Group) Inc. (15)	Premier health club operator	First lien senior secured loan (\$2.9 par due 10/2022)	7.50% (CDOR + 5.50% Cash, 0.50% PIK/Q)	10/5/2017	3.0	2.7	(2)(6)(11)
		First lien senior secured loan (\$2.1 par due 10/2022)	7.50% (CDOR + 5.50% Cash, 0.50% PIK/Q)	10/5/2017	2.0	1.9	(2)(6)(11)
					5.0	4.6	
OTG Management, LLC (15)	Airport restaurant operator	First lien senior secured revolving loan (\$10.1 par due 8/2021)	10.00% (Libor + 7.00% Cash, 2.00% PIK/Q)	8/26/2016	10.1	8.7	(2)(11)
		First lien senior secured loan (\$5.4 par due 8/2021)	10.00% (Libor + 7.00% Cash, 2.00% PIK/Q)	10/7/2020	5.4	4.6	(2)(11)
		First lien senior secured loan (\$23.8 par due 8/2021)	10.00% (Libor + 7.00% Cash, 2.00% PIK/Q)	8/26/2016	23.8	20.5	(2)(11)
		First lien senior secured loan (\$98.5 par due 8/2021)	10.00% (Libor + 7.00% Cash, 2.00% PIK/Q)	8/26/2016	98.5	84.7	(2)(11)
		First lien senior secured loan (\$9.7 par due 8/2021)	10.00% (Libor + 7.00% Cash, 2.00% PIK/Q)	10/10/2018	9.7	8.3	(2)(11)
		First lien senior secured loan (\$16.1 par due 8/2021)	10.00% (Libor + 7.00% Cash, 2.00% PIK/Q)	10/7/2020	16.1	13.8	(2)(11)
		Senior subordinated loan (\$38.6 par due 2/2022)		8/26/2016	36.1	29.0	(2)(10)
		Class A preferred units (3,000,000 units)		8/26/2016	38.3	—	
		Common units (3,000,000 units)		1/5/2011	3.0	—	
		Warrant to purchase up to 7.73% of common units		6/19/2008	0.1	—	
					241.1	169.6	
Portillo's Holdings, LLC	Fast casual restaurant brand	Second lien senior secured loan (\$34.0 par due 12/2024)	10.75% (Libor + 9.50%/Q)	11/27/2019	33.2	34.0	(2)(11)
Pyramid Management Advisors, LLC and Pyramid Investors, LLC (15)	Hotel operator	First lien senior secured revolving loan (\$9.5 par due 7/2023)	8.00% (Libor + 5.75% Cash, 1.25% PIK/Q)	4/12/2018	9.5	8.5	(2)(11)(14)
		First lien senior secured loan (\$16.8 par due 7/2023)	8.00% (Libor + 5.75% Cash, 1.25% PIK/Q)	4/12/2018	16.8	15.1	(2)(11)
		First lien senior secured loan (\$1.4 par due 7/2023)	8.00% (Libor + 5.75% Cash, 1.25% PIK/Q)	4/12/2018	1.4	1.3	(2)(11)
		First lien senior secured loan (\$6.3 par due 7/2023)	8.00% (Libor + 5.75% Cash, 1.25% PIK/Q)	12/27/2019	6.3	5.7	(2)(11)
		Preferred membership units (996,833 units)		7/15/2016	1.0	0.3	
					35.0	30.9	
Redwood Services, LLC and Redwood Services Holdco, LLC (15)	Provider of residential HVAC and plumbing services	First lien senior secured loan (\$5.4 par due 12/2025)	8.00% (Libor + 7.00%/Q)	12/31/2020	5.4	5.3	(2)(11)
		Series D units (5,291,723 units)	8.00% PIK	12/31/2020	5.3	5.3	
					10.7	10.6	
Safe Home Security, Inc., Security Systems Inc., Safe Home Monitoring, Inc., National Protective Services, Inc., Bright Integrations LLC and Medguard Alert, Inc. (15)	Provider of safety systems for business and residential customers	First lien senior secured loan (\$45.3 par due 8/2024)	8.25% (Libor + 7.25%/M)	8/4/2020	45.3	44.8	(2)(11)
SERV 2020-1	Provider of restoration and cleaning services to commercial and residential customers	First lien senior secured loan (\$0.0 par due 1/2051)	3.34%	12/9/2020	—	—	(2)
Spectra Finance, LLC (15)	Venue management and food and beverage provider	First lien senior secured revolving loan (\$15.2 par due 4/2023)	6.75% (Libor + 5.00% Cash, 0.75% PIK/M)	4/2/2018	15.2	14.0	(2)(11)(14)
		First lien senior secured loan (\$3.2 par due 4/2024)	6.75% (Libor + 5.00% Cash, 0.75% PIK/Q)	4/2/2018	3.2	2.9	(2)(11)
					18.4	16.9	

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Spin HoldCo Inc. and Airvending Limited	Laundry service and equipment provider	First lien senior secured loan (\$15.6 par due 11/2022)	7.00% (Libor + 6.00%/Q)	5/15/2020	15.6	15.6	(6)(11)
		First lien senior secured loan (\$11.0 par due 11/2022)	7.00% (Libor + 6.00%/Q)	5/15/2020	11.0	11.0	(2)(11)
		Second lien senior secured loan (\$154.2 par due 5/2023)	8.50% (Libor + 7.50%/Q)	5/14/2013	154.2	152.6	(2)(11)
					180.8	179.2	
Taymax Group, L.P., Taymax Group G.P., LLC, PF Salem Canada ULC and TCP Fit Parent, L.P. (15)	Planet Fitness franchisee	First lien senior secured revolving loan (\$1.3 par due 7/2024)	5.75% (Libor + 4.75%/Q)	7/31/2018	1.3	1.2	(2)(11)
		First lien senior secured loan (\$0.3 par due 7/2025)	5.75% (Libor + 4.75%/Q)	3/5/2020	0.3	0.3	(2)(11)
		First lien senior secured loan (\$0.6 par due 7/2025)	5.75% (Libor + 4.75%/Q)	3/5/2020	0.6	0.6	(2)(11)
		Class A units (37,020 units)		7/31/2018	3.8	0.8	
					6.0	2.9	
The Alaska Club Partners, LLC, Athletic Club Partners LLC and The Alaska Club, Inc. (15)	Premier health club operator	First lien senior secured loan (\$15.4 par due 12/2024)	10.25% (Libor + 5.00% Cash, 2.00% PIK/Q)	12/16/2019	15.4	13.8	(2)(11)
WASH Multifamily Acquisition Inc. and Coinamatic Canada Inc.	Laundry service and equipment provider	First lien senior secured loan (\$110.5 par due 5/2022)	5.75% (Libor + 4.75%/M)	8/1/2019	110.5	110.5	(2)(11)
		Second lien senior secured loan (\$22.0 par due 5/2023)	8.00% (Libor + 7.00%/M)	5/14/2015	21.7	21.5	(2)(11)
		Second lien senior secured loan (\$3.8 par due 5/2023)	8.00% (Libor + 7.00%/M)	5/14/2015	3.8	3.8	(2)(11)
					136.0	135.8	
					1,282.3	1,097.5	15.29%
Consumer Durables & Apparel							
Badger Sportswear Acquisition, Inc.	Provider of team uniforms and athletic wear	Second lien senior secured loan (\$56.8 par due 3/2024)	11.00% (Libor + 9.75%/Q)	9/6/2016	56.8	50.0	(2)(11)
Bowhunter Holdings, LLC	Provider of branded archery and bowhunting accessories	Common units (421 units)		4/24/2014	4.2	—	
Centric Brands LLC (15)	Designer, marketer and distributor of licensed and owned apparel	First lien senior secured revolving loan (\$3.0 par due 10/2024)	6.50% (Libor + 5.50%/Q)	5/20/2020	3.0	3.0	(2)(11)
		First lien senior secured loan (\$60.2 par due 10/2025)	11.00% (Libor + 10.00% PIK/Q)	10/29/2018	60.2	54.1	(2)(11)
		Membership interests (273,609 units)		10/29/2018	2.9	3.1	(2)
					66.1	60.2	
DRS Holdings III, Inc. and DRS Holdings I, Inc. (15)	Footwear and orthopedic foot-care brand	First lien senior secured loan (\$30.1 par due 11/2025)	6.75% (Libor + 5.75%/Q)	11/1/2019	30.1	29.5	(2)(11)
		Common stock (8,549 shares)		11/1/2019	8.5	4.9	(2)
					38.6	34.4	
GSM Acquisition Corp. (15)	Manufacturer of outdoor products	First lien senior secured loan (\$1.8 par due 11/2026)	6.00% (Libor + 5.00%/Q)	11/16/2020	1.8	1.8	(2)(11)
		First lien senior secured loan (\$26.0 par due 11/2026)	6.00% (Libor + 5.00%/Q)	11/16/2020	26.0	25.6	(2)(11)
					27.8	27.4	
Implus Footcare, LLC	Provider of footwear and other accessories	First lien senior secured loan (\$104.4 par due 4/2024)	8.75% (Libor + 2.50% Cash, 5.25% PIK/Q)	6/1/2017	104.4	89.8	(2)(11)
		First lien senior secured loan (\$14.3 par due 4/2024)	8.75% (Libor + 2.50% Cash, 5.25% PIK/Q)	6/1/2017	14.3	12.3	(2)(11)
		First lien senior secured loan (\$1.3 par due 4/2024)	8.75% (Libor + 2.50% Cash, 5.25% PIK/Q)	6/30/2016	1.3	1.1	(2)(11)
		First lien senior secured loan (\$5.1 par due 4/2024)	8.75% (Libor + 2.50% Cash, 5.25% PIK/Q)	7/17/2018	5.1	4.4	(2)(11)
					125.1	107.6	
Pelican Products, Inc.	Flashlights manufacturer	Second lien senior secured loan (\$27.3 par due 5/2026)	8.75% (Libor + 7.75%/Q)	5/14/2018	27.2	27.1	(2)(11)
Rawlings Sporting Goods Company, Inc. and Easton Diamond Sports, LLC	Sports equipment manufacturing company	First lien senior secured loan (\$93.6 par due 12/2026)	8.50% (Libor + 7.50%/M)	12/31/2020	93.6	92.7	(2)(11)

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Reef Lifestyle, LLC (15)	Apparel retailer	First lien senior secured revolving loan (\$8.3 par due 10/2024)	11.00% (Libor + 5.75% Cash, 4.25% PIK/M)	10/26/2018	8.3	6.8	(2)(11)(14)
		First lien senior secured loan (\$25.8 par due 10/2024)	11.00% (Libor + 5.75% Cash, 4.25% PIK/Q)	10/26/2018	25.8	21.1	(2)(11)
		First lien senior secured loan (\$0.4 par due 10/2024)	11.00% (Libor + 5.75% Cash, 4.25% PIK/Q)	7/31/2020	0.4	0.3	(2)(11)
		First lien senior secured loan (\$0.3 par due 10/2024)	11.00% (Libor + 5.75% Cash, 4.25% PIK/M)	7/31/2020	0.3	0.3	(2)(11)
					34.8	28.5	
S Toys Holdings LLC (fka The Step2 Company, LLC) (5)	Toy manufacturer	Class B common units (126,278,000 units)		10/30/2014	—	0.3	
		Common units (1,116,879 units)		4/1/2011	—	—	
		Warrant to purchase up to 3,157,895 units		4/1/2010	—	—	
					—	0.3	
SHO Holding I Corporation	Manufacturer and distributor of slip resistant footwear	Second lien senior secured loan (\$105.1 par due 10/2024)	10.29% PIK (Libor + 9.29%Q)	10/27/2015	104.1	83.0	(2)(11)
Shock Doctor, Inc. and Shock Doctor Holdings, LLC (4)(15)	Developer, marketer and distributor of sports protection equipment and accessories	First lien senior secured revolving loan (\$1.6 par due 5/2024)	7.00% (Base Rate + 3.75%/M)	5/21/2019	1.6	1.5	(2)(11)(14)
		First lien senior secured loan (\$19.4 par due 5/2024)	5.75% (Libor + 4.75%Q)	5/21/2019	19.3	18.0	(2)(11)
		Class A preferred units (50,000 units)		3/14/2014	5.0	—	(2)
		Class C preferred units (50,000 units)		4/22/2015	5.0	—	(2)
		Preferred units (14,591 units)		5/14/2019	1.6	—	(2)
					32.5	19.5	
Singer Sewing Company, SVP-Singer Holdings, LLC and SVP-Singer Holdings LP (5)(15)	Manufacturer of consumer sewing machines	First lien senior secured revolving loan		7/26/2017	—	—	(13)
		First lien senior secured loan (\$234.2 par due 2/2026)	10.00% (Libor + 9.00%Q)	11/12/2020	222.5	234.2	(2)(11)
		Class A common units (6,264,706 units)		7/26/2017	—	74.1	(2)
					222.5	308.3	
Totes Isotoner Corporation and Totes Ultimate Holdco, Inc. (4)	Designer, marketer, and distributor of rain and cold weather products	First lien senior secured loan (\$2.2 par due 12/2024)	7.00% (Libor + 6.00%Q)	12/23/2019	2.2	1.9	(2)(11)
		First lien senior secured loan (\$1.6 par due 6/2024)	5.00% (Libor + 4.00%Q)	12/23/2019	1.6	1.6	(2)(11)
		Common stock (861,000 shares)		12/23/2019	6.0	2.0	(2)
					9.8	5.5	
Varsity Brands Holding Co., Inc. and BCPE Hercules Holdings, LP	Leading manufacturer and distributor of textiles, apparel & luxury goods	Second lien senior secured loan (\$21.1 par due 12/2025)	9.25% (Libor + 8.25%/M)	7/30/2018	21.1	19.0	(2)(11)
		Second lien senior secured loan (\$122.7 par due 12/2025)	9.25% (Libor + 8.25%/M)	12/15/2017	122.7	110.5	(2)(11)
		Class A units (1,400 units)		7/30/2018	1.4	0.5	(2)
					145.2	130.0	
					988.3	974.5	13.58%
Diversified Financials							
Commercial Credit Group, Inc.	Commercial equipment finance and leasing company	Senior subordinated loan (\$8.5 par due 8/2022)	11.00% (Libor + 9.75%/M)	5/10/2012	8.5	8.5	(2)(11)
DFC Global Facility Borrower III LLC (15)	Non-bank provider of alternative financial services	First lien senior secured revolving loan (\$114.4 par due 9/2024)	11.75% (Libor + 10.75%/M)	8/9/2019	114.4	114.4	(2)(6)(11)
eCapital Finance Corp.	Consolidator of commercial finance businesses	Senior subordinated loan (\$36.5 par due 1/2025)	10.00% (Libor + 8.50%/M)	1/31/2020	36.5	36.5	(2)(11)
		Senior subordinated loan (\$43.0 par due 1/2025)	10.00% (Libor + 8.50%/M)	1/31/2020	43.0	43.0	(2)(11)
		Senior subordinated loan (\$7.7 par due 1/2025)	10.00% (Libor + 8.50%Q)	11/24/2020	7.7	7.7	(2)(11)

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					87.2	87.2	
EP Wealth Advisors, LLC (15)	Wealth management and financial planning firm	First lien senior secured loan (\$0.1 par due 9/2026)	6.25% (Libor + 5.25%/Q)	9/4/2020	0.1	0.1 (2)(11)	
Ivy Hill Asset Management, L.P. (5)	Asset management services	Senior subordinated loan (\$72.0 par due 5/2023)	7.25% (Libor + 6.50%/Q)	2/8/2018	72.0	72.0 (6)(11)	
		Member interest (100.00% interest)		6/15/2009	469.0	556.5 (6)	
					<u>541.0</u>	<u>628.5</u>	
Javlin Three LLC, Javlin Four LLC, and Javlin Five LLC	Asset-backed financial services company	First lien senior secured loan (\$16.0 par due 6/2017)		6/24/2014	12.9	0.8 (2)(6)(10)	
Joyce Lane Capital LLC and Joyce Lane Financing SPV LLC (fka Ciena Capital LLC) (5)(15)	Specialty finance company	First lien senior secured loan (\$0.6 par due 12/2022)	4.25% (Libor + 4.00%/Q)	12/27/2018	0.6	0.6 (2)(6)	
		Equity interests		11/29/2010	—	— (2)(6)	
					<u>0.6</u>	<u>0.6</u>	
LS DE LLC and LM LSQ Investors LLC	Asset based lender	Senior subordinated loan (\$37.0 par due 6/2021)	10.50%	6/25/2015	37.0	36.6 (2)(6)	
		Senior subordinated loan (\$3.0 par due 6/2021)	10.50%	6/15/2017	3.0	3.0 (2)(6)	
		Membership units (3,275,000 units)		6/25/2015	3.3	3.7 (6)	
					<u>43.3</u>	<u>43.3</u>	
Rialto Management Group, LLC (15)	Investment and asset management platform focused on real estate	First lien senior secured revolving loan		11/30/2018	—	— (6)(13)	
		First lien senior secured loan (\$0.8 par due 12/2024)	4.65% (Libor + 4.50%/M)	11/30/2018	0.8	0.8 (2)(6)	
					<u>0.8</u>	<u>0.8</u>	
TA/WEG Holdings, LLC (15)	Wealth management and financial planning firm	First lien senior secured revolving loan		10/2/2019	—	— (13)	
		First lien senior secured loan (\$0.5 par due 10/2025)	6.75% (Libor + 5.75%/Q)	11/6/2020	0.5	0.5 (2)(11)	
		First lien senior secured loan (\$4.7 par due 10/2025)	6.75% (Libor + 5.75%/Q)	10/2/2019	4.7	4.7 (2)(11)	
					<u>5.2</u>	<u>5.2</u>	
The Ultimus Group Mideo, LLC, The Ultimus Group, LLC, and The Ultimus Group Aggregator, LP (15)	Provider of asset-servicing capabilities for fund managers	First lien senior secured revolving loan (\$4.0 par due 2/2024)	4.75% (Libor + 4.50%/Q)	2/1/2019	4.0	3.8 (2)	
		First lien senior secured loan (\$38.2 par due 2/2026)	5.50% (Libor + 4.50%/Q)	2/1/2019	38.2	36.3 (2)(11)	
		Class A units (1,443 units)		2/1/2019	1.6	1.7	
		Class A units (245 units)		2/1/2019	0.2	—	
		Class B units (2,167,424 units)		2/1/2019	—	—	
		Class B units (245,194 units)		2/1/2019	—	—	
					<u>44.0</u>	<u>41.8</u>	
					<u>858.0</u>	<u>931.2</u>	12.98%
Automobiles & Components							
Automotive Keys Group, LLC and Automotive Keys Investor, LLC	Provider of replacement wireless keys for automotive market	First lien senior secured loan (\$12.2 par due 11/2025)	6.00% (Libor + 5.00%/Q)	12/22/2020	12.2	11.9 (2)(11)	
		First lien senior secured loan (\$5.3 par due 11/2025)	6.00% (Libor + 5.00%/Q)	11/6/2020	5.3	5.2 (2)(11)	
		Preferred units (4,113,113 units)	9.00% PIK	11/6/2020	4.2	4.2 (2)	
		Class A common units (4,113,113 units)		11/6/2020	—	— (2)	
					<u>21.7</u>	<u>21.3</u>	
Eckler Industries, Inc. and Eckler Purchaser LLC (5)(15)	Restoration parts and accessories provider for classic automobiles	First lien senior secured revolving loan (\$2.7 par due 5/2022)	12.00% PIK	7/12/2012	2.7	2.6 (2)	
		First lien senior secured loan (\$23.3 par due 5/2022)	12.00% PIK	7/12/2012	23.3	22.6 (2)	
		Class A common units (67,972 units)		7/12/2012	16.4	— (2)	
					<u>42.4</u>	<u>25.2</u>	
GB Auto Service, Inc. and GB Auto Service Holdings, LLC (15)	Automotive parts and repair services retailer	First lien senior secured revolving loan (\$3.8 par due 10/2024)	7.00% (Libor + 6.00%/M)	10/19/2018	3.8	3.8 (2)(11)	

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		First lien senior secured loan (\$21.9 par due 10/2024)	7.00% (Libor + 6.00%/Q)	10/19/2018	21.9	21.9	(2)(11)
		First lien senior secured loan (\$30.1 par due 10/2024)	7.00% (Libor + 6.00%/Q)	10/19/2018	30.1	30.1	(11)
		First lien senior secured loan (\$38.8 par due 10/2024)	7.00% (Libor + 6.00%/Q)	3/9/2020	38.8	38.8	(2)(11)
		Common units (4,389,156 units)		10/19/2018	5.7	10.4	(2)
					100.3	105.0	
Highline Aftermarket Acquisition, LLC, Highline Aftermarket SC Acquisition, Inc. and Highline PPC Blocker LLC (15)	Manufacturer and distributor of automotive fluids	First lien senior secured revolving loan (\$9.5 par due 11/2025)	4.00% (Libor + 3.75%/M)	11/9/2020	9.5	9.2	(2)
		Second lien senior secured loan (\$41.2 par due 11/2028)	8.75% (Libor + 8.00%/Q)	11/9/2020	41.2	40.4	(2)(11)
		Second lien senior secured loan (\$29.2 par due 11/2028)	8.75% (Libor + 8.00%/Q)	11/9/2020	29.2	28.6	(2)(11)
		Co-invest units (59,230 units)		11/4/2020	5.9	5.9	(2)
					85.8	84.1	
Mac Lean-Fogg Company and MacLean-Fogg Holdings, L.L.C.	Manufacturer and supplier for the power utility and automotive markets worldwide	First lien senior secured loan (\$153.0 par due 12/2025)	5.63% (Libor + 5.00%/M)	12/21/2018	152.4	146.9	(11)
		First lien senior secured loan (\$19.3 par due 12/2025)	5.63% (Libor + 5.00%/M)	12/21/2018	19.3	18.5	(2)(11)
		Preferred units (59,453 units)	4.50% Cash, 9.25% PIK	10/9/2015	72.3	72.3	
					244.0	237.7	
Mavis Tire Express Services Corp. and Mavis Tire Express Services TopCo, L.P. (15)	Auto parts retailer	Second lien senior secured loan (\$153.9 par due 3/2026)	8.50% (Libor + 7.50%/Q)	3/20/2018	152.3	153.9	(2)(11)
		Second lien senior secured loan (\$1.4 par due 3/2026)	8.50% (Libor + 7.50%/Q)	3/20/2018	1.4	1.4	(2)(11)
		Second lien senior secured loan (\$23.3 par due 3/2026)	9.00% (Libor + 8.00%/Q)	10/15/2019	23.3	23.3	(2)(11)
		Class A units (12,400,000 units)		3/20/2018	12.4	19.0	(2)
					189.4	197.6	
SK SPV IV, LLC	Collision repair site operator	Series A common stock (12,500 units)		8/18/2014	0.6	1.4	(2)
		Series B common stock (12,500 units)		8/18/2014	0.6	1.4	(2)
					1.2	2.8	
Wand Newco 3, Inc.	Collision repair company	Second lien senior secured loan (\$180.2 par due 2/2027)	7.40% (Libor + 7.25%/M)	2/5/2019	177.8	174.8	(2)
					862.6	848.5	11.82%
Power Generation							
Beacon RNG LLC	Owner of natural gas facilities	Class B units (35,000,000 units)		3/11/2019	35.0	39.3	
CPV Maryland Holding Company II, LLC	Gas turbine power generation facilities operator	Senior subordinated loan (\$66.2 par due 3/2021)	14.00% PIK	8/8/2014	61.6	61.6	(2)
DGH Borrower LLC	Developer, owner and operator of quick start, small-scale natural gas-fired power generation projects	First lien senior secured loan (\$50.3 par due 6/2023)	8.25% (Libor + 7.25%/Q)	6/8/2018	50.3	45.7	(2)(11)
Green Energy Partners, Stonewall LLC and Panda Stonewall Intermediate Holdings II LLC	Gas turbine power generation facilities operator	First lien senior secured loan (\$14.4 par due 11/2021)	6.50% (Libor + 5.50%/Q)	11/13/2014	14.3	13.1	(2)(11)
		Senior subordinated loan (\$134.2 par due 12/2021)		11/13/2014	132.1	87.3	(2)(10)
					146.4	100.4	
Heelstone Renewable Energy, LLC (5)(15)	Provider of cloud based IT solutions, infrastructure and services	Preferred equity (2,700,000 shares)		6/28/2019	29.4	29.7	
Hummel Station LLC	Gas turbine power generation facilities operator	First lien senior secured loan (\$0.9 par due 10/2022)	7.00% (Libor + 6.00%/M)	12/10/2020	0.9	0.9	(2)(11)(18)
Navisun LLC and Navisun Holdings LLC (5)(15)	Owner and operator of commercial and industrial solar projects	First lien senior secured loan (\$52.6 par due 11/2023)	8.00% PIK	11/15/2017	52.6	52.6	(2)
		First lien senior secured loan (\$14.6 par due 11/2023)	9.00% PIK	3/7/2019	14.6	14.6	(2)

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		First lien senior secured loan (\$39.1 par due 11/2023)	5.00% Cash, 3.00% PIK	8/15/2019	39.1	39.1 (2)	
		Series A preferred units (1,000 units)	10.50% PIK	11/15/2017	12.6	12.6	
		Class A units (550 units)		11/15/2017	—	0.3	
					118.9	119.2	
Panda Temple Power, LLC and T1 Power Holdings LLC (4)	Gas turbine power generation facilities operator	Second lien senior secured loan (\$4.5 par due 2/2023)	9.00% PIK (Libor + 8.00%/M)	3/6/2015	4.5	4.5 (2)(11)	
		Class A Common units (616,122 shares)		3/6/2015	15.0	14.1	
					19.5	18.6	
PERC Holdings 1 LLC	Operator of recycled energy, combined heat and power, and energy efficiency facilities	Class B common units (21,653,543 units)		10/20/2014	0.6	12.7 (2)	
PosiGen Backleverage, LLC and PosiGen, Inc. (15)	Seller and leaser of solar power systems for residential and commercial customers	First lien senior secured loan (\$43.8 par due 1/2023)	10.50% (Libor + 7.00% Cash, 1.50% PIK/Q)	9/29/2020	42.9	43.0 (2)(11)	
		First lien senior secured loan (\$1.9 par due 1/2023)	15.00% (Libor + 7.00% Cash, 6.00% PIK/M)	9/29/2020	1.9	1.9 (2)(11)	
		Warrant to purchase up to 78,632 shares of common stock (expires 1/2027)		1/29/2020	—	— (2)	
					44.8	44.9	
Riverview Power LLC	Operator of natural gas and oil fired power generation facilities	First lien senior secured loan (\$76.6 par due 12/2022)	9.00% (Libor + 8.00%/Q)	12/29/2016	75.8	76.6 (2)(11)	
SEI Generation, LLC	Solar power developer	Senior subordinated loan (\$55.6 par due 12/2022)	5.50% Cash, 4.00% PIK	12/17/2019	55.6	54.5 (2)	
Sunrun Atlas Depositor 2019-2, LLC and Sunrun Atlas Holdings 2019-2, LLC	Residential solar energy provider	First lien senior secured loan (\$0.1 par due 2/2055)	3.61%	10/28/2019	0.1	0.1 (2)	
		Senior subordinated loan (\$137.0 par due 11/2025)	8.75% (Libor + 2.75% Cash, 4.00% PIK/Q)	11/26/2019	137.0	137.0 (2)(11)	
					137.1	137.1	
Sunrun Xanadu Issuer 2019-1, LLC and Sunrun Xanadu Holdings 2019-1, LLC	Residential solar energy provider	First lien senior secured loan (\$0.4 par due 6/2054)	3.98%	6/7/2019	0.4	0.4 (2)	
		Senior subordinated loan (\$66.9 par due 7/2030)	8.75% (Libor + 2.75% Cash, 4.00% PIK/Q)	6/27/2019	66.9	66.9 (2)(11)	
					67.3	67.3	
					843.2	808.5	11.27%
Capital Goods							
AEP Holdings, Inc. and Arrowhead Holdco Company (15)	Distributor of non-discretionary, mission-critical aftermarket replacement parts	First lien senior secured loan (\$7.7 par due 11/2025)	6.75% (Libor + 5.75%/Q)	12/31/2020	7.7	7.5 (2)(11)	
		First lien senior secured loan (\$17.1 par due 11/2025)	6.75% (Euribor + 5.75%/Q)	11/17/2020	16.6	16.8 (2)(11)	
		Common stock (3,467 shares)		8/31/2015	3.5	3.4 (2)	
					27.8	27.7	
Cadence Aerospace, LLC (15)	Aerospace precision components manufacturer	First lien senior secured revolving loan (\$14.2 par due 11/2022)	9.50% (Libor + 3.25% Cash, 5.25% PIK/Q)	11/14/2017	14.2	12.8 (2)(11)(14)	
		First lien senior secured revolving loan (\$0.4 par due 11/2023)	9.50% (Libor + 3.25% Cash, 5.25% PIK/Q)	7/22/2020	0.4	0.3 (2)(11)	
		First lien senior secured loan (\$31.7 par due 11/2023)	9.50% (Libor + 3.25% Cash, 5.25% PIK/Q)	11/14/2017	31.5	28.5 (2)(11)	
		First lien senior secured loan (\$9.9 par due 11/2023)	9.50% (Libor + 3.25% Cash, 5.25% PIK/Q)	7/5/2018	9.9	8.9 (2)(11)	
		First lien senior secured loan (\$12.0 par due 11/2023)	9.50% (Libor + 3.25% Cash, 5.25% PIK/Q)	10/31/2019	12.0	10.8 (2)(11)	
		First lien senior secured loan (\$7.9 par due 11/2023)	9.50% (Libor + 3.25% Cash, 5.25% PIK/Q)	2/12/2020	7.9	7.1 (2)(11)	
		First lien senior secured loan (\$1.7 par due 11/2023)	9.50% (Libor + 3.25% Cash, 5.25% PIK/Q)	7/31/2020	1.6	1.5 (2)(11)	

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					77.5	69.9	
Creation Holdings Inc. (15)	Manufacturer of electrical systems	First lien senior secured revolving loan (\$4.4 par due 8/2024)	6.75% (Libor + 5.75%/M)	8/15/2019	4.4	4.3	(2)(6)(11)(14)
		First lien senior secured loan (\$17.6 par due 8/2025)	6.75% (Libor + 5.75%/Q)	8/15/2019	17.5	17.3	(2)(6)(11)
		First lien senior secured loan (\$6.7 par due 8/2025)	6.75% (Libor + 5.75%/Q)	8/15/2019	6.7	6.5	(6)(11)
					28.6	28.1	
DFS Holding Company, Inc.	Distributor of maintenance, repair, and operations parts, supplies, and equipment to the foodservice industry	First lien senior secured loan (\$168.6 par due 8/2023)	8.50% (Libor + 6.00% Cash, 1.50% PIK/M)	7/26/2017	168.6	158.5	(2)(11)
		First lien senior secured loan (\$4.3 par due 8/2023)	8.50% (Libor + 6.00% Cash, 1.50% PIK/M)	3/1/2017	4.3	4.1	(2)(11)
		First lien senior secured loan (\$0.7 par due 8/2023)	8.50% (Libor + 6.00% Cash, 1.50% PIK/M)	5/22/2020	0.7	0.6	(2)(11)
		First lien senior secured loan (\$0.7 par due 2/2022)	8.50% (Libor + 6.00% Cash, 1.50% PIK/M)	5/22/2020	0.7	0.6	(2)(11)
		First lien senior secured loan (\$1.6 par due 8/2023)	8.50% (Libor + 6.00% Cash, 1.50% PIK/M)	5/22/2020	1.6	1.5	(2)(11)
					175.9	165.3	
Dynamic NC Aerospace Holdings, LLC and Dynamic NC Investment Holdings, LP (15)	Provider of aerospace technology and equipment	First lien senior secured revolving loan (\$0.7 par due 12/2025)	8.75% (Base Rate + 5.50%/Q)	12/30/2020	0.7	0.7	(2)(11)
		First lien senior secured loan (\$26.0 par due 12/2026)	8.75% (Base Rate + 5.50%/Q)	12/30/2020	26.0	25.8	(2)(11)
		Common units (9,773,000 units)		12/30/2020	9.8	9.8	
					36.5	36.3	
ESCP PPG Holdings, LLC (4)	Distributor of new equipment and aftermarket parts to the heavy-duty truck industry	Class A units (3,500,000 units)		12/14/2016	3.5	3.1	(2)
Flow Control Solutions, Inc. (15)	Distributor and manufacturer of flow control systems components	First lien senior secured loan (\$10.8 par due 11/2024)	6.75% (Libor + 5.75%/Q)	11/21/2018	10.8	10.8	(2)(11)
		First lien senior secured loan (\$9.5 par due 11/2024)	6.75% (Libor + 5.75%/Q)	11/21/2018	9.5	9.5	(2)(11)
					20.3	20.3	
Harvey Tool Company, LLC (15)	Manufacturer of cutting tools used in the metalworking industry	First lien senior secured revolving loan		10/12/2017	—	—	(13)
		First lien senior secured loan (\$32.0 par due 10/2024)	5.75% (Libor + 4.75%/Q)	11/30/2020	32.0	32.0	(2)(11)
		First lien senior secured loan (\$30.0 par due 10/2024)	5.75% (Libor + 4.75%/Q)	10/12/2017	30.0	30.0	(2)(11)
		Second lien senior secured loan (\$43.7 par due 10/2025)	9.50% (Libor + 8.50%/Q)	10/12/2017	43.7	43.7	(2)(11)
					105.7	105.7	
Imaging Business Machines, L.L.C. and Scanner Holdings Corporation (5)	Provider of high-speed intelligent document scanning hardware and software	Senior subordinated loan (\$8.3 par due 6/2022)	14.00%	1/3/2017	8.2	8.3	(2)
		Senior subordinated loan (\$8.3 par due 6/2022)	14.00%	1/3/2017	8.2	8.3	(2)
		Series A preferred stock (73,804,135 shares)		1/3/2017	1.2	26.9	
		Class A common stock (48,082 shares)		1/3/2017	—	0.1	
		Class B common stock (431,055 shares)		1/3/2017	0.1	0.9	
					17.7	44.5	
Kene Acquisition, Inc. and Kene Holdings, L.P. (15)	National utility services firm providing engineering and consulting services to natural gas, electric power and other energy and industrial end markets	First lien senior secured revolving loan		8/8/2019	—	—	(13)
		First lien senior secured loan (\$51.5 par due 8/2026)	5.25% (Libor + 4.25%/Q)	8/8/2019	51.5	51.0	(2)(11)
		Class A units (4,549,000 units)		8/8/2019	4.5	4.3	(2)

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					56.0	55.3	
LTG Acquisition, Inc.	Designer and manufacturer of display, lighting and passenger communication systems for mass transportation markets	Class A membership units (5,000 units)		1/3/2017	5.1	—	
MB Aerospace Holdings II Corp.	Aerospace engine components manufacturer	Second lien senior secured loan (\$68.4 par due 1/2026)	10.00% (Libor + 9.00%/Q)	1/22/2018	68.4	61.6 (2)(11)	
		Second lien senior secured loan (\$23.6 par due 1/2026)	10.00% (Libor + 9.00%/Q)	5/28/2019	23.6	21.3 (2)(11)	
					92.0	82.9	
NCWS Intermediate, Inc. and NCWS Holdings LP (15)	Manufacturer and supplier of car wash equipment, parts and supplies to the conveyORIZED car wash market	First lien senior secured loan (\$144.1 par due 12/2026)	7.50% (Libor + 6.50%/Q)	12/29/2020	144.1	142.7 (2)(11)	
		Class A-2 common units (10,000,000 units)		12/29/2020	10.0	10.0 (2)	
					154.1	152.7	
Radius Aerospace, Inc. and Radius Aerospace Europe Limited (15)	Metal fabricator in the aerospace industry	First lien senior secured revolving loan (\$0.2 par due 3/2025)	6.75% (Libor + 5.75%/Q)	3/29/2019	0.2	0.2 (2)(11)	
		First lien senior secured revolving loan (\$1.1 par due 3/2025)	6.75% (GBP Libor + 5.75%/Q)	11/14/2019	1.0	1.0 (2)(6)(11)	
					1.2	1.2	
Star US Bidco LLC (15)	Manufacturer of pumps, compressors and other highly-engineered equipment for mission-critical applications	First lien senior secured revolving loan		3/17/2020	—	— (13)	
Sunk Rock Foundry Partners LP, Hatteras Electrical Manufacturing Holding Company and Sigma Electric Manufacturing Corporation (15)	Manufacturer of metal castings, precision machined components and sub-assemblies in the electrical products, power transmission and distribution and general industrial markets	First lien senior secured revolving loan (\$2.5 par due 10/2022)	7.25% (Libor + 6.25%/Q)	10/31/2017	2.5	2.5 (2)(11)(14)	
					804.4	795.5	11.08%
Insurance Services							
Alera Group Intermediate Holdings, Inc.	Insurance service provider	Second lien senior secured loan (\$26.2 par due 3/2026)	8.65% (Libor + 8.50%/M)	3/5/2019	26.2	26.2 (2)	
		Second lien senior secured loan (\$24.4 par due 3/2026)	8.65% (Libor + 8.50%/M)	3/5/2019	24.4	24.4 (2)	
					50.6	50.6	
Amynta Agency Borrower Inc. and Amynta Warranty Borrower Inc.	Insurance service provider	First lien senior secured loan (\$13.3 par due 2/2025)	4.65% (Libor + 4.50%/M)	12/21/2018	13.3	12.9 (2)	
AQ Sunshine, Inc. (15)	Specialized insurance broker	First lien senior secured loan (\$8.7 par due 4/2025)	7.00% (Libor + 6.00%/Q)	4/15/2019	8.7	8.7 (2)(11)	
		First lien senior secured loan (\$9.5 par due 4/2025)	7.00% (Libor + 6.00%/Q)	10/29/2020	9.5	9.5 (2)(11)	
					18.2	18.2	
Ardonagh Midco 2 plc and Ardonagh Midco 3 plc (15)	Insurance broker and underwriting servicer	First lien senior secured loan (\$2.4 par due 7/2026)	8.25% (GBP Libor + 7.50%/Q)	6/26/2020	2.3	2.4 (2)(6)(11)	
		First lien senior secured loan (\$68.7 par due 7/2026)	8.25% (GBP Libor + 7.50%/Q)	6/26/2020	63.1	68.7 (2)(6)(11)	
		First lien senior secured loan (\$7.8 par due 7/2026)	8.50% (Euribor + 7.50%/Q)	6/26/2020	7.3	7.8 (2)(6)(11)	
		Senior subordinated loan (\$1.1 par due 1/2027)	11.50%	6/26/2020	1.1	1.1 (2)(6)	
					73.8	80.0	
Benecon Midco II LLC and Locutus Holdco LLC (15)	Employee benefits provider for small and mid-size employers	First lien senior secured revolving loan (\$1.8 par due 12/2026)	6.50% (Libor + 5.50%/Q)	12/4/2020	1.8	1.7 (2)(11)	
		Common units (9,803,682 units)		12/4/2020	10.0	10.0 (2)	
					11.8	11.7	
Foundation Risk Partners, Corp. (15)	Full service independent insurance agency	First lien senior secured loan (\$21.8 par due 11/2023)	5.75% (Libor + 4.75%/Q)	11/10/2017	21.8	21.8 (2)(11)	
		First lien senior secured loan (\$25.8 par due 11/2023)	5.75% (Libor + 4.75%/Q)	8/30/2019	25.8	25.8 (11)	
		Second lien senior secured loan (\$19.1 par due 11/2024)	9.50% (Libor + 8.50%/Q)	8/9/2018	19.1	19.1 (2)(11)	

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		Second lien senior secured loan (\$21.7 par due 11/2024)	9.50% (Libor + 8.50%/Q)	8/9/2018	21.7	21.7	(2)(11)
		Second lien senior secured loan (\$27.4 par due 11/2024)	9.50% (Libor + 8.50%/Q)	5/1/2019	27.4	27.4	(2)(11)
		Second lien senior secured loan (\$14.8 par due 11/2024)	9.50% (Libor + 8.50%/Q)	8/30/2019	14.8	14.8	(2)(11)
		Second lien senior secured loan (\$27.5 par due 11/2024)	9.50% (Libor + 8.50%/Q)	11/10/2017	27.5	27.5	(2)(11)
					158.1	158.1	
K2 Insurance Services, LLC and K2 Holdco LP (15)	Specialty insurance and managing general agency	First lien senior secured revolving loan		7/1/2019	—	—	(13)
		First lien senior secured loan (\$51.5 par due 7/2024)	6.00% (Libor + 5.00%/Q)	7/1/2019	51.5	51.5	(2)(11)
		First lien senior secured loan (\$10.5 par due 7/2024)	6.00% (Libor + 5.00%/M)	7/1/2019	10.5	10.5	(2)(11)
		Common units (799,000 units)		7/1/2019	0.8	1.5	(2)
					62.8	63.5	
NSM Insurance Group, LLC	Insurance program administrator	First lien senior secured loan (\$12.9 par due 5/2026)	7.00% (Libor + 5.75%/Q)	5/11/2018	12.9	12.9	(2)(11)
RSC Acquisition, Inc. and RSC Insurance Brokerage, Inc. (15)	Insurance broker	First lien senior secured revolving loan		11/1/2019	—	—	(13)
		First lien senior secured loan (\$43.1 par due 10/2026)	6.50% (Libor + 5.50%/Q)	11/1/2019	43.1	42.7	(2)(11)
					43.1	42.7	
SCM Insurance Services Inc. (15)	Provider of claims management, claims investigation & support and risk management solutions for the Canadian property and casualty insurance industry	First lien senior secured loan (\$20.5 par due 8/2024)	6.00% (CDOR + 5.00%/M)	8/29/2017	20.8	20.1	(2)(6)(11)
		Second lien senior secured loan (\$59.6 par due 3/2025)	10.00% (CDOR + 9.00%/M)	8/29/2017	60.5	58.4	(2)(6)(11)
					81.3	78.5	
SG Acquisition, Inc.	Provider of insurance solutions for car sales	First lien senior secured loan (\$38.6 par due 1/2027)	5.90% (Libor + 5.75%/M)	1/27/2020	38.6	38.6	(2)
Spring Insurance Solutions, LLC (15)	Technology-based direct to consumer sales and marketing platform for insurance products	First lien senior secured loan (\$19.0 par due 11/2025)	7.50% (Libor + 6.50%/Q)	11/23/2020	19.0	18.8	(2)(11)
THG Acquisition, LLC (15)	Multi-line insurance broker	First lien senior secured revolving loan		12/2/2019	—	—	(13)
		First lien senior secured loan (\$0.9 par due 12/2026)	7.00% (Libor + 6.00%/Q)	12/15/2020	0.9	0.9	(2)(11)
		First lien senior secured loan (\$10.0 par due 12/2026)	6.75% (Libor + 5.75%/Q)	12/2/2019	10.0	9.9	(2)(11)
		First lien senior secured loan (\$17.7 par due 12/2026)	7.00% (Libor + 6.00%/Q)	12/15/2020	17.7	17.7	(2)(11)
					28.6	28.5	
					612.1	615.0	8.57%
Energy							
Birch Permian, LLC	Operator of private exploration oil and production company	Second lien senior secured loan (\$88.3 par due 4/2023)	9.50% (Libor + 8.00%/Q)	4/12/2019	87.7	81.2	(2)(11)
Cheyenne Petroleum Company Limited Partnership, CPC 2001 LLC and Mill Shoals LLC	Private oil exploration and production company	Second lien senior secured loan (\$63.1 par due 1/2024)	10.50% (Libor + 8.50%/Q)	7/10/2019	63.1	52.4	(2)(11)
Murchison Oil and Gas, LLC and Murchison Holdings, LLC	Exploration and production company	First lien senior secured loan (\$6.8 par due 10/2023)	11.00% (Libor + 9.00%/Q)	9/19/2019	6.7	6.8	(2)(11)
		First lien senior secured loan (\$38.3 par due 10/2023)	10.00% (Libor + 8.00%/Q)	9/19/2019	38.3	38.0	(2)(11)
		Preferred units (21,667 units)	8.00%	10/26/2018	23.5	20.8	
					68.5	65.6	
Penn Virginia Holding Corp.	Exploration and production company	Second lien senior secured loan (\$90.1 par due 9/2022)	8.00% (Libor + 7.00%/M)	9/28/2017	90.1	84.7	(2)(6)(11)
Sundance Energy, Inc.	Oil and gas producer	Second lien senior secured loan (\$61.3 par due 4/2023)		4/23/2018	58.6	36.8	(2)(10)
VPROP Operating, LLC and V SandCo, LLC (5)(15)	Sand-based proppant producer and distributor to the oil and natural gas industry	First lien senior secured loan (\$5.4 par due 11/2024)	11.00% PIK	11/6/2020	5.4	5.4	(2)(11)
		First lien senior secured loan (\$4.9 par due 11/2024)	11.00% PIK	6/12/2020	4.9	4.9	(2)(11)

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Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		First lien senior secured loan (\$22.5 par due 11/2024)	11.00% PIK	3/1/2017	22.5	22.5 (2)(11)	
		Class A units (347,900 units)		11/6/2020	32.8	34.4 (2)	
					65.6	67.2	
					433.6	387.9	5.41%
Food & Beverage							
American Seafoods Group LLC and American Seafoods Partners LLC	Harvester and processor of seafood	Class A units (77,922 units)		8/19/2015	0.1	0.2 (2)	
		Warrant to purchase up to 7,422,078 Class A units (expires 8/2035)		8/19/2015	7.4	17.5 (2)	
					7.5	17.7	
Bragg Live Food Products, LLC and SPC Investment Co., L.P. (4) (15)	Health food company	First lien senior secured revolving loan (\$1.2 par due 12/2025)	6.75% (Libor + 5.75%/Q)	3/11/2019	1.2	1.2 (2)(11)	
		First lien senior secured loan (\$39.8 par due 12/2025)	6.75% (Libor + 5.75%/Q)	12/28/2020	39.8	39.8 (2)(11)	
		Common units (14,850 units)		3/11/2019	14.9	14.3 (2)	
					55.9	55.3	
CHG PPC Parent LLC	Diversified food products manufacturer	Second lien senior secured loan (\$60.5 par due 3/2026)	7.65% (Libor + 7.50%/M)	3/30/2018	60.5	60.5 (2)	
		Second lien senior secured loan (\$34.1 par due 3/2026)	7.90% (Libor + 7.75%/M)	1/31/2019	34.1	34.1 (2)	
					94.6	94.6	
Ferraro Fine Foods Corp. and Italian Fine Foods Holdings L.P. (15)	Specialty Italian food distributor	First lien senior secured loan (\$9.3 par due 5/2024)	5.25% (Libor + 4.25%/Q)	5/9/2018	9.3	9.3 (2)(11)	
		First lien senior secured loan (\$0.5 par due 5/2024)	5.25% (Libor + 4.25%/Q)	12/7/2018	0.5	0.5 (2)(11)	
		First lien senior secured loan (\$2.8 par due 5/2024)	5.25% (Libor + 4.25%/Q)	5/10/2019	2.8	2.8 (2)(11)	
		Class A common units (2,724,000 units)		5/9/2018	2.7	4.1 (2)	
					15.3	16.7	
Gehl Foods, LLC and GF Parent LLC	Producer of low-acid, aseptic food and beverage products	Class A preferred units (2,940 units)		5/13/2015	2.9	— (2)	
		Class A common units (60,000 units)		5/13/2015	0.1	— (2)	
		Class B common units (0.26 units)		5/13/2015	—	— (2)	
					3.0	—	
Hometown Food Company (15)	Food distributor	First lien senior secured revolving loan (\$0.5 par due 8/2023)	6.25% (Libor + 5.00%/M)	8/31/2018	0.5	0.5 (2)(11)(14)	
KC Culinate Intermediate, LLC	Manufacturer of fresh refrigerated and frozen food products	First lien senior secured loan (\$25.8 par due 8/2025)	4.75% (Libor + 3.75%/M)	1/24/2020	25.8	22.2 (2)(11)	
		Second lien senior secured loan (\$35.7 par due 8/2026)	8.75% (Libor + 7.75%/M)	8/24/2018	35.7	29.6 (2)(11)	
					61.5	51.8	
NECCO Holdings, Inc. and New England Confectionery Company, Inc. (5)(15)	Producer and supplier of candy	First lien senior secured revolving loan (\$19.9 par due 1/2018)		1/3/2017	7.9	2.9 (10)	
		First lien senior secured loan (\$11.6 par due 11/2021)		1/3/2017	0.9	1.6 (10)	
		First lien senior secured loan (\$2.2 par due 8/2018)		11/20/2017	2.1	— (10)	
		First lien senior secured loan (\$0.7 par due 11/2018)		11/20/2017	0.7	0.1 (10)	
		Common stock (860,189 shares)		1/3/2017	0.9	—	
					12.5	4.6	
RF HP SCF Investor, LLC	Branded specialty food company	Membership interest (10.08% interest)		12/22/2016	12.5	16.9 (2)(6)	
Sovos Brands Intermediate, Inc. (15)	Food and beverage platform	First lien senior secured loan (\$6.7 par due 11/2025)	4.96% (Libor + 4.75%/Q)	11/20/2018	6.7	6.7 (2)	
Teasdale Foods, Inc. and Familia Group Holdings Inc. (15)	Provider of beans, sauces and hominy to the retail, foodservice and wholesale channels	First lien senior secured loan (\$79.0 par due 12/2025)	7.25% (Libor + 6.25%/Q)	12/18/2020	79.0	77.4 (2)(11)	

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		Warrant to purchase up to 57,827 shares of common stock (expires 2/2034)		2/4/2019	—	— (2)	
					79.0	77.4	
					<u>349.0</u>	<u>342.2</u>	4.77%
Retailing & Distribution							
Blue Angel Buyer 1, LLC and Blue Angel Holdco, LLC (4)(15)	Distributor of OEM appliance aftermarket parts	First lien senior secured revolving loan		1/2/2019	—	— (13)	
		First lien senior secured loan (\$5.3 par due 1/2026)	5.25% (Libor + 4.25%/Q)	2/20/2020	5.3	5.3 (2)(11)	
		Class A preferred units (46,359 units)	8.00% PIK	1/2/2019	4.3	22.7 (2)	
					9.6	28.0	
Chariot Acquisition, LLC	Manufacturer of aftermarket golf cart parts and accessories	First lien senior secured loan (\$26.2 par due 9/2021)	7.25% (Libor + 6.25%/Q)	1/3/2017	26.1	26.2 (2)(11)	
Display Holding Company, Inc., Saldon Holdings, Inc. and Fastsigns Holdings Inc. (15)	Provider of visual communications solutions	First lien senior secured revolving loan		3/13/2019	—	— (13)	
		First lien senior secured loan (\$16.2 par due 3/2025)	6.65% (Libor + 5.65%/M)	3/13/2019	16.2	16.2 (2)(11)	
		First lien senior secured loan (\$2.6 par due 3/2025)	6.65% (Libor + 5.65%/M)	8/27/2019	2.6	2.6 (2)(11)	
		Common units (600 units)		3/13/2019	0.6	0.8 (2)	
					19.4	19.6	
GPM Investments, LLC and ARKO Corp.	Convenience store operator	First lien senior secured loan (\$27.4 par due 3/2027)	6.25% (Libor + 4.75%/Q)	2/28/2020	27.4	27.4 (2)(11)	
		First lien senior secured loan (\$26.0 par due 3/2027)	6.25% (Libor + 4.75%/Q)	2/28/2020	26.0	26.0 (11)	
		Common stock (2,088,478 shares)		12/22/2020	19.8	17.4 (2)	
		Warrant to purchase up to 1,088,780 common stock (expires 12/2025)		12/22/2020	1.6	1.6 (2)	
					74.8	72.4	
McKenzie Creative Brands, LLC (15)	Designer, manufacturer and distributor of hunting-related supplies	First lien senior secured loan (\$84.5 par due 9/2023)	6.75% (Libor + 5.75%/Q)	9/18/2014	84.5	84.5 (2)(8)(11)	
		First lien senior secured loan (\$5.5 par due 9/2023)	6.75% (Libor + 5.75%/Q)	9/18/2014	5.5	5.5 (2)(11)	
					90.0	90.0	
Pine Holdings, Inc.	Retailer of fine and artisanal paper products	Class A common stock (36,364 shares)		9/23/2013	6.0	— (2)	
Reddy Ice LLC (15)	Packaged ice manufacturer and distributor	First lien senior secured revolving loan		7/1/2019	—	— (13)	
		First lien senior secured loan (\$57.1 par due 7/2025)	7.50% (Libor + 6.50%/Q)	7/1/2019	57.1	56.0 (2)(11)	
		First lien senior secured loan (\$3.8 par due 7/2025)	7.50% (Libor + 6.50%/Q)	7/1/2019	3.8	3.7 (2)(11)	
					60.9	59.7	
SCIH Salt Holdings Inc. (15)	Salt and packaged ice melt manufacturer and distributor	First lien senior secured revolving loan (\$0.1 par due 3/2025)	6.25% (Base Rate + 3.00%/M)	3/16/2020	0.1	0.1 (2)(11)(14)(18)	
		First lien senior secured revolving loan (\$2.3 par due 3/2025)	5.00% (Libor + 4.00%/M)	3/16/2020	2.2	2.3 (2)(11)(14)(18)	
					2.3	2.4	
					<u>289.1</u>	<u>298.3</u>	4.16%
Materials							
Genomatic, Inc.	Developer of a biotechnology platform for the production of chemical products	Warrant to purchase 322,422 shares of Series D preferred stock (expires 3/2023)		3/28/2013	—	— (2)	
Halex Holdings, Inc. (5)	Manufacturer of flooring installation products	Common stock (51,853 shares)		1/3/2017	—	—	
H-Food Holdings, LLC and Matterhorn Parent, LLC	Food contract manufacturer	Second lien senior secured loan (\$73.0 par due 3/2026)	7.15% (Libor + 7.00%/M)	11/25/2018	73.0	73.0 (2)	
		Common units (5,827 units)		11/25/2018	5.8	4.9	
					<u>78.8</u>	<u>77.9</u>	

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IntraPac International LLC and IntraPac Canada Corporation (15)	Manufacturer of diversified packaging solutions and plastic injection molded products	First lien senior secured revolving loan (\$7.7 par due 1/2025)	6.00% (Libor + 5.75%/Q)	1/11/2019	7.7	7.6 (2)	
		First lien senior secured loan (\$7.0 par due 1/2026)	6.00% (Libor + 5.75%/Q)	1/11/2019	7.0	6.8 (2)	
		First lien senior secured loan (\$21.4 par due 1/2026)	6.00% (Libor + 5.75%/Q)	1/11/2019	21.4	21.0 (6)	
					36.1	35.4	
Nelipak Holding Company, Nelipak European Holdings Cooperatief U.A., KNPAC Holdings, LP and PAKNK Netherlands Treasury B.V. (15)	Manufacturer of thermoformed packaging for medical devices	First lien senior secured revolving loan (\$0.3 par due 7/2024)	5.25% (Libor + 4.25%/Q)	7/2/2019	0.3	0.3 (2)(11)	
		First lien senior secured loan (\$15.2 par due 7/2026)	5.25% (Libor + 4.25%/Q)	7/2/2019	15.2	14.7 (2)(11)	
		First lien senior secured loan (\$5.6 par due 7/2026)	4.50% (Euribor + 4.50%/Q)	7/2/2019	5.2	5.4 (2)(6)	
		First lien senior secured loan (\$26.5 par due 7/2026)	4.50% (Euribor + 4.50%/Q)	8/8/2019	24.3	25.7 (2)(6)	
		Class A units (6,762,668 units)		7/2/2019	6.8	4.7 (2)	
					51.8	50.8	
Novipax Buyer, L.L.C. and Novipax Parent Holding Company, L.L.C.	Developer and manufacturer of absorbent pads for food products	First lien senior secured loan (\$24.1 par due 12/2026)	6.75% (Libor + 5.75%/Q)	12/1/2020	24.1	23.9 (11)	
		Class A preferred units (4,772 units)	10.00% PIK	12/1/2020	4.8	4.8 (2)	
		Class C units (4,772 units)		12/1/2020	—	— (2)	
					28.9	28.7 (2)	
Plaskolite PPC Intermediate II LLC and Plaskolite PPC Blocker LLC	Manufacturer of specialized acrylic and polycarbonate sheets	First lien senior secured loan (\$12.2 par due 12/2025)	5.25% (Libor + 4.25%/Q)	12/14/2018	12.0	12.2 (11)	
		Second lien senior secured loan (\$55.7 par due 12/2026)	8.75% (Libor + 7.75%/Q)	12/14/2018	55.7	55.7 (2)(11)	
		Co-Invest units (5,969 units)		12/14/2018	0.6	0.9 (2)	
					68.3	68.8	
SCI PH Parent, Inc.	Industrial container manufacturer, reconditioner and servicer	Series B shares (11,4764 shares)		8/24/2018	1.1	1.0 (2)	
TWH Infrastructure Industries, Inc. (15)	Provider of engineered products used in the trenchless rehabilitation of wastewater infrastructure	First lien senior secured revolving loan (\$0.1 par due 4/2025)	5.76% (Libor + 5.50%/Q)	4/9/2019	0.1	— (2)	
		First lien senior secured loan (\$6.5 par due 4/2025)	5.76% (Libor + 5.50%/Q)	4/9/2019	6.5	6.1 (2)	
					6.6	6.1	
					271.6	268.7	3.74%
Pharmaceuticals, Biotechnology & Life Sciences							
Alcami Corporation and ACM Holdings I, LLC (15)	Outsourced drug development services provider	First lien senior secured loan (\$29.5 par due 7/2025)	4.40% (Libor + 4.25%/M)	7/12/2018	29.4	27.7 (2)	
		Second lien senior secured loan (\$77.5 par due 7/2026)	8.15% (Libor + 8.00%/M)	7/12/2018	77.0	67.4 (2)	
		Common units (3,663,533 units)		7/12/2018	35.0	10.4 (2)	
					141.4	105.5	
NMC Skincare Intermediate Holdings II, LLC (15)	Developer, manufacturer and marketer of skincare products	First lien senior secured revolving loan (\$5.8 par due 10/2024)	6.00% (Libor + 5.00%/M)	10/31/2018	5.8	5.6 (2)(11)(14)	
		First lien senior secured loan (\$24.4 par due 10/2024)	6.00% (Libor + 5.00%/M)	10/31/2018	24.4	23.7 (2)(11)	
		First lien senior secured loan (\$8.2 par due 10/2024)	6.00% (Libor + 5.00%/M)	10/31/2018	8.2	8.0 (11)	
					38.4	37.3	
North American Science Associates, Inc. and Cardinal Topco Holdings, L.P. (15)	Contract research organization providing research and development and testing of medical devices	First lien senior secured loan (\$7.9 par due 9/2026)	7.25% (Libor + 6.25%/Q)	9/15/2020	7.9	7.8 (2)(11)	
		First lien senior secured loan (\$48.4 par due 9/2026)	7.25% (Libor + 6.25%/Q)	9/15/2020	48.4	47.9 (2)(11)	

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		Class A preferred units (15,431 units)	8.00% PIK	9/15/2020	15.8	22.0 (2)	
					72.1	77.7	
TerSera Therapeutics LLC (15)	Acquirer and developer of specialty therapeutic pharmaceutical products	First lien senior secured revolving loan		11/20/2019	—	— (13)	
		First lien senior secured loan (\$5.1 par due 3/2025)	6.60% (Libor + 5.60%/Q)	5/3/2017	5.1	5.1 (2)(11)	
		First lien senior secured loan (\$2.1 par due 3/2025)	6.60% (Libor + 5.60%/Q)	9/27/2018	2.1	2.1 (2)(11)	
		First lien senior secured loan (\$1.8 par due 3/2025)	6.60% (Libor + 5.60%/Q)	4/1/2019	1.8	1.8 (2)(11)	
					9.0	9.0	
Vertice Pharma UK Parent Limited	Manufacturer and distributor of generic pharmaceutical products	Preferred shares (40,662 shares)		12/21/2015	0.3	0.1 (6)	
					261.2	229.6	3.20%
Household & Personal Products							
Plantation Products, LLC, Seed Holdings, Inc. and Flora Parent, Inc.	Provider of branded lawn and garden products	Second lien senior secured loan (\$66.0 par due 5/2023)	9.25% (Libor + 8.25%/M)	12/23/2014	65.9	66.0 (2)(11)	
		Common stock (30,000 shares)		12/23/2014	3.0	9.4 (2)	
					68.9	75.4	
Rug Doctor, LLC and RD Holdco Inc. (5)	Manufacturer and marketer of carpet cleaning machines	Second lien senior secured loan (\$19.6 par due 5/2023)	11.25% (Libor + 9.75%/Q)	1/3/2017	19.6	19.6 (2)(11)	
		Common stock (458,596 shares)		1/3/2017	14.0	—	
		Warrant to purchase up to 56,372 shares of common stock (expires 12/2023)		1/3/2017	—	—	
					33.6	19.6	
Walnut Parent, Inc.	Manufacturer of natural solution pest and animal control products	First lien senior secured loan (\$24.8 par due 11/2027)	6.50% (Libor + 5.50%/M)	11/9/2020	24.8	24.5 (11)	
					127.3	119.5	1.66%
Technology Hardware & Equipment							
DRB Holdings, LLC (15)	Provider of integrated technology solutions to car wash operators	First lien senior secured loan (\$23.2 par due 10/2023)	6.50% (Libor + 5.50%/Q)	10/6/2017	23.2	23.2 (2)(11)	
		First lien senior secured loan (\$7.5 par due 10/2023)	6.50% (Libor + 5.50%/Q)	12/18/2020	7.5	7.5 (2)(11)	
					30.7	30.7	
Everspin Technologies, Inc.	Designer and manufacturer of computer memory solutions	Warrant to purchase up to 18,461 shares of common stock (expires 10/2026)		10/7/2016	0.4	— (2)	
Micromeritics Instrument Corp. (15)	Scientific instrument manufacturer	First lien senior secured revolving loan (\$4.0 par due 12/2025)	6.00% (Libor + 5.00%/Q)	12/18/2019	4.0	3.7 (2)(11)(14)	
		First lien senior secured loan (\$32.4 par due 12/2025)	6.00% (Libor + 5.00%/Q)	12/18/2019	32.4	30.4 (2)(11)	
					36.4	34.1	
Wildcat BuyerCo, Inc. and Wildcat Parent, LP (15)	Provider and supplier of electrical components for commercial and industrial applications	First lien senior secured revolving loan		2/27/2020	—	— (13)	
		First lien senior secured loan (\$18.3 par due 2/2026)	6.25% (Libor + 5.25%/Q)	2/27/2020	18.3	18.3 (2)(11)	
		First lien senior secured loan (\$3.5 par due 2/2026)	6.25% (Libor + 5.25%/Q)	2/27/2020	3.5	3.5 (2)(11)	
		Limited partnership interests (17,655 interests)		2/27/2020	1.8	2.2 (2)	
					23.6	24.0	
					91.1	88.8	1.24%
Education							
Excellence Holdings Corp.	Developer, manufacturer and retailer of educational products	First lien senior secured loan (\$9.4 par due 4/2023)	8.00% (Libor + 2.50% Cash, 4.50% PIK/Q)	4/17/2017	9.4	7.6 (2)(11)	
Flinn Scientific, Inc. and WCI-Quantum Holdings, Inc. (15)	Distributor of instructional products, services and resources	First lien senior secured revolving loan (\$0.9 par due 8/2023)	5.50% (Libor + 4.75%/Q)	8/31/2018	0.9	0.8 (2)(11)	
		First lien senior secured loan (\$30.3 par due 8/2023)	5.50% (Libor + 4.75%/Q)	7/26/2017	30.3	26.3 (2)(11)	

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CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2020
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		First lien senior secured loan (\$1.1 par due 8/2023)	5.50% (Libor + 4.75%/Q)	8/31/2018	1.1	1.0 (2)(11)	
		Series A preferred stock (1,272 shares)		10/24/2014	0.7	0.9 (2)	
					33.0	29.0	
Infilaw Holding, LLC (15)	Operator of for-profit law schools	First lien senior secured revolving loan (\$5.0 par due 9/2022)		8/25/2011	4.2	— (2)(10)(14)	
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.	Private school operator	First lien senior secured loan (\$17.3 par due 10/2022)	10.50% (Libor + 9.00%/Q)	3/12/2020	17.3	17.3 (2)(11)	
		Senior preferred series A-1 shares (151,056 shares)		10/31/2015	98.1	15.0 (2)	
		Series B preferred stock (348,615 shares)		8/5/2010	1.0	— (2)	
		Series B preferred stock (1,401,385 shares)		8/5/2010	4.0	— (2)	
		Series C preferred stock (517,942 shares)		6/7/2010	0.1	— (2)	
		Series C preferred stock (1,994,644 shares)		6/7/2010	0.5	— (2)	
		Common stock (4 shares)		6/7/2010	—	— (2)	
		Common stock (16 shares)		6/7/2010	—	— (2)	
					121.0	32.3	
Primrose Holding Corporation (4)	Franchisor of education-based early childhood centers	Common stock (7,227 shares)		1/3/2017	4.6	14.1	
					172.2	83.0	1.16%
Media & Entertainment							
CMW Parent LLC (fka Black Arrow, Inc.)	Multiplatform media firm	Series A units (32 units)		9/11/2015	—	— (2)	
OUTFRONT Media Inc.	Provider of out-of-home advertising	Series A convertible perpetual preferred stock (25,000 shares)	7.00%	4/20/2020	25.0	35.7 (2)(6)	
Production Resource Group, L.L.C. and PRG III, LLC (4)(15)	Provider of rental equipment, labor, production management, scenery, and other products to various entertainment end-markets	First lien senior secured loan (\$31.6 par due 8/2024)	9.75% (Libor + 3.00% Cash, 5.50% PIK/Q)	8/21/2018	31.6	31.6 (2)(11)	
		First lien senior secured loan (\$9.1 par due 8/2024)	8.50% (Libor + 5.00% Cash, 2.50% PIK/Q)	7/31/2020	9.1	9.1 (2)(11)	
		Class A units (113,617 units)		10/6/2020	4.9	5.1 (2)	
					45.6	45.8	
The Teaching Company Holdings, Inc.	Education publications provider	Preferred stock (10,663 shares)		9/29/2006	1.1	0.8 (2)	
		Common stock (15,393 shares)		9/29/2006	—	— (2)	
					1.1	0.8	
					71.7	82.3	1.15%
Telecommunication Services							
Emergency Communications Network, LLC (15)	Provider of mission critical emergency mass notification solutions	First lien senior secured loan (\$44.4 par due 6/2023)	8.75% (Libor + 2.625% Cash, 5.125% PIK/Q)	6/1/2017	44.3	39.5 (2)(11)	
					44.3	39.5	0.55%
Real Estate							
BW Landco LLC (5)	Real estate developer	Membership interest (100%)		7/5/2019	20.9	37.0	
NECCO Realty Investments LLC (5)	Real estate holding company	Membership units (7,450 units)		1/3/2017	—	—	
					20.9	37.0	0.51%
Food & Staples Retailing							
DecoPac, Inc. (15)	Supplier of cake decorating solutions and products to in-store bakeries	First lien senior secured revolving loan		9/29/2017	—	— (13)	
FS Squared Holding Corp. and FS Squared, LLC (15)	Provider of on-site vending and micro market solutions	First lien senior secured revolving loan		3/28/2019	—	— (13)	
		First lien senior secured loan (\$1.4 par due 3/2025)	5.40% (Libor + 5.25%/M)	3/28/2019	1.4	1.4 (2)	
		Class A units (99,500 units)		3/28/2019	10.0	11.1 (2)	
					11.4	12.5	

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
As of December 31, 2020
(dollar amounts in millions)

Company(1)	Business Description	Investment	Interest(3)(7)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
JWC/KI Holdings, LLC	Foodservice sales and marketing agency	Membership units (5,000 units)		11/16/2015	5.0	4.6 (2)	
SFE Intermediate Holdco LLC (15)	Provider of outsourced foodservice to K-12 school districts	First lien senior secured revolving loan		7/31/2017	—	— (13)	
		First lien senior secured loan (\$10.2 par due 7/2024)	6.25% (Libor + 5.25%/Q)	9/5/2018	10.2	10.2 (2)(11)	
		First lien senior secured loan (\$6.4 par due 7/2024)	6.25% (Libor + 5.25%/Q)	7/31/2017	6.3	6.4 (2)(11)	
					16.5	16.6	
VCP-EDC Co-Invest, LLC	Distributor of foodservice equipment and supplies	Membership units (2,970,000 units)		6/9/2017	2.8	0.2	
					35.7	33.9	0.47%
Total Investments					<u>15,914.2</u>	<u>15,515.1</u>	216.19%

Derivative Instruments

Forward currency contracts

Description	Notional Amount to be Purchased		Notional Amount to be sold		Counterparty	Settlement Date	Unrealized Appreciation / (Depreciation)
Forward currency contract	\$	112	CAD	142	Bank of Montreal	January 21, 2021	\$ —
Forward currency contract	\$	102	£	75	Bank of Montreal	January 21, 2021	(1)
Total							<u>\$ (1)</u>

Interest rate swap

Description	Payment Terms		Counterparty	Maturity Date	Notional Amount	Value	Upfront Payments/Receipts	Unrealized Appreciation / (Depreciation)
Interest rate swap	Pay Fixed 2.0642%	Receive Floating One-Month Libor of 0.19%	Bank of Montreal	January 4, 2021	\$ 395	\$ (1)	\$ —	(1)
Total								<u>\$ (1)</u>

- (1) Other than the Company's investments listed in footnote 5 below (subject to the limitations set forth therein), the Company does not "Control" any of its portfolio companies, for the purposes of the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"). In general, under the Investment Company Act, the Company would "Control" a portfolio company if the Company owned more than 25% of its outstanding voting securities (i.e., securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. All of the Company's portfolio company investments, which as of December 31, 2020 represented 216% of the Company's net assets or 96% of the Company's total assets, are subject to legal restrictions on sales.
- (2) These assets are pledged as collateral under the Company's or the Company's consolidated subsidiaries' various revolving credit facilities and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than the obligations under each respective credit facilities (see Note 5).
- (3) Investments without an interest rate are non-income producing.

- (4) As defined in the Investment Company Act, the Company is deemed to be an “Affiliated Person” because it owns 5% or more of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2020 in which the issuer was an Affiliated Person of the Company (but not a portfolio company that the Company is deemed to Control) are as follows:

(in millions) Company	For the Year Ended December 31, 2020										As of December 31, 2020
	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)	Fair Value	
APG Intermediate Holdings Corporation and APG Holdings, LLC	\$ 24.5	\$ 0.1	\$ 1.0	\$ 0.9	\$ 0.5	\$ —	\$ —	\$ —	\$ 2.9	\$ 26.2	
Blue Angel Buyer 1, LLC and Blue Angel Holdco, LLC	\$ 7.5	\$ 8.7	\$ 1.3	\$ 0.3	\$ 0.1	\$ 0.5	\$ 0.1	\$ (0.1)	\$ 18.4	\$ 28.0	
Blue Wolf Capital Fund II, L.P.	\$ —	\$ 1.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3.8	\$ (0.9)	\$ 0.2	
Bragg Live Food Products, LLC and SPC Investment Co., L.P.	\$ 11.6	\$ 3.1	\$ —	\$ 2.2	\$ 0.3	\$ —	\$ 0.2	\$ —	\$ 3.1	\$ 55.3	
Crown Health Care Laundry Services, LLC and Crown Laundry Holdings, LLC	\$ 14.0	\$ 10.3	\$ 22.1	\$ 2.8	\$ —	\$ —	\$ 0.2	\$ (0.2)	\$ 5.9	\$ 39.6	
ESCP PPG Holdings, LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.2	\$ 3.1	
European Capital UK SME Debt LP	\$ 2.3	\$ 14.5	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1.6	\$ 29.7	
Ioxus, Inc.	\$ 1.7	\$ 0.3	\$ 8.6	\$ —	\$ —	\$ —	\$ —	\$ (7.3)	\$ 3.3	\$ —	
Panda Temple Power, LLC and T1 Power Holdings LLC	\$ —	\$ 6.2	\$ —	\$ 0.9	\$ —	\$ —	\$ —	\$ —	\$ 2.1	\$ 18.6	
PCG-Ares Sidecar Investment II, L.P.	\$ 0.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (2.6)	\$ 10.2	
PCG-Ares Sidecar Investment, L.P.	\$ 0.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (3.8)	\$ 0.4	
Primrose Holding Corporation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (4.7)	\$ 14.1	
Production Resource Group, L.L.C. and PRG III, LLC	\$ 5.9	\$ —	\$ —	\$ 1.0	\$ 0.2	\$ —	\$ —	\$ —	\$ 1.8	\$ 45.8	
Shock Doctor, Inc. and Shock Doctor Holdings, LLC	\$ 1.5	\$ 2.0	\$ —	\$ 1.4	\$ —	\$ —	\$ —	\$ —	\$ (4.4)	\$ 19.5	
Totes Isotoner Corporation and Totes Ultimate Holdco, Inc.	\$ —	\$ —	\$ —	\$ 0.2	\$ —	\$ —	\$ —	\$ —	\$ (4.3)	\$ 5.5	
UL Holding Co., LLC	\$ —	\$ 20.5	\$ 7.5	\$ 2.1	\$ —	\$ —	\$ —	\$ 20.1	\$ (20.6)	\$ —	
	\$ 69.2	\$ 67.3	\$ 40.5	\$ 11.8	\$ 1.1	\$ 0.5	\$ 0.5	\$ 16.3	\$ (2.0)	\$ 296.2	

5) As defined in the Investment Company Act, the Company is deemed to be both an “Affiliated Person” and “Control” this portfolio company because it owns more than 25% of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2020 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to Control are as follows:

(in millions) Company	For the Year Ended December 31, 2020										As of December 31, 2020
	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)	Fair Value	
Absolute Dental Group LLC and Absolute Dental Equity, LLC	\$ 9.0	\$ —	\$ —	\$ 0.7	\$ —	\$ —	\$ —	\$ —	\$ 0.6	\$ 30.9	
ACAS Equity Holdings Corporation	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
ADF Capital, Inc., ADF Restaurant Group, LLC, and ARG Restaurant Holdings, Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
BW Landco LLC	\$ 1.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10.7	\$ 37.0	
CoLTs 2005-1 Ltd.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
CoLTs 2005-2 Ltd.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Eckler Industries, Inc. and Eckler Purchaser LLC	\$ 0.5	\$ 3.5	\$ —	\$ 3.1	\$ —	\$ —	\$ 0.1	\$ —	\$ 3.0	\$ 25.2	
Halex Holdings, Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
HCI Equity, LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.1	\$ —	\$ —	\$ —	\$ 0.1	
Heelstone Renewable Energy, LLC	\$ 23.0	\$ 8.9	\$ 41.5	\$ 0.4	\$ 0.2	\$ —	\$ —	\$ (4.1)	\$ (0.7)	\$ 29.7	
Imaging Business Machines, L.L.C. and Scanner Holdings Corporation	\$ 1.3	\$ —	\$ —	\$ 2.6	\$ —	\$ —	\$ 0.4	\$ —	\$ 8.7	\$ 44.5	
Ivy Hill Asset Management, L.P.	\$ 175.0	\$ 78.0	\$ —	\$ 5.9	\$ —	\$ 74.0	\$ —	\$ —	\$ 10.7	\$ 628.5	
Joyce Lane Capital LLC and Joyce Lane Financing SPV LLC (fka Ciena Capital LLC)	\$ —	\$ 12.7	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2.3	\$ 9.8	\$ 0.6	
Miles 33 (Finance) Limited	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.2)	\$ —	\$ —	
Montgomery Lane, LLC and Montgomery Lane, Ltd.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
MVL Group, Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Navisun LLC and Navisun Holdings LLC	\$ 9.1	\$ —	\$ —	\$ 8.2	\$ 0.1	\$ 1.2	\$ 0.2	\$ —	\$ (1.8)	\$ 119.2	
NECCO Holdings, Inc. and New England Confectionery Company, Inc.	\$ 0.7	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.7)	\$ 4.6	
NECCO Realty Investments LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Pillar Processing LLC and PHL Investors, Inc.	\$ —	\$ 3.8	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (3.8)	\$ 3.8	\$ —	
Rug Doctor, LLC and RD Holdeo Inc.	\$ 0.9	\$ —	\$ —	\$ 2.1	\$ —	\$ —	\$ —	\$ —	\$ (5.1)	\$ 19.6	
S Toys Holdings LLC (fka The Step2 Company, LLC)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.2	\$ —	\$ —	\$ (0.6)	\$ 0.3	
Senior Direct Lending Program, LLC	\$ 308.1	\$ 94.0	\$ —	\$ 127.2	\$ 19.0	\$ —	\$ 3.8	\$ —	\$ —	\$ 1,122.9	
Singer Sewing Company, SVP-Singer Holdings, LLC and SVP-Singer Holdings LP	\$ 35.5	\$ 79.7	\$ —	\$ 36.3	\$ —	\$ —	\$ 0.2	\$ 1.0	\$ 102.1	\$ 308.3	
Startec Equity, LLC	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
VPROP Operating, LLC and V SandCo, LLC	\$ 5.3	\$ —	\$ —	\$ 0.6	\$ 0.2	\$ —	\$ —	\$ —	\$ 1.6	\$ 67.2	
	<u>\$ 569.4</u>	<u>\$ 280.6</u>	<u>\$ 41.5</u>	<u>\$ 187.1</u>	<u>\$ 19.5</u>	<u>\$ 75.5</u>	<u>\$ 4.7</u>	<u>\$ (4.8)</u>	<u>\$ 142.1</u>	<u>\$ 2,438.6</u>	

* Together with Varagon Capital Partners (“Varagon”) and its clients, the Company has co-invested through the Senior Direct Lending Program, LLC (d/b/a the “Senior Direct Lending Program” or the “SDLP”). The SDLP has been capitalized as transactions are completed and all portfolio decisions and generally all other decisions in

respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of the Company and Varagon (with approval from a representative of each required); therefore, although the Company owns more than 25% of the voting securities of the SDLP, the Company does not believe that it has control over the SDLP (for purposes of the Investment Company Act or otherwise) because, among other things, these “voting securities” do not afford the Company the right to elect directors of the SDLP or any other special rights (see Note 4).

- (6) This portfolio company is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company’s total assets. Pursuant to Section 55(a) of the Investment Company Act, 18% of the Company’s total assets are represented by investments at fair value and other assets that are considered “non-qualifying assets” as of December 31, 2020.
- (7) Variable rate loans to the Company’s portfolio companies bear interest at a rate that may be determined by reference to either the London Interbank Offered Rate (“LIBOR”) or an alternate base rate (commonly based on the Federal Funds Rate or the Prime Rate), at the borrower’s option, which reset annually (A), semi-annually (S), quarterly (Q), bi-monthly (B), monthly (M) or daily (D). For each such loan, the Company has provided the interest rate in effect on the date presented.
- (8) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest amount of 2.00% on \$56.0 in aggregate principal amount of a “first out” tranche of the portfolio company’s senior term debt previously syndicated by the Company into “first out” and “last out” tranches, whereby the “first out” tranche will have priority as to the “last out” tranche with respect to payments of principal, interest and any other amounts due thereunder.
- (9) The Company sold a participating interest of approximately \$24.6 in aggregate principal amount of the portfolio company’s first lien senior secured term loan. As the transaction did not qualify as a “true sale” in accordance with GAAP, the Company recorded a corresponding \$23.1 secured borrowing, at fair value, included in “secured borrowings” in the accompanying consolidated balance sheet. As of December 31, 2020, the interest rate in effect for the secured borrowing was 6.50%.
- (10) Loan was on non-accrual status as of December 31, 2020.
- (11) Loan includes interest rate floor feature.
- (12) In addition to the interest earned based on the stated contractual interest rate of this security, the certificates entitle the holders thereof to receive a portion of the excess cash flow from the SDLP’s loan portfolio, after expenses, which may result in a return to the Company greater than the contractual stated interest rate.
- (13) As of December 31, 2020, no amounts were funded by the Company under this first lien senior secured revolving loan; however, there were letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 for further information on letters of credit commitments related to certain portfolio companies.
- (14) As of December 31, 2020, in addition to the amounts funded by the Company under this first lien senior secured revolving loan, there were also letters of credit issued and outstanding through a financial intermediary under the loan. See Note 7 for further information on letters of credit commitments related to certain portfolio companies.
- (15) As of December 31, 2020, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to issue letters of credit through a financial intermediary on behalf of certain portfolio companies. Such commitments are subject to the satisfaction of certain conditions set forth in the documents governing these loans and letters of credit and there can be no assurance that such conditions will be satisfied. See Note 7 for further information on revolving and delayed draw loan commitments, including commitments to issue letters of credit, related to certain portfolio companies.

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
A.U.L. Corp.	\$ 1.2	\$ —	\$ 1.2	\$ —	\$ —	\$ 1.2
Absolute Dental Group LLC	14.0	—	14.0	—	—	14.0
Accommodations Plus Technologies LLC	4.1	(4.1)	—	—	—	—
ADCS Clinics Intermediate Holdings, LLC	5.0	(4.8)	0.2	—	—	0.2
ADG, LLC	14.0	(7.7)	6.3	—	—	6.3
AEP Holdings, Inc.	1.0	—	1.0	—	—	1.0
AffiniPay Midco, LLC	9.0	(0.1)	8.9	—	—	8.9
Alcami Corporation	29.0	—	29.0	—	—	29.0
Alita Care, LLC (fka KBHS Acquisition, LLC)	5.0	—	5.0	—	—	5.0
AMCP Clean Intermediate, LLC	6.1	(1.8)	4.3	—	—	4.3
American Residential Services L.L.C.	7.5	(1.9)	5.6	—	—	5.6
Anaqua Parent Holdings, Inc.	0.1	—	0.1	—	—	0.1
APG Intermediate Holdings Corporation	9.6	—	9.6	—	—	9.6
Apptio, Inc.	4.2	—	4.2	—	—	4.2
AQ Sunshine, Inc.	1.3	—	1.3	—	—	1.3
Ardonagh Midco 3 PLC	12.1	—	12.1	—	—	12.1
Athenahealth, Inc.	33.1	—	33.1	—	—	33.1
ATI Restoration, LLC	21.7	(0.8)	20.9	—	—	20.9
Atlas Intermediate III L.L.C.	0.1	—	0.1	—	—	0.1
Avetta, LLC	4.2	—	4.2	—	—	4.2
Banyan Software Holdings, LLC	12.4	—	12.4	—	—	12.4
Bearcat Buyer, Inc.	32.8	(0.1)	32.7	—	—	32.7
Belfor Holdings, Inc.	25.0	—	25.0	—	—	25.0
Benecon Midco II LLC	7.5	(1.8)	5.7	—	—	5.7
Blue Angel Buyer 1, LLC	5.5	—	5.5	—	—	5.5
Blue Campaigns Intermediate Holding Corp.	3.0	(0.7)	2.3	—	—	2.3
Bragg Live Food Products LLC	4.4	(1.2)	3.2	—	—	3.2
Cadence Aerospace, LLC	14.7	(14.7)	—	—	—	—
Capstone Acquisition Holdings, Inc.	30.3	(10.8)	19.5	—	—	19.5
Cardinal Parent, Inc.	5.0	—	5.0	—	—	5.0
CCS-CMGC Holdings, Inc.	12.0	(3.6)	8.4	—	—	8.4
Center for Autism and Related Disorders, LLC	8.5	(8.5)	—	—	—	—
Centric Brands LLC	7.9	(3.0)	4.9	—	—	4.9
Cipriani USA, Inc.	17.4	—	17.4	—	—	17.4
Clearwater Analytics, LLC	8.2	—	8.2	—	—	8.2
Comprehensive EyeCare Partners, LLC	2.3	(1.3)	1.0	(0.4)	—	0.6
Concert Golf Partners Holdco LLC	3.1	—	3.1	—	—	3.1
Cority Software Inc.	0.1	—	0.1	—	—	0.1
Cozzini Bros., Inc.	15.0	(3.6)	11.4	—	—	11.4
Creation Holdings Inc.	13.2	(4.8)	8.4	—	—	8.4
Crown Health Care Laundry Services, Inc.	10.0	(0.9)	9.1	—	—	9.1
CST Buyer Company	6.1	—	6.1	—	—	6.1
CVP Holdco, Inc.	15.7	—	15.7	—	—	15.7
DCA Investment Holding LLC	5.8	(5.8)	—	—	—	—
DecoPac, Inc.	8.1	(0.9)	7.2	—	—	7.2
DFC Global Facility Borrower III LLC	152.5	(114.4)	38.1	—	—	38.1
Diligent Corporation	10.2	—	10.2	—	—	10.2
Divisions Holding Corporation	15.3	(2.5)	12.8	—	—	12.8
Dorner Holding Corp.	3.3	—	3.3	—	—	3.3
DRB Holdings, LLC	9.9	—	9.9	—	—	9.9
DRS Holdings III, Inc.	6.8	—	6.8	—	—	6.8
DTI Holdco, Inc.	7.9	(4.9)	3.0	—	—	3.0
Dynamic NC Aerospace Holdings, LLC	10.1	(0.7)	9.4	—	—	9.4
Eckler Industries, Inc.	5.6	(2.7)	2.9	—	—	2.9
Elemica Parent, Inc.	25.2	(3.4)	21.8	(14.9)	—	6.9
Elevation Services Parent Holdings, LLC	14.2	(0.4)	13.8	—	—	13.8
Emergency Communications Network, LLC	6.5	—	6.5	—	—	6.5

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
EP Purchaser, LLC	22.4	—	22.4	—	—	22.4
EP Wealth Advisors, LLC	0.6	—	0.6	—	—	0.6
Episerver, Inc.	9.5	—	9.5	—	—	9.5
eResearch Technology, Inc.	5.1	—	5.1	—	—	5.1
Essential Services Holding Corporation	43.4	(0.7)	42.7	—	—	42.7
Evolent Health LLC	44.8	—	44.8	—	—	44.8
Ferraro Fine Foods Corp.	8.0	—	8.0	—	—	8.0
Flinn Scientific, Inc.	10.0	(0.9)	9.1	—	—	9.1
Flow Control Solutions, Inc.	10.0	—	10.0	—	—	10.0
FM:Systems Group, LLC	1.5	(1.5)	—	—	—	—
Forescout Technologies, Inc.	0.1	—	0.1	—	—	0.1
Foundation Risk Partners, Corp.	54.8	—	54.8	—	—	54.8
FS Squared Holding Corp.	9.7	(0.3)	9.4	—	—	9.4
FWR Holding Corporation	2.2	—	2.2	—	(0.1)	2.1
Garden Fresh Restaurant Corp.	7.5	(6.9)	0.6	—	(0.6)	—
GB Auto Service, Inc.	18.8	(3.8)	15.0	—	(3.6)	11.4
Genesis Acquisition Co.	1.5	(1.5)	—	—	—	—
GraphPAD Software, LLC	1.1	—	1.1	—	—	1.1
Green Street Parent, LLC	0.3	—	0.3	—	—	0.3
GSM Acquisition Corp.	5.2	—	5.2	—	—	5.2
GTCR-Ultra Acquisition, Inc.	2.0	—	2.0	—	—	2.0
HAI Acquisition Corporation	19.0	—	19.0	—	—	19.0
Harvey Tool Company, LLC	13.5	(0.1)	13.4	—	—	13.4
HealthEdge Software, Inc.	4.1	—	4.1	—	—	4.1
Heelstone Renewable Energy, LLC	21.1	—	21.1	—	—	21.1
Help/Systems Holdings, Inc.	7.5	—	7.5	—	—	7.5
Highline Aftermarket Acquisition, LLC	12.5	(9.5)	3.0	—	—	3.0
Hometown Food Company	3.9	(0.5)	3.4	—	—	3.4
Huskies Parent, Inc.	3.3	(0.6)	2.7	—	—	2.7
Hygiena Borrower LLC	7.4	—	7.4	—	—	7.4
IMIA Holdings, Inc.	9.9	(0.5)	9.4	—	—	9.4
Infilaw Corporation	5.7	(5.7)	—	—	—	—
Infinite Electronics International, Inc.	3.0	—	3.0	—	—	3.0
Infogix, Inc.	5.3	(5.3)	—	—	—	—
IntraPac International LLC	19.2	(7.7)	11.5	—	—	11.5
Invoice Cloud, Inc.	4.9	(0.9)	4.0	—	—	4.0
JDC Healthcare Management, LLC	4.1	(0.8)	3.3	—	(3.3)	—
Jim N Nicks Management LLC	4.9	(4.9)	—	—	—	—
Joyce Lane Financing SPV LLC	1.4	—	1.4	—	—	1.4
K2 Insurance Services, LLC	4.7	—	4.7	—	—	4.7
Kellermeyer Bergensons Services, LLC	7.4	—	7.4	—	—	7.4
Kene Acquisition, Inc.	8.9	(0.1)	8.8	—	—	8.8
Laboratories Bidco LLC	11.8	—	11.8	—	—	11.8
Majesco and Magic Topco, L.P.	5.0	(0.6)	4.4	—	—	4.4
Manna Pro Products, LLC	10.0	—	10.0	—	—	10.0
Masergy Holdings, Inc.	2.5	—	2.5	—	—	2.5
Mavis Tire Express Services Corp.	11.3	—	11.3	—	—	11.3
MB2 Dental Solutions, LLC	4.6	(2.9)	1.7	—	—	1.7
McKenzie Creative Brands, LLC	4.5	—	4.5	—	—	4.5
Micromeritics Instrument Corp.	4.1	(4.1)	—	—	—	—
Minerva Surgical, Inc.	9.9	—	9.9	—	—	9.9
Ministry Brands, LLC	10.9	—	10.9	—	—	10.9
Movati Athletic (Group) Inc.	0.9	—	0.9	(0.9)	—	—
MRI Software LLC	9.0	—	9.0	—	—	9.0
MSHC, Inc.	2.6	(0.6)	2.0	—	—	2.0
n2y Holding, LLC	0.1	—	0.1	—	—	0.1
NAS, LLC	3.0	—	3.0	—	—	3.0
National Intergovernmental Purchasing Alliance Company	9.0	—	9.0	—	—	9.0

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
Navisun LLC	18.1	—	18.1	—	—	18.1
NCWS Intermediate, Inc.	43.0	—	43.0	—	—	43.0
NECCO Holdings, Inc.	25.0	(19.9)	5.1	(5.1)	—	—
Nelipak Holding Company	0.6	(0.3)	0.3	—	—	0.3
NMC Skincare Intermediate Holdings II, LLC	9.1	(6.9)	2.2	—	—	2.2
NMN Holdings III Corp	12.5	(1.1)	11.4	—	—	11.4
Nordeo Inc.	10.0	—	10.0	—	—	10.0
North American Science Associates, Inc.	11.0	—	11.0	—	—	11.0
NueHealth Performance, LLC	3.3	—	3.3	—	—	3.3
Olympia Acquisition, Inc.	10.8	(10.1)	0.7	—	—	0.7
OneDigital Borrower LLC	7.5	—	7.5	—	—	7.5
OTG Management, LLC	10.1	(10.1)	—	—	—	—
Pathway Vet Alliance LLC	1.9	—	1.9	—	—	1.9
PaySimple, Inc.	21.1	(0.1)	21.0	—	—	21.0
PDI TA Holdings, Inc.	7.6	—	7.6	—	—	7.6
Pegasus Global Enterprise Holdings, LLC	45.9	—	45.9	—	—	45.9
Perforce Software, Inc.	0.5	(0.1)	0.4	—	—	0.4
Petroleum Service Group LLC	21.2	(1.1)	20.1	—	—	20.1
PosiGen Backleverage, LLC	3.6	—	3.6	—	—	3.6
Premise Health Holding Corp.	36.0	(13.6)	22.4	—	—	22.4
Production Resource Group, LLC	5.6	—	5.6	—	—	5.6
Project Potter Buyer, LLC	5.5	—	5.5	—	—	5.5
Project Silverback Holdings Corp.	6.5	(0.1)	6.4	—	—	6.4
Pyramid Management Advisors, LLC	10.9	(9.5)	1.4	(1.4)	—	—
QC Supply, LLC	10.0	(10.0)	—	—	—	—
QF Holdings, Inc.	5.0	—	5.0	—	—	5.0
Radius Aerospace, Inc.	2.9	(1.3)	1.6	—	—	1.6
Raptor Technologies, LLC	4.7	(0.8)	3.9	(3.0)	—	0.9
Reddy Ice LLC	8.2	—	8.2	(3.6)	—	4.6
Redwood Services LLC	8.3	—	8.3	—	—	8.3
Reef Lifestyle, LLC	32.2	(8.6)	23.6	—	—	23.6
Retriever Medical/Dental Payments LLC	3.5	—	3.5	—	—	3.5
Rialto Management Group, LLC	1.0	(0.2)	0.8	—	—	0.8
RSC Acquisition, Inc.	0.6	—	0.6	—	—	0.6
RTI Surgical, Inc.	15.9	—	15.9	—	—	15.9
Safe Home Security, Inc.	9.9	—	9.9	—	—	9.9
Saldon Holdings, Inc.	2.3	—	2.3	—	—	2.3
SCIH Salt Holdings Inc.	7.5	(2.6)	4.9	—	—	4.9
SCM Insurance Services Inc.	4.2	—	4.2	—	—	4.2
SCSG EA Acquisition Company, Inc.	4.0	(0.2)	3.8	—	—	3.8
SecurAmerica, LLC	3.4	—	3.4	—	—	3.4
Severin Acquisition, LLC	9.0	(2.0)	7.0	—	—	7.0
SFE Intermediate HoldCo LLC	10.2	(0.1)	10.1	—	—	10.1
Shock Doctor, Inc.	2.5	(1.6)	0.9	—	—	0.9
Sigma Electric Manufacturing Corporation	7.5	(2.9)	4.6	—	—	4.6
SiroMed Physician Services, Inc.	7.1	—	7.1	—	—	7.1
SM Wellness Holdings, Inc.	9.1	—	9.1	—	—	9.1
SOS Security Holdings, LLC	0.5	(0.3)	0.2	—	—	0.2
Sovos Brands Intermediate, Inc.	4.3	—	4.3	—	—	4.3
SpareFoot, LLC	1.4	(1.4)	—	—	—	—
Spectra Finance, LLC	24.1	(15.3)	8.8	—	—	8.8
Spring Insurance Solutions, LLC	6.3	—	6.3	—	—	6.3
SSE Buyer, Inc.	6.5	—	6.5	—	—	6.5
Star US Bideo LLC	8.5	(0.1)	8.4	—	—	8.4
Storm US Holdeo, Inc.	1.1	(0.2)	0.9	—	—	0.9
Sunshine Sub, LLC	5.8	—	5.8	—	—	5.8
Singer Sewing Company	1.4	(1.4)	—	—	—	—
Symplr Software Inc.	10.0	—	10.0	—	—	10.0
Synergy HomeCare Franchising, LLC	4.2	(0.1)	4.1	—	—	4.1

(in millions) Portfolio Company	Total revolving and delayed draw loan commitments	Less: funded commitments	Total unfunded commitments	Less: commitments substantially at discretion of the Company	Less: unavailable commitments due to borrowing base or other covenant restrictions	Total net adjusted unfunded revolving and delayed draw commitments
TA/WEG Holdings, LLC	3.8	—	3.8	—	—	3.8
Taymax Group, L.P.	2.1	(1.3)	0.8	—	(0.4)	0.4
TCP Hawker Intermediate LLC	7.6	—	7.6	—	—	7.6
TDG Group Holding Company	0.3	(0.1)	0.2	—	—	0.2
TerSera Therapeutics LLC	0.1	—	0.1	—	—	0.1
The Alaska Club Partners, LLC, Athletic Club Partners LLC and The Alaska Club, Inc.	1.1	—	1.1	—	—	1.1
The Ultimate Software Group, Inc.	10.0	(0.1)	9.9	—	—	9.9
The Ultimus Group Midco, LLC	6.9	(4.0)	2.9	—	—	2.9
Theranest, LLC	10.9	—	10.9	—	—	10.9
THG Acquisition, LLC	33.1	—	33.1	—	—	33.1
TWH Infrastructure Industries, Inc.	0.1	(0.1)	—	—	—	—
U.S. Acute Care Solutions, LLC	1.7	—	1.7	—	—	1.7
United Digestive MSO Parent, LLC	14.8	—	14.8	—	—	14.8
Vela Trading Technologies LLC	3.5	(3.5)	—	—	—	—
Verscend Holding Corp.	22.5	(0.1)	22.4	—	—	22.4
VLS Recovery Services, LLC	19.8	(0.3)	19.5	—	—	19.5
VPROP Operating, LLC	8.0	—	8.0	—	—	8.0
VRC Companies, LLC	1.5	—	1.5	—	—	1.5
VS Buyer, LLC	8.1	—	8.1	—	—	8.1
Watchfire Enterprises, Inc.	2.0	—	2.0	—	—	2.0
WebPT, Inc.	6.1	—	6.1	—	—	6.1
Wildcat BuyerCo, Inc.	10.3	—	10.3	—	—	10.3
WSHP FC Acquisition LLC	11.3	(3.3)	8.0	—	—	8.0
Xifin, Inc.	7.3	—	7.3	—	—	7.3
Zemax Software Holdings, LLC	4.1	(2.0)	2.1	—	—	2.1
	\$ 2,020.6	\$ (409.1)	\$ 1,611.5	\$ (29.3)	\$ (8.0)	\$ 1,574.2

(16) As of December 31, 2020, the Company was party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

(in millions) Company	Total private equity commitments	Less: funded private equity commitments	Total unfunded private equity commitments	Less: private equity commitments substantially at the discretion of the Company	Total net adjusted unfunded private equity commitments
PCG-Ares Sidecar Investment, L.P. and PCG-Ares Sidecar Investment II, L.P.	\$ 50.0	\$ (12.4)	\$ 37.6	\$ (37.6)	\$ —
European Capital UK SME Debt LP	61.5	(55.7)	5.8	(5.8)	—
	\$ 111.5	\$ (68.1)	\$ 43.4	\$ (43.4)	\$ —

(17) As of December 31, 2020, the Company had commitments to co-invest in the SDLP for its portion of the SDLP's commitment to fund delayed draw loans of up to \$37. See Note 4 to the consolidated financial statements for more information on the SDLP.

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

(19) As of December 31, 2020, the estimated net unrealized loss for federal tax purposes was \$0.4 billion based on a tax cost basis of \$15.9 billion. As of December 31, 2020, the estimated aggregate gross unrealized loss for federal income tax purposes was \$0.9 billion and the estimated aggregate gross unrealized gain for federal income tax purposes was \$0.5 billion.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in millions, except per share data)

	Common Stock		Capital in Excess of Par Value	Accumulated Undistributed (Overdistributed) Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2018	426	\$ —	\$ 7,173	\$ 127	\$ 7,300
Issuance of common stock, net of offering and underwriting costs	4	—	64	—	64
Shares issued in connection with dividend reinvestment plan	1	—	24	—	24
Issuance of Convertible Unsecured Notes (See Note 5)	—	—	4	—	4
Net investment income	—	—	—	811	811
Net realized losses on investments, foreign currency and other transactions	—	—	—	(65)	(65)
Net unrealized gains on investments, foreign currency and other transactions	—	—	—	47	47
Dividends declared and payable (\$1.68 per share)	—	—	—	(718)	(718)
Tax reclassification of stockholders' equity in accordance with GAAP	—	—	495	(495)	—
Balance at December 31, 2019	431	\$ —	\$ 7,760	\$ (293)	\$ 7,467
Issuance of common stock, net of offering and underwriting costs	—	—	4	—	4
Repurchases of common stock	(8)	—	(100)	—	(100)
Net investment income	—	—	—	794	794
Net realized losses on investments, foreign currency and other transactions	—	—	—	(166)	(166)
Net unrealized losses on investments, foreign currency and other transactions	—	—	—	(144)	(144)
Dividends declared and payable (\$1.60 per share)	—	—	—	(679)	(679)
Tax reclassification of stockholders' equity in accordance with GAAP	—	—	(8)	8	—
Balance at December 31, 2020	423	\$ —	\$ 7,656	\$ (480)	\$ 7,176
Issuance of common stock, net of offering and underwriting costs	42	—	819	—	819
Shares issued in connection with dividend reinvestment plan	3	—	38	—	38
Net investment income	—	—	—	741	741
Net realized gains on investments, foreign currency and other transactions	—	—	—	240	240
Net unrealized gains on investments, foreign currency and other transactions	—	—	—	586	586
Dividends declared and payable (\$1.62 per share)	—	—	—	(732)	(732)
Tax reclassification of stockholders' equity in accordance with GAAP	—	—	40	(40)	—
Balance at December 31, 2021	468	\$ —	\$ 8,553	\$ 315	\$ 8,868

See accompanying notes to consolidated financial statements.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	For the Years Ended December 31,		
	2021	2020	2019
OPERATING ACTIVITIES:			
Net increase in stockholders' equity resulting from operations	\$ 1,567	\$ 484	793
Adjustments to reconcile net increase in stockholders' equity resulting from operations:			
Net realized (gains) losses on investments, foreign currency and other transactions	(283)	166	65
Net unrealized (gains) losses on investments, foreign currency and other transactions	(586)	144	(47)
Realized loss on extinguishment of debt	43	—	—
Net accretion of discount on investments	(16)	(8)	(12)
PIK interest	(164)	(150)	(79)
Collections of PIK interest	104	55	35
PIK dividends	(91)	(67)	(61)
Collections of PIK dividends	122	1	—
Amortization of debt issuance costs	29	23	18
Net accretion of discount on notes payable	2	8	8
Proceeds from sales and repayments of investments and other transactions	10,250	5,468	4,905
Purchases of investments	(13,644)	(6,759)	(6,796)
Changes in operating assets and liabilities:			
Interest receivable	(24)	12	(26)
Receivable from participants	38	(38)	—
Other assets	10	(21)	9
Operating lease right-of-use asset	12	56	(94)
Base management fees payable	13	1	9
Income based fees payable	(72)	92	12
Capital gains incentive fees payable	161	(58)	(54)
Interest and facility fees payable	17	29	(10)
Payable to participants	42	63	9
Accounts payable and other liabilities	27	(20)	(7)
Operating lease liabilities	(16)	(61)	88
Net cash used in provided by operating activities	(2,459)	(580)	(1,235)
FINANCING ACTIVITIES:			
Borrowings on debt	19,336	8,256	13,176
Repayments and repurchases of debt	(16,829)	(6,737)	(11,422)
Debt issuance costs	(64)	(37)	(34)
Net proceeds from issuance of common stock	819	4	64
Dividends paid	(694)	(679)	(694)
Repurchases of common stock	—	(100)	—
Secured borrowings, net	51	23	25
Net cash provided by financing activities	2,619	730	1,115
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	160	150	(120)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	326	176	296
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 486	\$ 326	\$ 176
Supplemental Information:			
Interest paid during the period	\$ 310	243	\$ 264
Taxes, including excise tax, paid during the period	\$ 26	16	\$ 18
Dividends declared and payable during the period	\$ 732	\$ 679	\$ 718

See accompanying notes to consolidated financial statements.

ARES CAPITAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021
(in millions, except per share data, percentages and as otherwise indicated;
for example, with the word “billion” or otherwise)

1. ORGANIZATION

Ares Capital Corporation (the “Company”) is a specialty finance company that is a closed-end, non-diversified management investment company incorporated in Maryland. The Company has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “Investment Company Act”). The Company has elected to be treated as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986, as amended (the “Code”), and operates in a manner so as to qualify for the tax treatment applicable to RICs.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

The Company reclassified certain prior period amounts in the accompanying consolidated balance sheet to conform to its current period presentation. These reclassifications had no impact on prior periods’ net income or stockholders’ equity.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include funds from time to time deposited with financial institutions and short-term, liquid investments in a money market account. Cash and cash equivalents are carried at cost which approximates fair value. As of December 31, 2021 and 2020, there was \$62 and \$13, respectively, of cash denominated in foreign currencies included within “cash and cash equivalents” in the accompanying consolidated balance sheet.

Restricted cash primarily relates to cash received by the Company on behalf of participating lenders as a result of the Company’s role as administrative agent for certain loans. The cash received is generally distributed to participating lenders shortly after the receipt of such cash.

The following table provides a reconciliation of cash, cash equivalents and restricted cash in the consolidated balance sheet to the total amount shown at the end of the applicable period in the consolidated statement of cash flows:

	As of December 31,	
	2021	2020
Cash and cash equivalents	\$ 372	\$ 254
Restricted cash	114	72
Total cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows	\$ 486	\$ 326

Concentration of Credit Risk

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

Investments

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

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

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

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

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

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

- The Company's quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals responsible for the portfolio investment in conjunction with the Company's portfolio management team.
- Preliminary valuations are reviewed and discussed with the Company's investment adviser's management and investment professionals, and then valuation recommendations are presented to the Company's board of directors.
- The audit committee of the Company's board of directors reviews these valuations, as well as the input of third parties, including independent third-party valuation firms who have reviewed a portion of the investments in the Company's portfolio at fair value.
- The Company's board of directors discusses valuations and ultimately determines the fair value of each investment in the Company's portfolio without a readily available market quotation in good faith based on, among other things, the input of the Company's investment adviser, audit committee and, where applicable, independent third-party valuation firms.

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

Interest Income Recognition

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 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 collected upon repayment of the outstanding principal. To maintain the Company's status as a RIC, this non-cash source of income must be paid out to stockholders in the form of dividends for the year the income was earned, even though the Company has not yet collected the cash. The amortized cost of investments represents the original cost adjusted for any accretion of discounts, amortization of premiums and 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 the Company'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 the Company's judgment, are likely to remain current. The Company 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.

Dividend Income Recognition

Dividend income on preferred equity is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. To the extent a preferred equity contains PIK provisions, PIK dividends, computed at the contractual rate specified in each applicable agreement, are accrued and recorded as dividend income and added to the principal balance of the preferred equity. PIK dividends added to the principal balance are generally collected upon redemption of the equity.

Capital Structuring Service Fees and Other Income

In pursuit of the Company's investment objective, the Company's investment adviser seeks to provide assistance to its portfolio companies and in return the Company may receive fees for capital structuring services. These fees are fixed based on contractual terms, are generally only available to the Company as a result of the Company's underlying investments, are normally paid at the closing of the investments, are generally non-recurring and non-refundable and are recognized as revenue when earned upon closing of the investment. The services that the Company's investment adviser provides vary by investment, but generally include reviewing existing credit facilities, arranging bank financing, arranging equity financing, structuring financing from multiple lenders, structuring financing from multiple equity investors, restructuring existing loans, raising equity and debt capital, and providing general financial advice, which concludes upon closing of the investment. Any services of the

above nature subsequent to the closing would generally generate a separate fee payable to the Company. In certain instances where the Company is invited to participate as a co-lender in a transaction and does not provide significant services in connection with the investment, a portion of loan fees paid to the Company in such situations will be deferred and amortized over the contractual life of the loan.

Other income includes amendment fees that are fixed based on contractual terms and are generally non-recurring and non-refundable and are recognized as revenue when earned upon closing of the related transaction. Other income also includes fees for management and consulting services, agency services, loan guarantees, commitments, and other services rendered by the Company to portfolio companies. Such fees are fixed based on contractual terms and are recognized as income as services are rendered.

Foreign Currency Translation

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

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

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

Derivative Instruments

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

Equity Offering Expenses

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

Debt Issuance Costs

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

Secured Borrowings

The Company follows the guidance in ASC Topic 860, Transfers and Servicing, when accounting for participations and other partial loan sales. Certain loan sales do not qualify for sale accounting under ASC Topic 860 because these sales do not meet the definition of a "participating interest," as defined in the guidance, in order for sale treatment to be allowed. Participations or other partial loan sales which do not meet the definition of a participating interest or which are not eligible for sale accounting remain as an investment on the consolidated balance sheet as required under GAAP and the proceeds are recorded as a secured borrowing. Secured borrowings are carried at fair value.

Leases

The Company is obligated under a number of operating leases pursuant to which it is leasing office facilities from third parties with remaining terms ranging from approximately one to five years. Such operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the accompanying consolidated balance sheets. The Company does not have any finance leases.

The ROU asset represents the Company's right to use an underlying asset for the lease term and the operating lease liability represents the Company's obligation to make lease payments arising from such lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the remaining lease term. The Company's leases do not provide an implicit discount rate, and as such the Company uses its weighted average borrowing rate based on the information available at the commencement date in determining the present value of the remaining lease payments. Lease expense is recognized on a straight-line basis over the remaining lease term. The Company has elected as a practical expedient to treat non-lease components as part of the lease as these components are not significant when compared to the lease component.

Income Taxes

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

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

The Company may hold certain portfolio company investments through consolidated taxable subsidiaries. Such subsidiaries may be subject to U.S. federal and state corporate-level income taxes. These consolidated subsidiaries recognize deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences between the tax basis of certain assets and liabilities and the reported amounts included in the accompanying consolidated balance sheet using the applicable statutory tax rates in effect for the year in which any such temporary differences are expected to reverse.

Dividends to Common Stockholders

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

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any distributions the Company declares in cash on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Company's board of directors authorizes, and the Company declares, a cash dividend, then the Company's stockholders who have not "opted out" of the Company's dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of the Company's common stock, rather than receiving the cash dividend. The Company may use newly issued shares to implement the dividend reinvestment plan or, if the Company is otherwise permitted under applicable law to purchase such shares, the Company may purchase shares in the open market in connection with the Company's obligations under the dividend reinvestment plan.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of actual and contingent assets and liabilities at the date of the financial statements and the reported amounts of income or loss and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of investments.

Recent Accounting Pronouncements

The Company 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 August 2020, the FASB issued ASU No. 2020-06, “*Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity*,” which simplifies the accounting for convertible instruments by removing the separation models for (1) convertible debt with a cash conversion feature and (2) convertible instruments with a beneficial conversion feature. As a result, after adoption, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021 and can be adopted on either a fully retrospective or modified retrospective basis. The application of this guidance will not have a material impact on the Company’s consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, “Reference Rate Reform (Topic 848),” 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 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), which expanded the scope of 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. The Company is currently evaluating the impact of the adoption of ASU 2020-04 and 2021-01 on its consolidated financial statements.

3. AGREEMENTS

Investment Advisory and Management Agreement

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

Effective June 21, 2019, in connection with the Company’s board of directors’ approval of the modification of the asset coverage requirement applicable to senior securities from 200% to 150%, the investment advisory and management agreement was amended to reduce the Company’s annual base management fee rate from 1.5% to 1.0% on all assets financed using leverage over 1.0x debt to equity. For all assets financed using leverage up to 1.0x debt to equity, the annual base management fee rate remains at 1.5%. Prior to June 21, 2019, the base management fee was calculated at an annual rate of 1.5%. The base management fee is based on the average value of the Company’s total assets (other than cash or cash equivalents but including assets purchased with borrowed funds) at the end of the two most recently completed calendar quarters and is calculated by applying the applicable fee rate. The base management fee is payable quarterly in arrears. See Note 5 for additional information.

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

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

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

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

- No income based fee in any calendar quarter in which the Company's pre-incentive fee net investment income does not exceed the hurdle rate;
- 100% of the Company's pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter. The Company refers to this portion of its pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 2.1875%) as the "catch-up" provision. The "catch-up" is meant to provide the Company's investment adviser with 20% of the pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeded 2.1875% in any calendar quarter; and
- 20% of the amount of the Company's pre-incentive fee net investment income, if any, that exceeds 2.1875% in any calendar quarter.

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

In connection with the Company's acquisition of American Capital, Ltd., a Delaware corporation ("American Capital") (the "American Capital Acquisition"), Ares Capital Management waived \$10 of income based fees for each of the ten calendar quarters beginning with the second calendar quarter of 2017 and ending with the third calendar quarter of 2019 (the "Fee Waiver").

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

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

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

The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in the Company's portfolio as of the applicable capital gains incentive fee calculation date and (b) the accreted or amortized cost basis of such investment.

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

The base management fees, income based fees and capital gains incentive fees for the years ended December 31, 2021, 2020 and 2019 were as follows:

	For the Years Ended December 31,		
	2021	2020	2019
Base management fees	\$ 253	\$ 217	\$ 205
Income based fees	\$ 225	\$ 184	\$ 194
Waiver of income based fees	—	—	(30)
Income based fees, net of Fee Waiver	\$ 225	\$ 184	\$ 164
Capital gains incentive fees(1)	\$ 161	\$ (58)	\$ (4)

(1) Calculated in accordance with GAAP as discussed below.

The capital gains incentive fee payable to the Company's investment adviser as calculated under the investment advisory and management agreement for the year ended December 31, 2021 was \$26. There was no capital gains incentive fee payable to the Company's investment adviser as calculated under the investment advisory and management agreement for the years ended December 31, 2020 and 2019. In addition, in accordance with GAAP, the Company had cumulatively accrued a capital gains incentive fee of \$161 as of December 31, 2021, of which \$135 is not currently due under the investment advisory and management agreement. GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the investment advisory and management agreement. This GAAP accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital depreciation included in the calculation of the capital gains incentive fee plus the aggregate cumulative unrealized capital appreciation, net of any expense associated with cumulative unrealized capital depreciation or appreciation. If such amount is positive at the end of a period, then GAAP requires the Company to record a capital gains incentive fee equal to 20% of such cumulative amount, less the aggregate amount of actual capital gains incentive fees paid or capital gains incentive fees accrued under GAAP in all prior periods. As of December 31, 2021, the Company has paid capital gains incentive fees since inception totaling \$108, excluding the \$26 payable for the year ended December 31, 2021 that will be paid in the first quarter of 2022. The resulting accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. There can be no assurance that such unrealized capital appreciation will be realized in the future.

Cash payment of any income based fees and capital gains incentive fees otherwise earned by the Company's investment adviser is deferred if during the most recent four full calendar quarter period ending on or prior to the date such

payment is to be made the sum of (a) the aggregate distributions to the Company's stockholders and (b) the change in net assets (defined as total assets less indebtedness and before taking into account any income based fees and capital gains incentive fees payable during the period) is less than 7.0% of the Company's net assets (defined as total assets less indebtedness) at the beginning of such period. These calculations will be adjusted for any share issuances or repurchases. Any income based fees and capital gains incentive fees deferred for payment are carried over for payment in subsequent calculation periods to the extent such fees are payable under the terms of the investment advisory and management agreement. As of December 31, 2020, income based fees payable of \$140 in the accompanying consolidated balance sheet included \$83 earned by the Company's investment adviser that were previously deferred. These deferred income based fees were paid in the first quarter of 2021 pursuant to the terms of the investment advisory and management agreement.

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

Administration Agreement

The Company is party to an administration agreement, referred to herein as the "administration agreement", with its administrator, Ares Operations. Pursuant to the administration agreement, Ares Operations furnishes the Company with office equipment and clerical, bookkeeping and record keeping services at the Company's office facilities. Under the administration agreement, Ares Operations also performs, or oversees the performance of, the Company's required administrative services, which include, among other things, providing assistance in accounting, legal, compliance, operations, technology and investor relations, being responsible for the financial records that the Company is required to maintain and preparing reports to its stockholders and reports filed with the SEC. In addition, Ares Operations assists the Company in determining and publishing its net asset value, assists the Company in providing managerial assistance to its portfolio companies, oversees the preparation and filing of the Company's tax returns and the printing and dissemination of reports to its stockholders, and generally oversees the payment of its expenses and the performance of administrative and professional services rendered to the Company by others. Payments under the administration agreement are equal to an amount based upon its allocable portion of Ares Operations' overhead and other expenses (including travel expenses) incurred by Ares Operations in performing its obligations under the administration agreement, including the Company's allocable portion of the compensation, rent and other expenses of certain of its officers (including the Company's chief compliance officer, chief financial officer, chief accounting officer, general counsel, secretary, treasurer and assistant treasurer) and their respective staffs. The administration agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

For the years ended December 31, 2021, 2020 and 2019, the Company incurred \$15, \$13 and \$14, respectively, in administrative fees. As of December 31, 2021 and 2020, a total of \$4 and \$3, respectively, in administrative fees were unpaid and included in "accounts payable and other liabilities" in the accompanying consolidated balance sheet.

4. INVESTMENTS

As of December 31, 2021 and 2020, investments consisted of the following:

	As of December 31,			
	2021		2020	
	Amortized Cost(1)	Fair Value	Amortized Cost(1)	Fair Value
First lien senior secured loans(2)	\$ 9,583	\$ 9,459	\$ 7,224	\$ 6,987
Second lien senior secured loans	4,614	4,524	4,386	4,171
Subordinated certificates of the SDLP(3)	987	987	1,123	1,123
Senior subordinated loans	912	906	1,005	951
Preferred equity	1,547	1,561	1,020	926
Other equity	2,167	2,572	1,156	1,357
Total	\$ 19,810	\$ 20,009	\$ 15,914	\$ 15,515

- (1) The amortized cost represents the original cost adjusted for any accretion of discounts, amortization of premiums and PIK interest or dividends.
- (2) First lien senior secured loans include certain loans that the Company classifies as “unitranche” loans. The total amortized cost and fair value of the loans that the Company classified as “unitranche” loans were \$5,210 and \$5,163, respectively, as of December 31, 2021, and \$2,909 and \$2,793, respectively, as of December 31, 2020.
- (3) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans to 19 and 23 different borrowers as of December 31, 2021 and 2020, respectively.

The Company uses Global Industry Classification Standards for classifying the industry groupings of its portfolio companies. The industrial and geographic compositions of the Company’s portfolio at fair value as of December 31, 2021 and 2020 were as follows:

Industry	As of December 31,	
	2021	2020
Software & Services	21.9 %	15.1 %
Health Care Services	10.8	17.3
Commercial & Professional Services	9.2	8.0
Diversified Financials	7.5	6.0
Insurance Services	5.8	4.0
Investment Funds and Vehicles(1)	5.2	7.5
Capital Goods	4.8	5.1
Automobiles & Components	4.6	5.5
Power Generation	4.5	5.2
Consumer Durables & Apparel	4.4	6.3
Consumer Services	3.9	7.1
Retailing and Distribution	2.8	1.9
Media & Entertainment	2.2	0.5
Food & Beverage	2.2	2.2
Materials	2.0	1.7
Other	8.2	6.6
Total	100.0 %	100.0 %

- (1) Includes the Company’s investment in the SDLP, which had made first lien senior secured loans to 19 and 23 different borrowers as of December 31, 2021 and 2020, respectively. The portfolio companies in the SDLP are in industries similar to the companies in the Company’s portfolio.

Geographic Region	As of December 31,	
	2021	2020
West(1)	31.2 %	24.9 %
Midwest	27.9	26.0
Southeast	17.2	22.6
Mid-Atlantic	14.5	16.7
Northeast	4.8	7.1
International	4.4	2.7
Total	100.0 %	100.0 %

(1) Includes the Company's investment in the SDLP, which represented 4.9% and 7.2% of the total investment portfolio at fair value as of December 31, 2021 and 2020, respectively.

As of December 31, 2021, loans on non-accrual status represented 0.8% and 0.5% of the total investments at amortized cost and at fair value, respectively. As of December 31, 2020, loans on non-accrual status represented 3.3% and 2.0% of the total investments at amortized cost and at fair value, respectively.

Senior Direct Lending Program

The Company has established a joint venture with Varagon to make certain first lien senior secured loans, including certain stretch senior and unitranche loans, primarily to U.S. middle-market companies. Varagon was formed in 2013 as a lending platform by American International Group, Inc. and other partners. The joint venture is called the SDLP. In July 2016, the Company and Varagon and its clients completed the initial funding of the SDLP. The SDLP may generally commit and hold individual loans of up to \$350. The Company and other accounts managed by the Company's investment adviser and its affiliates may directly co-invest with the SDLP to accommodate larger transactions. The SDLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SDLP must be approved by an investment committee of the SDLP consisting of representatives of the Company and Varagon (with approval from a representative of each required).

The Company provides capital to the SDLP in the form of subordinated certificates (the "SDLP Certificates"), and Varagon and its clients provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. As of December 31, 2021 and 2020, the Company and a client of Varagon owned 87.5% and 12.5%, respectively, of the outstanding SDLP Certificates.

As of December 31, 2021 and 2020, the Company and Varagon and its clients had agreed to make capital available to the SDLP of \$6,150 and \$6,150, respectively, in the aggregate, of which \$1,444 and \$1,444, respectively, is to be made available from the Company. The Company will continue to provide capital to the SDLP in the form of SDLP Certificates, and Varagon and its clients will provide capital to the SDLP in the form of senior notes, intermediate funding notes and SDLP Certificates. This capital will only be committed to the SDLP upon approval of transactions by the investment committee of the SDLP as discussed above. Below is a summary of the funded capital and unfunded capital commitments of the SDLP.

	As of December 31,	
	2021	2020
Total capital funded to the SDLP(1)	\$ 4,168	\$ 4,772
Total capital funded to the SDLP by the Company(1)	\$ 987	\$ 1,123
Total unfunded capital commitments to the SDLP(2)	\$ 262	\$ 152
Total unfunded capital commitments to the SDLP by the Company(2)	\$ 62	\$ 37

(1) At principal amount.

- (2) These commitments to fund delayed draw loans have been approved by the investment committee of the SDLP and will be funded if and when conditions to funding such delayed draw loans are met.

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

The amortized cost and fair value of the SDLP Certificates held by the Company were \$987 and \$987, respectively, as of December 31, 2021 and \$1,123 and \$1,123, respectively, as of December 31, 2020. The Company's yield on its investment in the SDLP Certificates at amortized cost and fair value was 13.5% and 13.5%, respectively, as of December 31, 2021, and 13.5% and 13.5%, respectively, as of December 31, 2020. For the years ended December 31, 2021, 2020 and 2019, the Company earned interest income of \$138, \$127 and \$122, respectively, from its investment in the SDLP Certificates. The Company is also entitled to certain fees in connection with the SDLP. For the years ended December 31, 2021, 2020 and 2019, in connection with the SDLP, the Company earned capital structuring service and other fees totaling \$22, \$23 and \$25, respectively.

As of December 31, 2021 and 2020, the SDLP's portfolio was comprised entirely of first lien senior secured loans to U.S. middle-market companies and were in industries similar to the companies in the Company's portfolio. As of December 31, 2021 and 2020, none of the loans were on non-accrual status. Below is a summary of the SDLP's portfolio.

	As of December 31,	
	2021	2020
Total first lien senior secured loans(1)(2)	\$ 4,194	\$ 4,483
Largest loan to a single borrower(1)	\$ 342	\$ 345
Total of five largest loans to borrowers(1)	\$ 1,540	\$ 1,565
Number of borrowers in the SDLP	19	23
Commitments to fund delayed draw loans(3)	\$ 262	\$ 152

(1) At principal amount.

(2) First lien senior secured loans include certain loans that the SDLP classifies as "unitranche" loans. As of December 31, 2021 and 2020, the total principal amount of loans in the SDLP portfolio that the SDLP classified as "unitranche" loans was \$2,908 and \$3,551, respectively.

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

Selected financial information for the SDLP as of and for the years ended December 31, 2021 and 2020, was as follows:

	As of December 31,	
	2021	2020
Selected Balance Sheet Information:		
Investments at fair value (amortized cost of \$4,193 and \$4,483, respectively)	\$ 4,127	\$ 4,345
Other assets	84	400
Total assets	\$ 4,211	\$ 4,745
Senior notes	\$ 2,939	\$ 3,364
Intermediate funding notes	101	124
Other liabilities	51	52
Total liabilities	3,091	3,540
Subordinated certificates and members' capital	1,120	1,205
Total liabilities and members' capital	\$ 4,211	\$ 4,745

	For the Years Ended December 31,	
	2021	2020
Selected Statement of Operations Information:		
Total investment income	\$ 282	\$ 302
Interest expense	91	113
Other expenses	17	16
Total expenses	108	129
Net investment income	174	173
Net realized and unrealized gains (losses) on investments	69	(64)
Net increase in members' capital resulting from operations	\$ 243	\$ 109

Ivy Hill Asset Management, L.P.

Ivy Hill Asset Management, L.P. (“IHAM”) is an asset management services company and an SEC-registered investment adviser. The Company has made investments in IHAM, its wholly owned portfolio company, and previously made investments in certain vehicles managed by IHAM. As of December 31, 2021, IHAM had assets under management of approximately \$9.5 billion. As of December 31, 2021, IHAM managed 20 vehicles and served as the sub-manager/sub-servicer for one other vehicle (these vehicles managed or sub-managed/sub-serviced by IHAM are referred to as the “IHAM Vehicles”). IHAM earns fee income from managing the IHAM Vehicles and has also invested in certain of these vehicles as part of its business strategy. The amortized cost of IHAM’s total investments as of December 31, 2021 and 2020 was \$966 and \$671, respectively. For the years ended December 31, 2021, 2020 and 2019, IHAM had management and incentive fee income of \$31, \$28 and \$27, respectively, and other investment-related income of \$91, \$75 and \$61, respectively.

The amortized cost and fair value of the Company’s investment in IHAM was \$781 and \$936, respectively, as of December 31, 2021, which was comprised of an equity investment of \$765 and \$920, respectively, and a debt investment of \$16 and \$16, respectively. The amortized cost and fair value of the Company’s investment in IHAM was \$541 and \$628, respectively, as of December 31, 2020, which was comprised of an equity investment of \$469 and \$556, respectively, and a debt investment of \$72 and \$72, respectively. For the years ended December 31, 2021, 2020 and 2019, the Company received distributions from IHAM of \$93, \$74 and \$68, respectively. For the years ended December 31, 2021 and 2020, the Company earned interest income of \$3 and \$6, respectively, from its investment in IHAM.

From time to time, IHAM or certain IHAM Vehicles may purchase investments from, or sell investments to, the Company. For any such sales or purchases by the IHAM Vehicles to or from the Company, the IHAM Vehicle must obtain approval from third parties unaffiliated with the Company or IHAM, as applicable. During the years ended December 31, 2021, 2020 and 2019, IHAM or certain of the IHAM Vehicles purchased \$2,407, \$940 and \$1,141, respectively, of loans from the Company. For the years ended December 31, 2021, 2020 and 2019, the Company recognized \$7, \$21 and \$2, respectively, of net realized losses from these sales. During the years ended December 31, 2021 and 2020, \$108 and \$78, respectively, of investment commitments were repaid to the Company by IHAM.

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

5. DEBT

In accordance with the Investment Company Act, the Company is allowed to borrow amounts such that its asset coverage, calculated pursuant to the Investment Company Act, is at least 150% after such borrowing. The Company’s asset coverage requirement applicable to senior securities was reduced from 200% to 150% effective June 21, 2019. As of December 31, 2021, the aggregate principal amount outstanding of the senior securities issued by the Company was \$11,061 and the Company’s asset coverage was 179%.

The Company's outstanding debt as of December 31, 2021 and 2020 was as follows:

	As of December 31,					
	2021			2020		
	Total Aggregate Principal Amount Committed/ Outstanding (1)	Principal Amount Outstanding	Carrying Value	Total Aggregate Principal Amount Committed/ Outstanding (1)	Principal Amount Outstanding	Carrying Value
Revolving Credit Facility	\$ 4,232 (2)	\$ 1,507	\$ 1,507	\$ 3,617 (2)	\$ 1,180	\$ 1,180
Revolving Funding Facility	1,525	762	762	1,525	1,028	1,028
SMBC Funding Facility	800 (3)	401	401	725 (3)	453	453
BNP Funding Facility	300	—	—	300	150	150
2022 Convertible Notes	388	388	388 (4)	388	388	383 (4)
2024 Convertible Notes	403	403	395 (4)	403	403	392 (4)
2022 Notes	—	—	—	600	600	598 (5)
2023 Notes	750	750	748 (6)	750	750	747 (6)
2024 Notes	900	900	897 (7)	900	900	896 (7)
March 2025 Notes	600	600	596 (8)	600	600	595 (8)
July 2025 Notes	1,250	1,250	1,260 (9)	750	750	742 (9)
January 2026 Notes	1,150	1,150	1,143 (10)	1,150	1,150	1,141 (10)
July 2026 Notes	1,000	1,000	988 (11)	—	—	—
2028 Notes	1,250	1,250	1,246 (12)	—	—	—
2031 Notes	700	700	689 (13)	—	—	—
2047 Notes	—	—	—	230	230	186 (14)
Total	\$ 15,248	\$ 11,061	\$ 11,020	\$ 11,938	\$ 8,582	\$ 8,491

- (1) Represents the total aggregate amount committed or outstanding, as applicable, under such instrument. Borrowings under the committed Revolving Credit Facility, Revolving Funding Facility, SMBC Funding Facility and BNP Funding Facility (each as defined below) are subject to borrowing base and other restrictions.
- (2) Provides for a feature that allows the Company, under certain circumstances, to increase the size of the Revolving Credit Facility (as defined below) to a maximum of \$5,945.
- (3) Provides for a feature that allows ACJB (as defined below), under certain circumstances, to increase the size of the SMBC Funding Facility (as defined below) to a maximum of \$1,000.
- (4) Represents the aggregate principal amount outstanding of the Convertible Unsecured Notes (as defined below). As of December 31, 2021, the total unamortized debt issuance costs and the unaccreted discount for the 2022 Convertible Notes and the 2024 Convertible Notes (each as defined below) were \$0 and \$8, respectively. As of December 31, 2020, the total unamortized debt issuance costs and the unaccreted discount for the 2022 Convertible Notes and the 2024 Convertible Notes were \$5 and \$11, respectively. In February 2022, the Company repaid in full the 2022 Convertible Notes upon their maturity. See Note 15 for this subsequent event relating to the 2022 Convertible Notes.
- (5) Represents the aggregate principal amount outstanding of the 2022 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the 2022 Notes. As of December 31, 2020, the total unamortized debt issuance costs and the unaccreted discount was \$2. In December 2021, the 2022 Notes were redeemed at par plus accrued and unpaid interest for a total redemption price of approximately \$609.

- (6) Represents the aggregate principal amount outstanding of the 2023 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the 2023 Notes. As of December 31, 2021 and 2020, the total unamortized debt issuance costs and the unaccreted discount was \$2 and \$3, respectively.
- (7) Represents the aggregate principal amount outstanding of the 2024 Notes (as defined below), less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuance of the 2024 Notes. As of December 31, 2021 and 2020, the total unamortized debt issuance costs and the net unaccreted discount was \$3 and \$4, respectively.
- (8) Represents the aggregate principal amount outstanding of the March 2025 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the March 2025 Notes. As of December 31, 2021 and 2020, the total unamortized debt issuance costs and the unaccreted discount was \$4 and \$5, respectively.
- (9) Represents the aggregate principal amount outstanding of the July 2025 Notes (as defined below), less unamortized debt issuance costs and the net unaccreted premium recorded upon the issuance of the July 2025 Notes. As of December 31, 2021, the total unamortized debt issuance costs and the net unaccreted premium was \$10. As of December 31, 2020, the total unamortized debt issuance costs and the unaccreted discount was \$8.
- (10) Represents the aggregate principal amount outstanding of the January 2026 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the January 2026 Notes. As of December 31, 2021 and 2020, the total unamortized debt issuance costs and the unaccreted discount was \$7 and \$9, respectively.
- (11) Represents the aggregate principal amount outstanding of the July 2026 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the July 2026 Notes. As of December 31, 2021, the total unamortized debt issuance costs and the unaccreted discount was \$12.
- (12) Represents the aggregate principal amount outstanding of the 2028 Notes (as defined below), less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuance of the 2028 Notes. As of December 31, 2021, the total unamortized debt issuance costs and the net unaccreted discount was \$4.
- (13) Represents the aggregate principal amount outstanding of the 2031 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the 2031 Notes. As of December 31, 2021, the total unamortized debt issuance costs and the unaccreted discount was \$11.
- (14) Represents the aggregate principal amount outstanding of the entire \$230 in aggregate principal amount outstanding of the unsecured notes that were scheduled to mature on April 15, 2047 (the “2047 Notes”), less the unaccreted purchased discount recorded in connection with the Allied Acquisition (as defined below). As of December 31, 2020, the total unaccreted purchased discount was \$44. In March 2021, the Company redeemed the entire \$230 in aggregate principal amount of the 2047 Notes, which resulted in a realized loss on the extinguishment of debt of \$43.

The weighted average stated interest rate and weighted average maturity, both on aggregate principal amount outstanding, of all the Company’s outstanding debt as of December 31, 2021 were 3.1% and 4.2 years, respectively, and as of December 31, 2020 were 3.4% and 4.2 years, respectively.

Revolving Credit Facility

The Company is party to a senior secured revolving credit facility (as amended and restated, the “Revolving Credit Facility”), that allows the Company to borrow up to \$4,232 at any one time outstanding. The Revolving Credit Facility consists of a \$874 term loan tranche and a \$3,358 revolving tranche. For \$824 of the term loan tranche, the stated maturity date is March 31, 2026. For the remaining \$50 of the term loan tranche, the stated maturity date is March 30, 2025. For \$3,208 of the revolving tranche, the end of the revolving period and the stated maturity date are March 31, 2025 and March 31, 2026, respectively. For the remaining \$150 of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2024 and March 30, 2025, respectively. The Revolving Credit Facility also provides for a feature that allows the Company, under certain circumstances, to increase the overall size of the Revolving Credit Facility to a maximum of \$5,945. The Revolving Credit Facility generally requires payments of interest at the end of each LIBOR interest period, but no less frequently than quarterly, on LIBOR based loans, and monthly payments of interest on other loans. Subsequent to the end of the respective revolving periods and prior to the respective stated maturity dates, the Company is required to repay the relevant outstanding principal amounts under both the term loan tranche and revolving tranche on a monthly basis in an amount equal to 1/12th of the outstanding principal amount at the end of the respective revolving periods.

Under the Revolving Credit Facility, the Company is required to comply with various covenants, reporting requirements and other customary requirements for similar revolving credit facilities, including, without limitation, covenants related to: (a) limitations on the incurrence of additional indebtedness and liens, (b) limitations on certain investments, (c) limitations on certain restricted payments, (d) maintaining a certain minimum stockholders' equity, (e) maintaining a ratio of total assets (less total liabilities not representing indebtedness) to total indebtedness of the Company and its consolidated subsidiaries (subject to certain exceptions) of not less than 1.5:1.0, (f) limitations on pledging certain unencumbered assets, and (g) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Company and certain of its subsidiaries. These covenants are subject to important limitations and exceptions that are described in the documents governing the Revolving Credit Facility. Amounts available to borrow under the Revolving Credit Facility (and the incurrence of certain other permitted debt) are also subject to compliance with a borrowing base that applies different advance rates to different types of assets (based on their value as determined pursuant to the Revolving Credit Facility) that are pledged as collateral. As of December 31, 2021, the Company was in compliance in all material respects with the terms of the Revolving Credit Facility.

As of December 31, 2021 and 2020, there was \$1,507 and \$1,180 outstanding, respectively, under the Revolving Credit Facility. The Revolving Credit Facility also provides for a sub-limit for the issuance of letters of credit for up to an aggregate amount of \$250 with the ability to increase by an incremental \$50 on an uncommitted basis. As of December 31, 2021 and 2020, the Company had \$68 and \$90, respectively, in letters of credit issued through the Revolving Credit Facility. The amount available for borrowing under the Revolving Credit Facility is reduced by any letters of credit issued. As of December 31, 2021, there was \$2,657 available for borrowing (net of letters of credit issued) under the Revolving Credit Facility, subject to borrowing base restrictions.

The interest rate charged on the Revolving Credit Facility is based on LIBOR (or an alternate rate of interest for certain loans, commitments and/or other extensions of credit denominated in Sterling, Canadian Dollars, Euros and certain other foreign currencies) plus an applicable spread of either 1.75% or 1.875% or an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility) plus an applicable spread of 0.75% or 0.875%, in each case, determined monthly based on the total amount of the borrowing base relative to the sum of (i) the greater of (a) the aggregate amount of revolving exposure and term loans outstanding under the Revolving Credit Facility and (b) 85% of the total commitments of the Revolving Credit Facility (or, if higher, the total revolving exposure) plus (ii) other debt, if any, secured by the same collateral as the Revolving Credit Facility. The Revolving Credit Facility allows for borrowings to be made using one, three or six month LIBOR. As of December 31, 2021, the one, three and six month LIBOR was 0.10%, 0.21% and 0.34%, respectively. As of December 31, 2021, the interest rate in effect was LIBOR plus 1.75%. In addition to the stated interest expense on the Revolving Credit Facility, the Company is required to pay a commitment fee of 0.375% per annum on any unused portion of the Revolving Credit Facility. The Company is also required to pay a letter of credit fee of either 2.00% or 2.125% per annum on letters of credit issued, determined monthly based on the total amount of the borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility.

In December 2017, in connection with \$395 of the term loan tranche of the Revolving Credit Facility, the Company entered into a three-year interest rate swap agreement to mitigate its exposure to adverse fluctuations in interest rates for a total notional amount of \$395, which matured on January 4, 2021.

The Revolving Credit Facility is secured by certain assets in the Company's portfolio and excludes investments held by Ares Capital CP under the Revolving Funding Facility, those held by ACJB under the SMBC Funding Facility and those held by AFB under the BNP Funding Facility, each as described below, and certain other investments.

For the years ended December 31, 2021, 2020 and 2019, the components of interest and credit facility fees expense, cash paid for interest expense, average stated interest rates (i.e., rate in effect plus the spread) and average outstanding balances for the Revolving Credit Facility were as follows:

	For the Years Ended December 31,		
	2021	2020	2019
Stated interest expense	\$ 21	\$ 43	\$ 59
Credit facility fees	17	7	7
Amortization of debt issuance costs	7	7	6
Total interest and credit facility fees expense	\$ 45	\$ 57	\$ 72
Cash paid for interest expense	\$ 20	\$ 41	\$ 58
Average stated interest rate	2.14 %	2.58 %	3.96 %
Average outstanding balance	\$ 1,014	\$ 1,576	\$ 1,478

Revolving Funding Facility

The Company and the Company's consolidated subsidiary, Ares Capital CP Funding LLC ("Ares Capital CP"), are party to a revolving funding facility (as amended, the "Revolving Funding Facility"), that allows Ares Capital CP to borrow up to \$1,525 at any one time outstanding. The Revolving Funding Facility is secured by all of the assets held by, and the membership interest in, Ares Capital CP. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are December 29, 2024 and December 29, 2026, respectively.

Amounts available to borrow under the Revolving Funding Facility are subject to a borrowing base that applies different advance rates to different types of assets held by Ares Capital CP. Ares Capital CP is also subject to limitations with respect to the loans securing the Revolving Funding Facility, including restrictions on sector concentrations, loan size, payment frequency and status, collateral interests and loans with fixed rates, as well as restrictions on portfolio company leverage, all of which may also affect the borrowing base and therefore amounts available to borrow. The Company and Ares Capital CP are also required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. These covenants are subject to important limitations and exceptions that are described in the agreements governing the Revolving Funding Facility. As of December 31, 2021, the Company and Ares Capital CP were in compliance in all material respects with the terms of the Revolving Funding Facility.

As of December 31, 2021 and 2020, there was \$762 and \$1,028 outstanding, respectively, under the Revolving Funding Facility. Since December 29, 2021, the interest rate charged on the Revolving Funding Facility is based on one month LIBOR plus 1.90% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.00% per annum. Prior to December 29, 2021, the interest rate charged on the Revolving Funding Facility was based on one month LIBOR plus 2.00% per annum or a "base rate" plus 1.00% per annum. Since December 29, 2021, Ares Capital CP is also required to pay a commitment fee of between 0.50% and 1.25% per annum depending on the size of the unused portion of the Revolving Funding Facility. Prior to and including December 29, 2021, Ares Capital CP was required to pay a commitment fee of between 0.50% and 1.50% per annum depending on the size of the unused portion of the Revolving Funding Facility.

For the years ended December 31, 2021, 2020 and 2019, the components of interest and credit facility fees expense, cash paid for interest expense, average stated interest rates (i.e., rate in effect plus the spread) and average outstanding balances for the Revolving Funding Facility were as follows:

	For the Years Ended December 31,		
	2021	2020	2019
Stated interest expense	\$ 15	\$ 20	\$ 25
Credit facility fees	6	5	4
Amortization of debt issuance costs	4	4	3
Total interest and credit facility fees expense	\$ 25	\$ 29	\$ 32
Cash paid for interest expense	\$ 17	\$ 19	\$ 26
Average stated interest rate	2.33 %	2.54 %	4.26 %
Average outstanding balance	\$ 643	\$ 761	\$ 576

SMBC Funding Facility

The Company and the Company's consolidated subsidiary, Ares Capital JB Funding LLC ("ACJB"), are party to a revolving funding facility (as amended, the "SMBC Funding Facility"), with ACJB, as the borrower, and Sumitomo Mitsui Banking Corporation, as the administrative agent and collateral agent, that allows ACJB to borrow up to \$800 at any one time outstanding. The SMBC Funding Facility also provides for a feature that allows ACJB, subject to receiving certain consents, to increase the overall size of the SMBC Funding Facility to \$1,000. The SMBC Funding Facility is secured by all of the assets held by ACJB. The end of the reinvestment period and the stated maturity date for the SMBC Funding Facility are May 28, 2024 and May 28, 2026, respectively. The reinvestment period and the stated maturity date are both subject to two one-year extensions by mutual agreement.

Amounts available to borrow under the SMBC Funding Facility are subject to a borrowing base that applies an advance rate to assets held by ACJB. ACJB is also subject to limitations with respect to the loans securing the SMBC Funding Facility, including restrictions on sector concentrations, loan size, payment frequency and status, collateral interests and loans with fixed rates, as well as restrictions on portfolio company leverage, all of which may also affect the borrowing base and therefore amounts available to borrow. The Company and ACJB are also required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. These covenants are subject to important limitations and exceptions that are described in the documents governing the SMBC Funding Facility. As of December 31, 2021, the Company and ACJB were in compliance in all material respects with the terms of the SMBC Funding Facility.

As of December 31, 2021 and 2020, there was \$401 and \$453 outstanding, respectively, under the SMBC Funding Facility. The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% over one month LIBOR or 0.75% or 1.00% over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of December 31, 2021, the interest rate in effect was one month LIBOR plus 1.75%. Since September 10, 2019, ACJB is required to pay a commitment fee of between 0.50% and 1.00% per annum depending on the size of the unused portion of the SMBC Funding Facility. Prior to and including September 10, 2019, ACJB was required to pay a commitment fee of between 0.35% and 0.875% per annum depending on the size of the unused portion of the SMBC Funding Facility.

For the years ended December 31, 2021, 2020 and 2019, the components of interest and credit facility fees expense, cash paid for interest expense, average stated interest rates (i.e., rate in effect plus the spread) and average outstanding balances for the SMBC Funding Facility were as follows:

	For the Years Ended December 31,		
	2021	2020	2019
Stated interest expense	\$ 4	\$ 10	\$ 9
Credit facility fees	6	1	1
Amortization of debt issuance costs	3	3	1
Total interest and credit facility fees expense	<u>\$ 13</u>	<u>\$ 14</u>	<u>\$ 11</u>
Cash paid for interest expense	\$ 4	\$ 10	\$ 9
Average stated interest rate	2.05 %	2.36 %	4.05 %
Average outstanding balance	\$ 191	\$ 390	\$ 227

BNP Funding Facility

The Company and the Company's consolidated subsidiary, ARCC FB Funding LLC ("AFB"), are party to a revolving funding facility (as amended, the "BNP Funding Facility") with AFB, as the borrower, and BNP Paribas, as the administrative agent and lender, that allows AFB to borrow up to \$300 at any one time outstanding. The BNP Funding Facility is secured by all of the assets held by AFB. The end of the reinvestment period and the stated maturity date for the BNP Funding Facility are June 11, 2023 and June 11, 2025, respectively. The reinvestment period and the stated maturity date are both subject to a one-year extension by mutual agreement.

Amounts available to borrow under the BNP Funding Facility are subject to a borrowing base that applies an advance rate to assets held by AFB. AFB is also subject to limitations with respect to the loans securing the BNP Funding Facility, including restrictions on sector concentrations, loan size, payment frequency and status, collateral interests and loans with fixed rates, as well as restrictions on portfolio company leverage, all of which may also affect the borrowing base and therefore amounts available to borrow. The Company and AFB are also required to comply with various covenants, reporting

requirements and other customary requirements for similar facilities. These covenants are subject to important limitations and exceptions that are described in the documents governing the BNP Funding Facility. As of December 31, 2021, the Company and AFB were in compliance in all material respects with the terms of the BNP Funding Facility.

As of December 31, 2021, there were no amounts outstanding under the BNP Funding Facility. As of December 31, 2020, there was \$150 outstanding under the BNP Funding Facility. Since June 29, 2021, the interest rate charged on the BNP Funding Facility is based on three month LIBOR, or a “base rate” (as defined in the agreements governing the BNP Funding Facility) plus a margin of (i) 1.80% during the reinvestment period and (ii) 2.30% following the reinvestment period. Prior to June 29, 2021, the interest rate charged on the BNP Funding Facility was based on three month LIBOR (subject to a floor of 0.45%), or a “base rate” (as defined in the agreements governing the BNP Funding Facility) plus a margin that generally ranged between 2.65% and 3.15% (depending on the types of assets such advances relate to), with a weighted average margin floor for all classes of advances of (i) 2.75% during the reinvestment period and (ii) 3.25% following the reinvestment period. As of December 31, 2021, the interest rate in effect was LIBOR plus 1.80%. Beginning on December 11, 2020, AFB is required to pay a commitment fee of between 0.00% and 1.25% per annum depending on the size of the unused portion of the BNP Funding Facility. Prior to December 11, 2020, there was no commitment fee required to be paid.

For the year ended December 31, 2021, the components of interest and credit facility fees expense, cash paid for interest expense, average stated interest rates (i.e., rate in effect plus the spread) and average outstanding balances for the BNP Funding Facility were as follows:

	For the Year Ended December 31, 2021	
Stated interest expense	\$	1
Credit facility fees		4
Amortization of debt issuance costs		1
Total interest and credit facility fees expense	\$	6
Cash paid for interest expense		1
Average stated interest rate		3.46 %
Average outstanding balance		15

Convertible Unsecured Notes

The Company has issued \$388 in aggregate principal amount of unsecured convertible notes that mature on February 1, 2022 (the “2022 Convertible Notes”) and \$403 in aggregate principal amount of unsecured convertible notes that mature on March 1, 2024 (the “2024 Convertible Notes” and together with the 2022 Convertible Notes, the “Convertible Unsecured Notes”). The Convertible Unsecured Notes mature upon their respective maturity dates unless previously converted or repurchased in accordance with their terms. The Company does not have the right to redeem the Convertible Unsecured Notes prior to maturity. The 2022 Convertible Notes and the 2024 Convertible Notes bear interest at a rate of 3.75% and 4.625%, respectively, per annum, payable semi-annually.

In certain circumstances, assuming the respective conversion date below has not already passed, the Convertible Unsecured Notes will be convertible into cash, shares of the Company’s common stock or a combination of cash and shares of its common stock, at the Company’s election, at their respective conversion rates (listed below as of December 31, 2021) subject to customary anti-dilution adjustments and the requirements of their respective indenture (the “Convertible Unsecured Notes Indentures”). To the extent the 2022 Convertible Notes are converted, the Company has elected to settle in cash for all conversion dates after August 1, 2021. Prior to the close of business on the business day immediately preceding their respective conversion date (listed below), holders may convert their Convertible Unsecured Notes only under certain circumstances set forth in the Convertible Unsecured Notes Indentures. On or after their respective conversion dates until the close of business on the scheduled trading day immediately preceding the maturity date for the 2022 Convertible Notes and the second scheduled trading day immediately preceding the maturity date for the 2024 Convertible Notes, holders may convert their Convertible Unsecured Notes at any time. In addition, if the Company engages in certain corporate events as described in their respective Convertible Unsecured Notes Indenture, holders of the Convertible Unsecured Notes may require the Company to repurchase for cash all or part of the Convertible Unsecured Notes at a repurchase price equal to 100% of the principal amount of the Convertible Unsecured Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the required repurchase date.

Certain key terms related to the convertible features for each of the Convertible Unsecured Notes as of December 31, 2021 are listed below.

	2022 Convertible Notes	2024 Convertible Notes
Conversion premium	15.0 %	15.0 %
Closing stock price at issuance	\$ 16.86	\$ 17.29
Closing stock price date	January 23, 2017	March 5, 2019
Conversion price (1)	\$ 18.99	\$ 19.88
Conversion rate (shares per one thousand dollar principal amount)(1)	52.6455	50.2930
Conversion dates	August 1, 2021	December 1, 2023

- (1) Represents conversion price and conversion rate, as applicable, as of December 31, 2021, taking into account any applicable de minimis adjustments that will be made on the conversion date.

As of December 31, 2021, the principal amounts of each series of the Convertible Unsecured Notes exceeded the value of the underlying shares multiplied by the per share closing price of the Company's common stock.

The Convertible Unsecured Notes Indentures contain certain covenants, including covenants requiring the Company to comply with Section 18(a)(1)(A) as modified by Section 61(a) of the Investment Company Act, or any successor provisions, and to provide financial information to the holders of the Convertible Unsecured Notes under certain circumstances. These covenants are subject to important limitations and exceptions that are described in the Convertible Unsecured Notes Indentures. As of December 31, 2021, the Company was in compliance in all material respects with the terms of the Convertible Unsecured Notes Indentures.

The Convertible Unsecured Notes are accounted for in accordance with ASC 470-20, *Debt*. Upon conversion of any of the Convertible Unsecured Notes, the Company intends to pay the outstanding principal amount in cash and to the extent that the conversion value exceeds the principal amount, the Company has the option to pay in cash or shares of the Company's common stock (or a combination of cash and shares) in respect of the excess amount, subject to the requirements of the Convertible Unsecured Notes Indentures. The Company has determined that the embedded conversion options in the Convertible Unsecured Notes are not required to be separately accounted for as a derivative under GAAP. In accounting for the Convertible Unsecured Notes, the Company estimated at the time of issuance separate debt and equity components for each of the Convertible Unsecured Notes. An original issue discount equal to the equity components of the Convertible Unsecured Notes was recorded in "capital in excess of par value" in the accompanying consolidated balance sheet. Additionally, the issuance costs associated with the Convertible Unsecured Notes were allocated to the debt and equity components in proportion to the allocation of the proceeds and accounted for as debt issuance costs and equity issuance costs, respectively.

The debt and equity component percentages, the issuance costs and the equity component amounts for each of the Convertible Unsecured Notes are listed below.

	2022 Convertible Notes	2024 Convertible Notes
Debt and equity component percentages, respectively(1)	96.0% and 4.0%	98.9% and 1.1%
Debt issuance costs(1)	\$ 9	\$ 4
Equity issuance costs(1)	\$ —	\$ —
Equity component, net of issuance costs(2)	\$ 15	\$ 13

- (1) At time of issuance.
(2) At time of issuance and as of December 31, 2021.

In addition to the original issue discount equal to the equity component of the 2024 Convertible Notes, the 2024 Convertible Notes were issued at a discount. The Company records interest expense comprised of both stated interest expense as well as accretion of any original issue discount.

As of December 31, 2021, the components of the carrying value of the Convertible Unsecured Notes, the stated interest rate and the effective interest rate were as follows:

	2022 Convertible Notes	2024 Convertible Notes
Principal amount of debt	\$ 388	\$ 403
Original issue discount, net of accretion	2	(6)
Debt issuance costs	(2)	(2)
Carrying value of debt	\$ 388	\$ 395
Stated interest rate	3.75 %	4.63 %
Effective interest rate(1)	4.60 %	5.30 %

(1) The effective interest rate of the debt component of the Convertible Unsecured Notes is equal to the stated interest rate plus the accretion of original issue discount.

For the years ended December 31, 2021, 2020 and 2019, the components of interest expense and cash paid for interest expense for the Convertible Unsecured Notes, as well as any other convertible notes outstanding during the periods presented were as follows.

	For the Years Ended December 31,		
	2021	2020	2019
Stated interest expense	\$ 33	\$ 33	\$ 30
Amortization of debt issuance costs	3	3	3
Accretion of original issue discount	6	5	5
Total interest expense	\$ 42	\$ 41	\$ 38
Cash paid for interest expense	\$ 34	\$ 33	\$ 30

See Note 15 for a subsequent event relating to the 2022 Convertible Notes.

Unsecured Notes

The Company has issued certain unsecured notes (each issuance of which is referred to herein using the “defined term” set forth under the “Unsecured Notes” column of the table below and collectively referred to as the “Unsecured Notes”), that pay interest semi-annually and all principal amounts are due upon maturity. Each of the Unsecured Notes may be redeemed in whole or in part at any time at the Company’s option at a redemption price equal to par plus a “make whole” premium, if applicable, as determined pursuant to the indentures governing each of the Unsecured Notes, plus any accrued and unpaid interest. Certain key terms related to the features for the Unsecured Notes as of December 31, 2021 are listed below.

Unsecured Notes	Aggregate Principal Amount Issued	Interest Rate	Original Issuance Date	Maturity Date
2023 Notes	\$ 750	3.500%	August 10, 2017	February 10, 2023
2024 Notes	\$ 900	4.200%	June 10, 2019	June 10, 2024
March 2025 Notes	\$ 600	4.250%	January 11, 2018	March 1, 2025
July 2025 Notes	\$ 1,250	3.250%	January 15, 2020	July 15, 2025
January 2026 Notes	\$ 1,150	3.875%	July 15, 2020	January 15, 2026
July 2026 Notes	\$ 1,000	2.150%	January 13, 2021	July 15, 2026
2028 Notes	\$ 1,250	2.875%	June 10, 2021	June 15, 2028
2031 Notes	\$ 700	3.200%	November 4, 2021	November 15, 2031

See Note 15 for a subsequent event relating to an additional issuance of unsecured notes.

For the years ended December 31, 2021, 2020 and 2019, the components of interest expense and cash paid for interest expense for the Unsecured Notes, as well as any other unsecured notes outstanding during the periods presented are listed below.

	For the Years Ended December 31,		
	2021	2020	2019
Stated interest expense	\$ 234	\$ 168	\$ 130
Amortization of debt issuance costs	11	6	5
Net (amortization) accretion of original issue premium/discount	(4)	1	1
Accretion of purchase discount	—	1	2
Total interest expense	\$ 241	\$ 176	\$ 138
Cash paid for interest expense	\$ 234	\$ 140	\$ 141

The Unsecured Notes contain certain covenants, including covenants requiring the Company to comply with Section 18(a)(1)(A) as modified by Section 61(a) of the Investment Company Act, or any successor provisions, and to provide financial information to the holders of such notes under certain circumstances. These covenants are subject to important limitations and exceptions set forth in the indentures governing such notes. As of December 31, 2021, the Company was in compliance in all material respects with the terms of the respective indentures governing each of the Unsecured Notes.

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

6. DERIVATIVE INSTRUMENTS

The Company enters into forward currency contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. As of December 31, 2021, the counterparty to these forward currency contracts was Truist Financial Corporation. As of December 31, 2020, the counterparty to these forward currency contracts was Bank of Montreal.

In December 2017, in connection with \$395 of the term loan tranche of the Revolving Credit Facility, the Company entered into a three-year interest rate swap agreement to mitigate its exposure to adverse fluctuations in interest rates for a total notional amount of \$395, which matured on January 4, 2021. Under the interest rate swap agreement, the Company paid a fixed interest rate of 2.06% and received a floating rate based on the prevailing one-month LIBOR plus a spread of 1.75%. As of December 31, 2020, the one month LIBOR rate in effect was 0.19%.

Certain information related to the Company's derivative instruments as of December 31, 2021 and 2020 is presented below.

As of December 31, 2021

Derivative Instrument	Notional Amount	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	CAD 309	1/28/2022	240	(245)	Accounts payable and other liabilities
Foreign currency forward contract	CAD 209	1/19/2022	163	(165)	Accounts payable and other liabilities
Foreign currency forward contract	€ 153	1/28/2022	172	(174)	Accounts payable and other liabilities
Foreign currency forward contract	£ 95	1/28/2022	126	(129)	Accounts payable and other liabilities
Foreign currency forward contract	CAD 2	1/28/2022	1	(1)	Accounts payable and other liabilities
Total			\$ 702	\$ (714)	

As of December 31, 2020

Derivative Instrument	Notional Amount	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Interest rate swap	\$ 395	1/4/2021	\$ —	\$ (1)	Accounts payable and other liabilities
Foreign currency forward contract	CAD 142	1/21/2021	112	(112)	Accounts payable and other liabilities
Foreign currency forward contract	£ 75	1/21/2021	102	(103)	Accounts payable and other liabilities
Total			\$ 214	\$ (216)	

Net realized gains (losses) on derivative instruments recognized by the Company for the years ended December 31, 2021, 2020 and 2019 is in the following location in the consolidated statements of operations:

Derivative Instrument	Statement Location	For the Years Ended December 31,		
		2021	2020	2019
Interest rate swap	Net realized gains (losses) from foreign currency and other transactions	\$ —	\$ (6)	\$ 1
Foreign currency forward contract	Net realized gains (losses) from foreign currency and other transactions	13	(9)	—
Total		\$ 13	\$ (15)	\$ 1

Net unrealized gains (losses) on derivative instruments recognized by the Company for the years ended December 31, 2021, 2020 and 2019 is in the following location in the consolidated statements of operations:

Derivative Instrument	Statement Location	For the Years Ended December 31,		
		2021	2020	2019
Interest rate swap	Net unrealized gains (losses) from foreign currency and other transactions	\$ —	\$ 1	\$ (6)
Foreign currency forward contract	Net unrealized gains (losses) from foreign currency and other transactions	(14)	(1)	—
Total		\$ (14)	\$ —	\$ (6)

7. COMMITMENTS AND CONTINGENCIES

Investment Commitments

The Company has various commitments to fund investments in its portfolio as described below. As of December 31, 2021 and 2020, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to fund which are at (or substantially at) the Company's discretion:

	As of December 31,	
	2021	2020
Total revolving and delayed draw loan commitments	\$ 2,733	\$ 2,020
Less: funded commitments	(352)	(409)
Total unfunded commitments	2,381	1,611
Less: commitments substantially at discretion of the Company	—	(29)
Less: unavailable commitments due to borrowing base or other covenant restrictions	(4)	(8)
Total net adjusted unfunded revolving and delayed draw loan commitments	\$ 2,377	\$ 1,574

Included within the total revolving and delayed draw loan commitments as of December 31, 2021 and 2020 were delayed draw loan commitments totaling \$1,273 and \$652, respectively. The Company's commitment to fund delayed draw loans is triggered upon the satisfaction of certain pre-negotiated terms and conditions. Generally, the most significant and uncertain term requires the borrower to satisfy a specific use of proceeds covenant. The use of proceeds covenant typically requires the borrower to use the additional loans for the specific purpose of a permitted acquisition or permitted investment, for example. In addition to the use of proceeds covenant, the borrower is generally required to satisfy additional negotiated covenants (including specified leverage levels).

Also included within the total revolving loan commitments as of December 31, 2021 were commitments to issue up to \$314 in letters of credit through a financial intermediary on behalf of certain portfolio companies. As of December 31, 2021, the Company had \$68 in letters of credit issued and outstanding under these commitments on behalf of the portfolio companies. For all these letters of credit issued and outstanding, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. Of these letters of credit, \$59 expire in 2022 and \$9 expire in 2023.

The Company also has commitments to co-invest in the SDLP for the Company's portion of the SDLP's commitments to fund delayed draw loans to certain portfolio companies of the SDLP. See Note 4 for more information.

As of December 31, 2021 and 2020, the Company was party to subscription agreements to fund equity investments in private equity investment partnerships as follows:

	As of December 31,	
	2021	2020
Total private equity commitments	\$ 111	\$ 111
Less: funded private equity commitments	(68)	(68)
Total unfunded private equity commitments	43	43
Less: private equity commitments substantially at discretion of the Company	(43)	(43)
Total net adjusted unfunded private equity commitments	\$ —	\$ —

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

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

Lease Commitments

The Company is obligated under a number of operating leases pursuant to which it is leasing office facilities from third parties with remaining terms ranging from approximately one to five years. For certain of its operating leases, the Company had previously entered into subleases including one with Ares Management LLC. During the year ended December 31, 2020, the Company assigned to Ares Management LLC all of its rights, title and interest in the offices it subleased to Ares Management LLC and Ares Management LLC assumed all of the Company's obligations. See Note 13 for a further description of the sublease with Ares Management LLC.

The components of operating lease expense for the years ended December 31, 2021, 2020 and 2019 were as follows:

	For the Years Ended December 31,		
	2021	2020	2019
Operating lease costs	\$ 10	\$ 17	\$ 19
Less: sublease income	(9)	(16)	(17)
Total operating lease costs (1)	\$ 1	\$ 1	\$ 2

(1) Total operating lease costs are incurred from office leases assumed as part of the American Capital Acquisition.

Supplemental cash flow information related to operating leases for the years ended December 31, 2021 and 2020 were as follows:

	For the Years Ended December 31,	
	2021	2020
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 16	\$ 23
Operating ROU assets obtained in exchange for operating lease liabilities	\$ 11	\$ 14

Supplemental balance sheet information as of December 31, 2021 and 2020 related to operating leases were as follows:

	For the Years Ended December 31,	
	2021	2020
Operating lease ROU assets	\$ 27	\$ 38
Operating lease liabilities	\$ 43	\$ 59
Weighted average remaining lease term	3.7 years	4.6 years
Weighted average discount rate	3.1%	3.3%

The following table shows future minimum lease payments under the Company's operating leases and a reconciliation to the operating lease liability as of December 31, 2021:

	Amount
2022	\$ 15
2023	16
2024	6
2025	6
2026	6
Total lease payments	49
Less imputed interest	(6)
Total operating lease liabilities	\$ 43

The following table shows future expected rental payments to be received under the Company’s subleases where the Company is the sublessor as of December 31, 2021:

	Amount
2022	\$ 9
2023	9
2024	4
2025	4
2026	4
Total	\$ 30

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company 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 to more easily understand the effect of the company’s choice to use fair value on its earnings. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the balance sheet. The Company has not elected the ASC 825-10 option to report selected financial assets and liabilities at fair value. With the exception of the line items entitled “other assets” and “debt,” which are reported at amortized cost, the carrying value of all other assets and liabilities approximate fair value.

The Company also follows 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 the Company to assume that the portfolio investment is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact. In accordance with ASC 820-10, the Company has considered its principal market as the market in which the Company exits its portfolio investments with the greatest volume and level of activity. ASC 820-10 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. In accordance with ASC 820-10, these inputs are summarized in the three broad levels listed below:

- Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2—Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In addition to using the above inputs in investment valuations, the Company continues to employ the net asset valuation policy approved by the Company’s board of directors that is consistent with ASC 820-10 (see Note 2 for more information). Consistent with the Company’s valuation policy, it evaluates the source of inputs, including any markets in which the Company’s investments are trading (or any markets in which securities with similar attributes are trading), in determining fair value. The Company’s valuation policy considers the fact that because there is not a readily available market value for most of the investments in the Company’s portfolio, the fair value of the investments must typically be determined using unobservable inputs.

The Company’s portfolio investments (other than as described below in the following paragraph) are typically valued using two different valuation techniques. The first valuation technique is an analysis of the enterprise value (“EV”) of the portfolio company. Enterprise value means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The primary method for determining EV uses a multiple analysis whereby appropriate multiples are applied to the portfolio company’s EBITDA (generally defined as net income before net interest expense, income tax expense, depreciation and amortization). EBITDA

multiples are typically determined based upon review of market comparable transactions and publicly traded comparable companies, if any. The Company may also employ other valuation multiples to determine EV, such as revenues or, in the case of certain portfolio companies in the power generation industry, kilowatt capacity. The second method for determining EV uses a discounted cash flow analysis whereby future expected cash flows of the portfolio company are discounted to determine a present value using estimated discount rates (typically a weighted average cost of capital based on costs of debt and equity consistent with current market conditions). The EV analysis is performed to determine the value of equity investments, the value of debt investments in portfolio companies where the Company has control or could gain control through an option or warrant security, and to determine if there is credit impairment for debt investments. If debt investments are credit impaired, an EV analysis may be used to value such debt investments; however, in addition to the methods outlined above, other methods such as a liquidation or wind-down analysis may be utilized to estimate enterprise value. The second valuation technique is a yield analysis, which is typically performed for non-credit impaired debt investments in portfolio companies where the Company does not own a controlling equity position. To determine fair value using a yield analysis, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk. In the yield analysis, the Company considers the current contractual interest rate, the maturity and other terms of the investment relative to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the enterprise value of the portfolio company. As debt investments held by the Company are substantially illiquid with no active transaction market, the Company depends on primary market data, including newly funded transactions, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

For other portfolio investments such as investments in the SDLP Certificates, discounted cash flow analysis is the primary technique utilized to determine fair value. Expected future cash flows associated with the investment are discounted to determine a present value using a discount rate that reflects estimated market return requirements.

The following tables summarize the significant unobservable inputs the Company used to value the majority of its investments categorized within Level 3 as of December 31, 2021 and 2020. The tables are not intended to be all-inclusive, but instead capture the significant unobservable inputs relevant to the Company's determination of fair values.

Asset Category	As of December 31, 2021				
	Fair Value	Primary Valuation Techniques	Unobservable Input		
			Input	Estimated Range	Weighted Average ⁽¹⁾
First lien senior secured loans	\$ 9,456	Yield analysis	Market yield	2.0% - 16.5%	7.6%
Second lien senior secured loans	4,432	Yield analysis	Market yield	6.8% - 22.9%	9.5%
Subordinated certificates of the SDLP	987	Discounted cash flow analysis	Discount rate	8.8% - 9.7%	9.3%
Senior subordinated loans	889	Yield analysis	Market yield	7.1% - 27.8%	11.5%
Preferred equity	1,561	EV market multiple analysis	EBITDA multiple	3.2x - 64.4x	16.5x
Ivy Hill Asset Management, L.P.	936	Discounted cash flow analysis	Discount rate	9.9% - 27.9%	16.3%
Other equity	1,647	EV market multiple analysis	EBITDA multiple	4.9x - 32.1x	14.9x
Total investments	<u>\$ 19,908</u>				

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

As of December 31, 2020

Asset Category	Fair Value	Primary Valuation Techniques	Unobservable Input		
			Input	Estimated Range	Weighted Average ⁽¹⁾
First lien senior secured loans	\$ 6,984	Yield analysis	Market yield	1.3% - 19.3%	8.5%
Second lien senior secured loans	4,171	Yield analysis	Market yield	7.0% - 19.7%	10.5%
Subordinated certificates of the SDLP	1,123	Discounted cash flow analysis	Discount rate	10.2% - 11.1%	11.0%
Senior subordinated loans	879	Yield analysis	Market yield	8.8% - 22.0%	11.3%
Preferred equity	926	EV market multiple analysis	EBITDA multiple	2.8x - 22.0x	13.9x
Ivy Hill Asset Management, L.P.	628	Discounted cash flow analysis	Discount rate	10.5% - 27.5%	17.1%
Other equity	795	EV market multiple analysis	EBITDA multiple	5.4x - 47.7x	13.1x
Total investments	<u>\$ 15,506</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 Company's investments. Generally, an increase in market yields or discount rates or decrease in EBITDA multiples may result in a decrease in the fair value of certain of the Company's investments.

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

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

The following table presents fair value measurements of cash and cash equivalents, restricted cash, investments, derivatives and unfunded revolving and delayed draw loan commitments as of December 31, 2021:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 372	\$ 372	\$ —	\$ —
Restricted cash	\$ 114	\$ 114	\$ —	\$ —
Investments not measured at net asset value	\$ 20,004	\$ —	\$ 96	\$ 19,908
Investments measured at net asset value ⁽¹⁾	5			
Total investments	\$ 20,009			
Derivatives	\$ (12)	\$ —	\$ (12)	\$ —
Unfunded revolving and delayed draw loan commitments ⁽²⁾	\$ (20)	\$ —	\$ —	\$ (20)

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.

- (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 sheet.

The following table presents fair value measurements of cash and cash equivalents, restricted cash, investments, derivatives and unfunded revolving and delayed draw loan commitments as of December 31, 2020:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 254	\$ 254	\$ —	\$ —
Restricted cash	\$ 72	\$ 72	\$ —	\$ —
Investments not measured at net asset value	\$ 15,509	\$ —	\$ 3	\$ 15,506
Investments measured at net asset value (1)	6			
Total investments	\$ 15,515			
Derivatives	\$ (2)	\$ —	\$ (2)	\$ —
Unfunded revolving and delayed draw loan commitments(2)	\$ (27)	\$ —	\$ —	\$ (27)

- (1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheet.
- (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 sheet.

The following table presents changes in investments that use Level 3 inputs as of and for the year ended December 31, 2021:

	As of and For the Year Ended December 31, 2021
Balance as of December 31, 2020	\$ 15,506
Net realized gains	258
Net unrealized gains	597
Purchases	13,704
Sales	(5,573)
Repayments	(4,894)
PIK interest and dividends	250
Net accretion of discount on securities	16
Net transfers into Level 3(1)	45
Net transfers out of Level 3(1)	(1)
Balance as of December 31, 2021	<u>\$ 19,908</u>

- (1) For the year ended December 31, 2021, transfers into Level 3 from Level 2 were as a result of changes in the observability of significant inputs for certain portfolio companies. For the year ended December 31, 2021, transfers out of Level 3 to Level 2 were as a result of changes in the observability of significant inputs for certain portfolio companies.

As of December 31, 2021, the net unrealized appreciation on the investments that use Level 3 inputs was \$165.

For the year ended December 31, 2021, the total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to the Company’s Level 3 assets still held as of December 31, 2021, and reported within the net unrealized gains (losses) on investments, foreign currency and other transactions in the Company’s consolidated statement of operations was \$649.

The following table presents changes in investments that use Level 3 inputs as of and for the year ended December 31, 2020:

	As of and For the Year Ended December 31, 2019
Balance as of December 31, 2019	\$ 14,348
Net realized losses	(179)
Net unrealized losses	(86)
Purchases	6,718
Sales	(2,494)
Repayments	(3,019)
PIK interest and dividends	211
Net accretion of discount on securities	7
Net transfers into Level 3(1)	1
Net transfers out of Level 3(1)	(1)
Balance as of December 31, 2020	<u>\$ 15,506</u>

- (1) For the year ended December 31, 2020, transfers into Level 3 from Level 2 were as a result of changes in the observability of significant inputs for certain portfolio companies. For the year ended December 31, 2020, transfers out of Level 3 to Level 2 were as a result of changes in the observability of significant inputs for certain portfolio companies.

As of December 31, 2020, the net unrealized depreciation on the investments that use Level 3 inputs was \$432.

For the year ended December 31, 2020, the total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to the Company's Level 3 assets still held as of December 31, 2020, and reported within the net unrealized gains (losses) on investments, foreign currency and other transactions in the Company's consolidated statement of operations was \$(235).

The following are the carrying and fair values of the Company's debt obligations as of December 31, 2021 and 2020. Fair value is estimated by discounting remaining payments using applicable current market rates, which take into account changes in the Company's marketplace credit ratings, or market quotes, if available.

	As of December 31,			
	2021		2020	
	Carrying value(1)	Fair value	Carrying value(1)	Fair value
Revolving Credit Facility	\$ 1,507	\$ 1,507	\$ 1,180	\$ 1,180
Revolving Funding Facility	762	762	1,028	1,018
SMBC Funding Facility	401	401	453	445
BNP Funding Facility	—	—	150	153
2022 Convertible Notes (principal amount outstanding of \$388)	388 (2)	433	383 (2)	398
2024 Convertible Notes (principal amount outstanding of \$403)	395 (2)	457	392 (2)	425
2022 Notes (principal amount outstanding of \$0 and \$600, respectively)	—	—	598 (2)	617
2023 Notes (principal amount outstanding of \$750)	748 (2)	768	747 (2)	794
2024 Notes (principal amount outstanding of \$900)	897 (3)	952	896 (3)	983
March 2025 Notes (principal amount outstanding of \$600)	596 (2)	637	595 (2)	653
July 2025 Notes (principal amount outstanding of \$1,250 and \$750, respectively)	1,260 (3)	1,297	742 (3)	795
January 2026 Notes (principal amount outstanding of \$1,150)	1,143 (2)	1,213	1,141 (2)	1,248
July 2026 Notes (principal amount outstanding of \$1,000 and \$0, respectively)	988 (2)	989	—	—
2028 Notes (principal amount outstanding of \$1,250 and \$0, respectively)	1,246 (3)	1,248	—	—
2031 Notes (principal amount outstanding of \$700 and \$0, respectively)	689 (2)	687	—	—
2047 Notes (principal amount outstanding of \$0 and \$230, respectively)	—	—	186 (4)	243
Total	\$ 11,020 (5)	\$ 11,351	\$ 8,491 (5)	\$ 8,952

- (1) The Revolving Credit Facility, the Revolving Funding Facility, the SMBC Funding Facility and the BNP Funding Facility carrying values are the same as the principal amounts outstanding.
- (2) Represents the aggregate principal amount outstanding, less unamortized debt issuance costs and the unaccreted discount recorded upon issuance. In December 2021, the Company redeemed the entire aggregate principal amount of the 2022 Notes at par plus accrued and unpaid interest.
- (3) Represents the aggregate principal amount outstanding, less unamortized debt issuance costs and the net unaccreted/amortized discount or premium recorded upon issuance.
- (4) Represents the aggregate principal amount outstanding of the 2047 Notes, less the unaccreted purchased discount recorded in connection with the Allied Acquisition. In March 2021, the Company redeemed the entire aggregate principal amount of the 2047 Notes at par plus accrued and unpaid interest.
- (5) Total principal amount of debt outstanding totaled \$11,061 and \$8,582 as of December 31, 2021 and 2020, respectively.

The following table presents fair value measurements of the Company's debt obligations as of December 31, 2021 and 2020:

Fair Value Measurements Using	As of December 31,	
	2021	2020
Level 1	\$ —	\$ 243
Level 2	11,351	8,709
Total	\$ 11,351	\$ 8,952

9. STOCKHOLDERS' EQUITY

The Company may from time to time issue and sell shares of its common stock through public or "at the market" offerings. In connection with the issuance of its common stock, the Company issued and sold the following shares of common stock during the year ended December 31, 2021:

Issuances of Common Stock	Number of Shares Issued	Gross Proceeds	Underwriting Fees/Offering Expenses	Net Proceeds	Average Offering Price Per Share(1)
Public offerings	26.5	\$ 513.8	\$ 19.0	\$ 494.8	18.7 \$ 19.39 (2)
"At the market" offerings	16.4	\$ 329.3	\$ 5.2	\$ 324.1	\$ 20.07
Total	42.9	\$ 843.1	\$ 24.2	\$ 818.9	

- (1) Represents the gross offering price per share before deducting underwriting discounts and commissions and estimated offering expenses.
- (2) 14.0 shares and 12.5 shares were sold to the underwriters for a price of \$17.85 per share and \$19.67 per share, respectively, which the underwriters were then permitted to sell at variable prices to the public. See Note 15 for a subsequent event relating to the Company's public offerings.

"At the Market" Offerings

The Company has entered into equity distribution agreements with several banks (the "Equity Distribution Agreements"). The Equity Distribution Agreements provide that the Company may from time to time issue and sell, by means of "at the market" offerings, up to \$500 shares of its common stock. Subject to the terms and conditions of the Equity Distribution Agreements, sales of common stock, if any, may be made in transactions that are deemed to be "at the market" offerings as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended. Under the currently effective Equity Distribution Agreements, common stock with an aggregate offering amount of \$366 remained available for issuance as of December 31, 2021.

See Note 12 for information regarding shares of common stock issued or purchased in accordance with the Company's dividend reinvestment plan.

Stock Repurchase Program

The Company is authorized under its stock repurchase program to purchase up to \$500 in the aggregate of its outstanding common stock in the open market at certain thresholds below its net asset value per share, in accordance with the guidelines specified in Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The timing, manner, price and amount of any share repurchases will be determined by the Company, in its sole discretion, based upon an evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors. The stock repurchase program does not require the Company to repurchase any specific number of shares of common stock or any shares of common stock at all. Consequently, the Company cannot assure stockholders that any specific number of shares of common stock, if any, will be repurchased under the stock repurchase program. As of December 31, 2021, the expiration date of the stock repurchase program is February 15, 2022. The program may be suspended, extended, modified or discontinued at any time. As of December 31, 2021, there was \$500 available for additional repurchases under the stock repurchase program.

During the year ended December 31, 2021, the Company did not repurchase any shares of the Company's common stock under the stock repurchase program. During the year ended December 31, 2020, the Company repurchased a total of 8.5 shares of its common stock in the open market under the stock repurchase program for \$100. The shares were repurchased at an average price of \$11.83 per share, including commissions paid. During the year ended December 31, 2019, the Company did not repurchase any shares of the Company's common stock under the stock repurchase program.

See Note 15 for a subsequent event relating to the Company's stock repurchase program.

10. EARNINGS PER SHARE

The following information sets forth the computations of basic and diluted net increase in stockholders' equity resulting from operations per share for the years ended December 31, 2021, 2020 and 2019:

	For the Years Ended December 31,		
	2021	2020	2019
Net increase in stockholders' equity resulting from operations available to common stockholders	\$ 1,567	\$ 484	\$ 793
Weighted average shares of common stock outstanding—basic and diluted	446	424	427
Basic and diluted net increase in stockholders' equity resulting from operations per share	\$ 3.51	\$ 1.14	\$ 1.86

For the purpose of calculating diluted net increase in stockholders' equity resulting from operations per share, the average closing price of the Company's common stock for the year ended December 31, 2021 was more than the conversion price for the 2022 Convertible Notes outstanding as of December 31, 2021. For the year ended December 31, 2021, the average closing price of the Company's common stock was less than the conversion price for the 2024 Convertible Notes outstanding as of December 31, 2021. For each of the years ended December 31, 2020 and 2019, the average closing price of the Company's common stock was less than the conversion price for each of the Convertible Unsecured Notes outstanding as of December 31, 2020 and 2019, respectively, as well as any other convertible unsecured notes outstanding during the period. For all periods presented in the financial statements, the underlying shares for the intrinsic value of the embedded options in the Convertible Unsecured Notes and any other convertible unsecured notes outstanding during the periods presented had no material impact on the computation of diluted net increase in stockholders' equity resulting from operations per share.

11. INCOME AND EXCISE TAXES

For U.S. federal income tax purposes, amounts distributed to the Company's stockholders as dividends are reported as ordinary income, capital gains, or a combination thereof. Dividends paid per common share for the years ended December 31, 2021, 2020 and 2019 were taxable as follows (unaudited):

	For the Years Ended December 31,		
	2021	2020	2019
Ordinary income(1)	\$ 1.62	\$ 1.60	\$ 1.68
Capital gains	—	—	—
Total(2)	\$ 1.62	\$ 1.60	\$ 1.68

(1) For the years ended December 31, 2021 and 2020, ordinary income included dividend income of approximately \$0.0461, \$0.0157 per share and \$0.0064 per share, respectively, that qualified to be taxed at the maximum capital gains rate and, in the case of certain eligible corporate shareholders, dividends that were eligible for the dividends received deduction.

(2) For the years ended December 31, 2021, 2020 and 2019, the percentage of total dividends paid that constituted interest-related dividends were 84.6%, 88.4% and 86.8%, respectively.

The following reconciles net increase in stockholders' equity resulting from operations to taxable income for the years ended December 31, 2021, 2020 and 2019:

	For the Years Ended December 31,		
	2021 (Estimated)(1)	2020	2019
Net increase in stockholders' equity resulting from operations	\$ 1,567	\$ 484	\$ 793
Adjustments:			
Net unrealized losses (gains) on investments, foreign currency and other transactions	(587)	145	(47)
Income not currently taxable(2)	(223)	(147)	(150)
Income for tax but not book	162	133	89
Expenses not currently deductible	165	19	13
Expenses for tax but not book	—	(59)	—
Realized gain/loss differences(3)	(198)	148	86
Taxable income	<u>\$ 886</u>	<u>\$ 723</u>	<u>\$ 784</u>

- (1) The calculation of estimated 2021 U.S. federal taxable income is based on certain estimated amounts, including information received from third parties and, as a result, actual 2021 U.S. federal taxable income will not be finally determined until the Company's 2021 U.S. federal tax return is filed in 2022 (and, therefore, such estimate is subject to change).
- (2) Includes a reduction for dividend income from preferred equity that is not taxable until collected totaling \$91, \$67 and \$61, respectively, net of dividend income collected of \$122, \$1 and \$0, respectively, for the years ended December 31, 2021, 2020 and 2019, respectively.
- (3) Certain realized gain/loss differences are the result of the realization of certain tax only capital losses on the investments and liabilities acquired in the acquisition of Allied Capital Corporation in April 2010 (the "Allied Acquisition"). Because the Allied Acquisition was a "tax-free" reorganization under the Code, realized losses for tax purposes can differ from GAAP. Note that unlike the Allied Acquisition, the American Capital Acquisition was treated as a taxable purchase of the American Capital assets for purposes of the Company's taxable income calculations; therefore, realized gains or losses for tax purposes are generally consistent with realized gains or losses under GAAP.

Taxable income generally differs from net increase in stockholders' equity resulting from operations for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized. In addition, on April 1, 2010, the Company acquired Allied Capital in a "tax-free" merger under the Code, which has caused certain merger-related items to vary in their deductibility for GAAP and tax purposes.

Capital losses in excess of capital gains earned in a tax year may generally be carried forward and used to offset capital gains, subject to certain limitations. As of December 31, 2021, the Company estimates that it will have a capital loss carryforward of approximately \$121 available for use in later tax years. While the Company's ability to utilize losses in the future depends on a variety of factors that cannot be known in advance, these capital loss carryforwards will be subject to limitations under Section 382 of the Code. The unused balance will be carried forward and utilized as gains are realized, subject to such limitations.

For the year ended December 31, 2021, the Company estimated U.S. federal taxable income exceeded its distributions made from such taxable income during the year; consequently, the Company has elected to carry forward the excess for distribution to shareholders in 2022. The amount carried forward to 2022 is estimated to be approximately \$625, substantially all of which is expected to be ordinary income, although these amounts will not be finalized until the 2021 tax returns are filed in 2022. For the years ended December 31, 2020 and 2019, the Company had taxable income in excess of the distributions made from such taxable income during the year, and therefore, the Company elected to carry forward the excess for distribution to shareholders in 2021 and 2020, respectively. The amounts carried forward to 2021 and 2020 were \$471 and \$410, respectively. To the extent that the Company determines that its estimated current year annual taxable income will exceed its estimated current year dividends from such taxable income, the Company accrues excise tax on estimated excess taxable

income. For the years ended December 31, 2021, 2020 and 2019, a net expense of \$24, \$17 and \$15, respectively, was recorded for U.S. federal excise tax. The net expense for the years ended December 31, 2021 and 2020 each included a reduction in expense related to an expected refund request arising from the overpayment of the prior year's excise tax of \$1 and \$1, respectively.

As of December 31, 2021, the estimated cost basis of investments for U.S. federal tax purposes was \$19.9 billion resulting in estimated gross unrealized gains and losses of \$0.8 billion and \$0.7 billion, respectively. As of December 31, 2020, the estimated cost basis of investments for U.S. federal tax purposes was \$15.9 billion resulting in estimated gross unrealized gains and losses of \$0.5 billion and \$0.9 billion, respectively. As of December 31, 2021 and 2020, the cost of investments for U.S. federal tax purposes was greater than the amortized cost of investments for book purposes of \$19.8 billion and \$15.9 billion, respectively, primarily as a result of the carryover of tax basis in excess of the related GAAP basis in connection with the Allied Acquisition. The Allied Acquisition qualified as a "tax-free" reorganization under the Code, which resulted in the assets acquired by the Company retaining Allied Capital's tax cost basis at the merger date.

The Company may adjust the classification of stockholders' equity as a result of permanent book-to-tax differences, which may include merger-related items, differences in the book and tax basis of certain assets and liabilities, and nondeductible federal taxes (including excise taxes), among other items. These adjustments are reclassifications among the individual components of stockholders' equity and have no effect on total stockholders' equity. For the year ended December 31, 2021, the Company increased capital in excess of par value by \$40 and decreased accumulated undistributed earnings by \$40 in the consolidated statement of stockholders' equity. After adjusting for these reclassifications, the capital in excess of par value, accumulated undistributed net investment income, accumulated net realized losses and accumulated net unrealized gains were \$8,553, \$253, \$(88) and \$150, respectively. The adjustments made for the year ended December 31, 2021 are based on certain estimated amounts and assumptions and, as a result, such adjustments are subject to change until the Company's 2021 U.S. federal tax return is filed in 2022. For the year ended December 31, 2020, the Company decreased capital in excess of par value by \$8 and increased accumulated overdistributed earnings by \$8 in the consolidated statement of stockholders' equity. After adjusting for these reclassifications, the capital in excess of par value, accumulated undistributed net investment income, accumulated net realized losses and accumulated net unrealized losses were \$7,656, \$233, \$(276) and \$(437), respectively.

Certain of the Company's consolidated subsidiaries are subject to U.S. federal and state income taxes. For the years ended December 31, 2021, 2020 and 2019, the Company recorded a net tax expense of approximately \$6, \$2 and \$1, respectively, for these subsidiaries.

12. DIVIDENDS AND DISTRIBUTIONS

The following table summarizes the Company's dividends declared and payable during the years ended December 31, 2021, 2020 and 2019:

Date declared	Record date	Payment date	Per share amount	Total amount
October 26, 2021	December 15, 2021	December 30, 2021	\$ 0.41	\$ 191
July 28, 2021	September 15, 2021	September 30, 2021	0.41	189
April 28, 2021	June 15, 2021	June 30, 2021	0.40	177
February 10, 2021	March 15, 2021	March 31, 2021	0.40	175
Total dividends declared and payable for the year ended December 31, 2021			<u>\$ 1.62</u>	<u>\$ 732</u>
October 27, 2020	December 15, 2020	December 30, 2020	\$ 0.40	\$ 169
August 4, 2020	September 15, 2020	September 30, 2020	0.40	169
May 5, 2020	June 15, 2020	June 30, 2020	0.40	169
February 12, 2020	March 16, 2020	March 31, 2020	0.40	172
Total dividends declared and payable for the year ended December 31, 2020			<u>\$ 1.60</u>	<u>\$ 679</u>
October 30, 2019	December 16, 2019	December 30, 2019	\$ 0.40	\$ 172
February 12, 2019	December 16, 2019	December 27, 2019	0.02 (1)	9
July 30, 2019	September 16, 2019	September 30, 2019	0.40	170
February 12, 2019	September 16, 2019	September 30, 2019	0.02 (1)	9
April 30, 2019	June 14, 2019	June 28, 2019	0.40	170
February 12, 2019	June 14, 2019	June 28, 2019	0.02 (1)	9
February 12, 2019	March 15, 2019	March 29, 2019	0.40	170
February 12, 2019	March 15, 2019	March 29, 2019	0.02 (1)	9
Total dividends declared and payable for the year ended December 31, 2019			<u>\$ 1.68</u>	<u>\$ 718</u>

(1) Represents an additional dividend.

The Company has a dividend reinvestment plan, whereby the Company may buy shares of its common stock in the open market or issue new shares in order to satisfy dividend reinvestment requests. When the Company issues new shares in connection with the dividend reinvestment plan, the issue price is equal to the closing price of its common stock on the dividend payment date. Dividend reinvestment plan activity for the years ended December 31, 2021, 2020 and 2019, was as follows:

	For the Years Ended December 31,		
	2021	2020	2019
Shares issued	1.9	—	1.3
Average issue price per share	\$ 19.86	\$ —	\$ 18.39
Shares purchased by plan agent to satisfy dividends declared and payable during the period for stockholders	—	2.6 (1)	0.5 (2)
Average purchase price per share	\$ —	\$ 13.76	\$ 17.42

(1) Shares were purchased in April 2020, July 2020, October 2020 and January 2021.

(2) Shares were purchased in April 2019.

13. RELATED PARTY TRANSACTIONS

In accordance with the investment advisory and management agreement, the Company bears all costs and expenses of the operation of the Company and reimburses its investment adviser or its affiliates for certain of such costs and expenses paid for by the investment adviser or its affiliates on behalf of the Company. For the years ended December 31, 2021, 2020 and 2019, the Company's investment adviser or its affiliates incurred and the Company reimbursed such expenses totaling \$5, \$7 and \$7, respectively.

The Company is party to office leases pursuant to which it is leasing office facilities from third parties. For certain of these office leases, the Company had previously entered into separate subleases with Ares Management LLC, the sole member of Ares Capital Management, whereby Ares Management LLC subleased the full amount of certain of the Company's office leases. During the year ended December 31, 2020, the Company assigned to Ares Management LLC all of its rights, title and interest in the offices it subleased to Ares Management LLC and Ares Management LLC assumed all of the Company's obligations.

The Company has also entered into agreements with Ares Management LLC and IHAM, pursuant to which Ares Management LLC and IHAM are entitled to use the Company's proprietary portfolio management software. For the years ended December 31, 2021, 2020 and 2019, amounts payable to the Company under these agreements totaled \$0, \$0 and \$0, respectively.

See Notes 3 and 4 for descriptions of other related party transactions.

14. FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights as of and for the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013 and 2012:

Per Share Data:	As of and For the Years Ended December 31,				
	2021	2020	2019	2018	2017
Net asset value, beginning of period(1)	\$ 16.97	\$ 17.32	\$ 17.12	\$ 16.65	\$ 16.45
Issuances of common stock	0.11	—	0.02	—	(0.01)
Repurchases of common stock	—	0.11	—	—	—
Deemed contribution from Ares Capital Management	—	—	—	—	0.13
Issuances of convertible notes	—	—	—	—	0.04
Net investment income for period(2)	1.66	1.87	1.90	1.63	1.20
Net realized and unrealized gains (losses) for period(2)	1.84	(0.73)	(0.04)	0.38	0.36
Net increase in stockholders' equity	3.61	1.25	1.88	2.01	1.72
Total distributions to stockholders(3)	(1.62)	(1.60)	(1.68)	(1.54)	(1.52)
Net asset value at end of period(1)	\$ 18.96	\$ 16.97	\$ 17.32	\$ 17.12	\$ 16.65
Per share market value at end of period	\$ 21.19	\$ 16.89	\$ 18.65	\$ 15.58	\$ 15.72
Total return based on market value(4)	36.18 %	(0.86)%	30.49 %	8.91 %	4.55 %
Total return based on net asset value(5)	21.97 %	5.20 %	12.14 %	12.10 %	10.53 %
Shares outstanding at end of period	468	423	431	426	426
Ratio/Supplemental Data:					
Net assets at end of period	\$ 8,868	\$ 7,176	\$ 7,467	\$ 7,300	\$ 7,098
Ratio of operating expenses to average net assets(6)(7)	13.05 %	10.27 %	9.92 %	8.63 %	9.45 %
Ratio of net investment income to average net assets(6)(8)	9.19 %	11.39 %	11.01 %	9.60 %	7.65 %
Portfolio turnover rate(6)	60 %	40 %	38 %	54 %	51 %

Per Share Data:	As of and For the Years Ended December 31,				
	2016	2015	2014	2013	2012
Net asset value, beginning of period(1)	\$ 16.46	\$ 16.82	\$ 16.46	\$ 16.04	\$ 15.34
Issuances of common stock	—	0.01	—	0.16	0.05
Repurchases of common stock	—	(0.01)	—	—	—
Deemed contribution from Ares Capital Management	—	—	—	—	—
Issuances of convertible notes	—	—	—	—	0.04
Net investment income for period(2)	1.57	1.62	1.43	1.61	1.52
Net realized and unrealized gains (losses) for period(2)	(0.06)	(0.41)	0.50	0.22	0.69
Net increase in stockholders' equity	1.51	1.21	1.93	1.99	2.30
Total distributions to stockholders(3)	(1.52)	(1.57)	(1.57)	(1.57)	(1.60)
Net asset value at end of period(1)	\$ 16.45	\$ 16.46	\$ 16.82	\$ 16.46	\$ 16.04
Per share market value at end of period	\$ 16.49	\$ 14.25	\$ 15.61	\$ 17.77	\$ 17.50
Total return based on market value(4)	26.39 %	1.35 %	(3.32)%	10.51 %	23.62 %
Total return based on net asset value(5)	9.15 %	7.16 %	11.79 %	11.41 %	14.34 %
Shares outstanding at end of period	314	314	314	298	249
Ratio/Supplemental Data:					
Net assets at end of period	\$ 5,165	\$ 5,173	\$ 5,284	\$ 4,904	\$ 3,988
Ratio of operating expenses to average net assets(6)(7)	9.59 %	9.51 %	10.46 %	10.03 %	10.70 %
Ratio of net investment income to average net assets(6)(8)	9.58 %	9.75 %	8.71 %	9.86 %	9.62 %
Portfolio turnover rate(6)	39 %	42 %	39 %	27 %	45 %

(1) The net assets used equals the total stockholders' equity on the consolidated balance sheet.

(2) Weighted average basic per share data.

(3) Includes additional dividends of (a) \$0.08 per share for the year ended December 31, 2019, (b) \$0.05 per share for the year ended December 31, 2015, (c) \$0.05 per share for the year ended December 31, 2014, (d) \$0.05 per share for the year ended December 31, 2013 and (e) \$0.10 per share for the year ended December 31, 2012.

(4) For the year ended December 31, 2021, the total return based on market value equaled the increase of the ending market value at December 31, 2021 of \$21.19 per share from the ending market value at December 31, 2020 of \$16.89 per share plus the declared and payable dividends of \$1.62 per share for the year ended December 31, 2021, divided by the market value at December 31, 2020. For the year ended December 31, 2020, the total return based on market value equaled the decrease of the ending market value at December 31, 2020 of \$16.89 per share from the ending market value at December 31, 2019 of \$18.65 per share plus the declared and payable dividends of \$1.60 per share for the year ended December 31, 2020, divided by the market value at December 31, 2019. For the year ended December 31, 2019, the total return based on market value equaled the increase of the ending market value at December 31, 2019 of \$18.65 per share from the ending market value at December 31, 2018 of \$15.58 per share plus the declared and payable dividends of \$1.68 per share for the year ended December 31, 2019, divided by the market value at December 31, 2018. For the year ended December 31, 2018, the total return based on market value equaled the decrease of the ending market value at December 31, 2018 of \$15.58 per share from the ending market value at December 31, 2017 of \$15.72 per share plus the declared and payable dividends of \$1.54 per share for the year ended December 31, 2018, divided by the market value at December 31, 2017. For the year ended December 31, 2017, the total return based on market value equaled the decrease of the ending market value at December 31, 2017 of \$15.72 per share from the ending market value at December 31, 2016 of \$16.49 per share plus the declared and payable dividends of \$1.52 per share for the year ended December 31, 2017, divided by the market value at December 31, 2016. For the year ended December 31, 2016, the total return based on market value equaled the increase of the ending market value at December 31, 2016 of \$16.49 per share from the ending market value at December 31, 2015 of \$14.25 per share plus the declared and payable dividends of \$1.52 per share for the year ended December 31, 2016, divided by the market value at December 31, 2015. For the year ended December 31, 2015, the total return based on market value equaled

the decrease of the ending market value at December 31, 2015 of \$14.25 per share from the ending market value at December 31, 2014 of \$15.61 per share plus the declared and payable dividends of \$1.57 per share for the year ended December 31, 2015, divided by the market value at December 31, 2014. For the year ended December 31, 2014, the total return based on market value equaled the decrease of the ending market value at December 31, 2014 of \$15.61 per share from the ending market value at December 31, 2013 of \$17.77 per share plus the declared and payable dividends of \$1.57 per share for the year ended December 31, 2014, divided by the market value at December 31, 2013. For the year ended December 31, 2013, the total return based on market value equaled the increase of the ending market value at December 31, 2013 of \$17.77 per share from the ending market value at December 31, 2012 of \$17.50 per share plus the declared and payable dividends of \$1.57 per share for the year ended December 31, 2013, divided by the market value at December 31, 2012. For the year ended December 31, 2012, the total return based on market value equaled the increase of the ending market value at December 31, 2012 of \$17.50 per share from the ending market value at December 31, 2011 of \$15.45 per share plus the declared and payable dividends of \$1.60 per share for the year ended December 31, 2012, divided by the market value at December 31, 2011. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

- (5) For the year ended December 31, 2021, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.62 per share for the year ended December 31, 2021, divided by the beginning net asset value for the period. For the year ended December 31, 2020, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.60 per share for the year ended December 31, 2020, divided by the beginning net asset value for the period. For the year ended December 31, 2019, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.68 per share for the year ended December 31, 2019, divided by the beginning net asset value for the period. For the year ended December 31, 2018, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.54 per share for the year ended December 31, 2018, divided by the beginning net asset value for the period. For the year ended December 31, 2017, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.52 per share for the year ended December 31, 2017, divided by the beginning net asset value for the period. These calculations are adjusted for shares issued in connection with the dividend reinvestment plan, the issuance of common stock in connection with any equity offerings and the equity components of any convertible notes issued during the period. For the year ended December 31, 2016, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.52 per share for the year ended December 31, 2016, divided by the beginning net asset value for the period. For the year ended December 31, 2015, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.57 per share for the year ended December 31, 2015, divided by the beginning net asset value for the period. For the year ended December 31, 2014, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.57 per share for the year ended December 31, 2014, divided by the beginning net asset value for the period. For the year ended December 31, 2013, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.57 per share for the year ended December 31, 2013, divided by the beginning net asset value for the period. For the year ended December 31, 2012, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.60 per share for the year ended December 31, 2012 divided by the beginning net asset value for the period. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

- (6) The ratios reflect an annualized amount.

- (7) For the years ended December 31, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013 and 2012, the ratio of operating expenses to average net assets consisted of the following:

	For the Years Ended December 31,				
	2021	2020	2019	2018	2017
Base management fees	3.14 %	3.10 %	2.78 %	2.49 %	2.57 %
Income based fees and capital gains incentive fees, net of the Fee Waiver	4.80 %	1.80 %	2.23 %	2.24 %	2.18 %
Income based fees and capital gains incentive fees excluding the Fee Waiver	4.80 %	1.80 %	2.64 %	2.79 %	2.32 %
Cost of borrowing	4.61 %	4.54 %	3.94 %	3.33 %	3.37 %
Other operating expenses	0.50 %	0.83 %	0.97 %	0.57 %	1.33 %

	For the Years Ended December 31,				
	2016	2015	2014	2013	2012
Base management fees	2.64 %	2.55 %	2.51 %	2.40 %	2.38 %
Income based fees and capital gains incentive fees	2.29 %	2.31 %	2.90 %	2.80 %	3.50 %
Cost of borrowing	3.58 %	4.32 %	4.24 %	3.94 %	3.94 %
Other operating expenses	1.08 %	0.33 %	0.81 %	0.89 %	0.88 %

- (8) The ratio of net investment income to average net assets excludes income taxes related to realized gains and losses.

15. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events through the date of issuance of the consolidated financial statements included herein. There have been no subsequent events that occurred during such period that would require disclosure in this Form 10-K or would be required to be recognized in the consolidated financial statements as of and for the year ended December 31, 2021, except as discussed below.

In January 2022, the Company issued \$500 in aggregate principal amount of unsecured notes, which bear interest at a rate of 2.875% per annum and mature on June 15, 2027 (the "2027 Notes"). The 2027 Notes pay interest semi-annually and all principal is due upon maturity. The 2027 Notes may be redeemed in whole or in part at any time at the Company's option at the redemption price determined pursuant to the indenture governing the 2027 Notes, and any accrued and unpaid interest. The 2027 Notes were issued at a discount to the principal amount.

In February 2022, the Company repaid in full the 2022 Convertible Notes upon their maturity, resulting in a realized loss on the extinguishment of debt of \$48.

In January 2022, the Company completed a public equity offering pursuant to which it sold an aggregate of 11.2 shares of common stock at a price of \$21.06 per share to the participating underwriters, with net proceeds totaling \$235.5, after giving effect to estimated offering expenses.

In February 2022, the Company's board of directors authorized an amendment to the Company's existing stock repurchase program to extend the expiration date of the program from February 15, 2022 to February 15, 2023. Under the program, the Company may repurchase up to \$500 in the aggregate of its outstanding common stock in the open market at a price per share that meets certain thresholds below its net asset value per share, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The timing, manner, price and amount of any share repurchases will be determined by the Company, in its discretion, based upon the evaluation of economic and market conditions, stock price, applicable legal and regulatory requirements and other factors.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /s/ R. KIPP DEVEER

R. Kipp deVeer
Chief Executive Officer and Director

Date: February 9, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ R. KIPP DEVEER

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

Date: February 9, 2022

By: /s/ PENNI F. ROLL

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

Date: February 9, 2022

By: /s/ SCOTT C. LEM

Scott C. Lem
Chief Accounting Officer (principal accounting officer)

Date: February 9, 2022

By: /s/ MICHAEL J AROUGHETI

Michael J Arougheti
Director

Date: February 9, 2022

By: /s/ ANN TORRE BATES

Ann Torre Bates
Director

Date: February 9, 2022

By: /s/ DANIEL KELLY, JR.

Daniel Kelly, Jr.
Director

Date: February 9, 2022

By: /s/ STEVEN B. MCKEEVER
Steven B. McKeever
Director
Date: February 9, 2022

By: /s/ MICHAEL PARKS
Michael Parks
Director
Date: February 9, 2022

By: /s/ ROBERT L. ROSEN
Robert L. Rosen
Director
Date: February 9, 2022

By: /s/ BENNETT ROSENTHAL
Bennett Rosenthal
Director
Date: February 9, 2022

By: /s/ ERIC B. SIEGEL
Eric B. Siegel
Director
Date: February 9, 2022

**AMENDMENT NO. 9 TO
LOAN AND SERVICING AGREEMENT**

THIS AMENDMENT NO. 9 TO LOAN AND SERVICING AGREEMENT, dated as of October 2, 2017, (this "**Amendment**") is entered into by and among Ares Capital CP Funding LLC, as the borrower (in such capacity, the "**Borrower**"), Ares Capital Corporation, as the servicer (in such capacity, the "**Servicer**"), Wells Fargo Bank, National Association, as the swingline lender (in such capacity, the "**Swingline Lender**"), as a lender (in such capacity, a "**Lender**") and as the agent (in such capacity, the "**Agent**"), and Bank of America, N.A., as a lender (in such capacity, a "**Lender**"). Capitalized terms used but not defined herein have the meanings provided in the Agreement (as defined below).

RECITALS

WHEREAS, reference is made to the Loan and Servicing Agreement, dated as of January 22, 2010 (as further amended, modified, waived, supplemented or restated from time to time, the "**Agreement**"), by and among the Borrower, the Servicer, the Transferor, the Lenders, the Agent, the Trustee, the Collateral Custodian and the Bank; and

WHEREAS, the parties hereto desire to further amend the Agreement in certain respects as specified herein, pursuant to and in accordance with Section 11.01 of the Agreement;

NOW, THEREFORE, based upon the above Recitals, the mutual premises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

SECTION 1. AMENDMENT.

Section 1.01 of the Loan and Servicing Agreement is hereby amended as follows:

(a) by amending and restating the definition of "Applicable Spread" in its entirety as follows:

"**Applicable Spread**" means, for any date of determination (x) from and including the Eighth Amendment Effective Date to but excluding the Ninth Amendment Effective Date, in the event that the Yield Rate is calculated utilizing LIBOR 2.30% *per annum*, and in the event that the Yield Rate is calculated utilizing the Base Rate, 1.30% *per annum* and (y) from and including the Ninth Amendment Effective Date, in the event that the Yield Rate is calculated utilizing LIBOR 2.15% *per annum*, and in the event that the Yield Rate is calculated utilizing the Base Rate, 1.15% *per annum*.

(b) by amending and restating clause (v) of the definition of "Concentration Limits" in its entirety as follows:

(v) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets that are First Lien Last Out Loan Assets and Eligible Loan Assets that are Second Lien Loan Assets shall not exceed 40% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets;

(c) by inserting the following definition in the appropriate alphabetical order:

"Ninth Amendment Effective Date" means October 2, 2017.

SECTION 2. AGREEMENT IN FULL FORCE AND EFFECT AS AMENDED.

Except as specifically amended hereby, all provisions of the Agreement shall remain in full force and effect. After this Amendment becomes effective, all references to the Agreement and corresponding references thereto or therein such as “hereof”, “herein”, or words of similar effect referring to the Agreement shall be deemed to mean the Agreement as amended hereby. This Amendment shall not be deemed to expressly or impliedly waive, amend or supplement any provision of the Agreement other than as expressly set forth herein.

SECTION 3. REPRESENTATIONS.

Each of the Borrower and the Servicer, severally for itself only, represents and warrants as of the date of this Amendment as follows:

- (i) it is duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;
- (ii) the execution, delivery and performance by it of this Amendment and the Agreement as amended hereby are within its powers, have been duly authorized, and do not contravene (A) its charter, by-laws, or other organizational documents, or (B) any Applicable Law;
- (iii) no consent, license, permit, approval or authorization of, or registration, filing or declaration with any governmental authority, is required in connection with the execution, delivery, performance, validity or enforceability of this Amendment and the Agreement as amended hereby by or against it;
- (iv) this Amendment has been duly executed and delivered by it;
- (v) each of this Amendment and the Agreement as amended hereby constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally or by general principles of equity; and
- (vi) there is no Unmatured Event of Default, Event of Default or Servicer Termination Event.

SECTION 4. CONDITIONS TO EFFECTIVENESS.

The effectiveness of this Amendment is conditioned upon: (i) payment of the invoiced outstanding fees and disbursements of the Lenders; (ii) payment of the invoiced outstanding fees and disbursements of Dechert LLP, as counsel to the Agent and the Lenders and (iii) delivery of executed signature pages by all parties hereto to the Agent.

SECTION 5. MISCELLANEOUS.

(a) The Borrower, by its execution of this Amendment (a) re-pledges and re-grants to the Trustee, for the benefit of the Secured Parties, a security interest in the Collateral Portfolio (as defined in the Agreement) to secure the Obligations (as defined in the Agreement) and (b) confirms and ratifies that all of its obligations and the security interests granted by it under each

of the Transaction Documents to which it is a party shall continue in full force and effect in favor of the Trustee, for the benefit of the Secured Parties.

(b) This Amendment may be executed in any number of counterparts (including by facsimile or e-mail), and by the different parties hereto on the same or separate counterparts, each of which shall be deemed to be an original instrument but all of which together shall constitute one and the same agreement.

(c) The descriptive headings of the various sections of this Amendment are inserted for convenience of reference only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

(d) This Amendment may not be amended or otherwise modified except as provided in the Agreement.

(e) The failure or unenforceability of any provision hereof shall not affect the other provisions of this Amendment.

(f) Whenever the context and construction so require, all words used in the singular number herein shall be deemed to have been used in the plural number, and vice versa, and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

(g) This Amendment and the Agreement represent the final agreement among the parties with respect to the matters set forth therein and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements among the parties. There are no unwritten oral agreements among the parties with respect to such matters.

(h) **THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE CHOICE OF LAW PROVISIONS SET FORTH IN THE AGREEMENT AND SHALL BE SUBJECT TO THE WAIVER OF JURY TRIAL AND NOTICE PROVISIONS OF THE AGREEMENT.**

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Amendment No. 9 to be executed by their respective officers thereunto duly authorized, as of the date first above written.

ARES CAPITAL CP FUNDING LLC, as the Borrower

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

ARES CAPITAL CP FUNDING LLC, as the Servicer

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Agent

By: /s/ Allan Schmitt

Name: Allan Schmitt

Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Swingline Lender

By: /s/ Allan Schmitt

Name: Allan Schmitt

Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Allan Schmitt

Name: Allan Schmitt

Title: Director

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

BANK OF AMERICA, N.A., as a Lender

By: /s/ Will Lloyd
Name: Will Lloyd
Title: Managing Director

**AMENDMENT NO. 14 TO
LOAN AND SERVICING AGREEMENT**

THIS AMENDMENT NO. 14 TO LOAN AND SERVICING AGREEMENT (the "Amendment"), dated as of November 13, 2020 (the "Amendment Effective Date"), is entered into by and among ARES CAPITAL CP FUNDING LLC, a Delaware limited liability company, as the borrower (the "Borrower"), ARES CAPITAL CORPORATION, a Maryland corporation, as the servicer (the "Servicer"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as the agent (the "Agent"), WELLS FARGO BANK, NATIONAL ASSOCIATION, as a lender ("Wells Fargo"), BANK OF AMERICA, N.A., as a lender ("Bank of America" and, together with Wells Fargo, the "Lenders") and U.S. BANK NATIONAL ASSOCIATION, as Trustee, Bank, and Collateral Custodian (in such capacities, "U.S. Bank").

WHEREAS, the Borrower, the Agent, the Lenders, Wells Fargo Bank, National Association, as the Swingline Lender, the Servicer, U.S. Bank and each of the other lenders, are party to the Loan and Servicing Agreement, dated as of January 22, 2010 (as amended, modified, waived, supplemented, restated or replaced from time to time, prior to the date hereof, the "Loan and Servicing Agreement"); and

WHEREAS, the parties hereto desire to amend the Loan and Servicing Agreement in accordance with the provisions thereof and subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Article I

Definitions

Section 1.1 Defined Terms. Terms used but not defined herein have the respective meanings given to such terms in the Loan and Servicing Agreement.

Article II

Amendments to Loan and Servicing Agreement

Section 1.1 As of the Amendment Effective Date, the Loan and Servicing Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and doubleunderlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages attached as Appendix A hereto.

Article III

Waiver to Loan and Servicing Agreement; Acknowledgement and Consent

Section 1.1 Pursuant to Section 5.02(f) of the Loan and Servicing Agreement, Section 5.3(k) of the Purchase and Sale Agreements and Section 5(k) of the Pledge Agreement, the Administrative Agent hereby consents to the modification of the Borrower's, the Transferor and/or the Equityholder's certificate of formation or incorporation and the organizational documents (as applicable) to reflect the change of the Borrower's registered agent to United Agent Group

Inc. and waives any Unmatured Event of Default or Event of Default occurring solely due to a breach of the requirements of such above sections in connection with such modification.

Section 1.2 The waivers and agreements contained herein shall not be construed as a waiver or amendment of any other provision of the Loan and Servicing Agreement, the Purchase and Sale Agreements or the other Transaction Documents or for any purpose except as expressly set forth herein or a consent to any further or future action on the part of the Borrower, the Transferor or the Equityholder or any other Person that would require the waiver or consent of the Administrative Agent.

Article IV

Representations and Warranties

Section 1.1 Each of the Borrower and the Servicer hereby represents and warrants (as to itself) to the Agent that, as of the date first written above, (i) no Unmatured Event of Default, Event of Default or Servicer Termination Event has occurred and is continuing and (ii) the representations and warranties of the Borrower and the Servicer contained in the Loan and Servicing Agreement are true and correct in all material respects on and as of such day (other than any representation and warranty that is made as of a specific date).

Article V

Conditions Precedent

Section 1.1 This Amendment shall become effective upon the execution and delivery of this Amendment by the parties hereto.

Article VI

Miscellaneous

Section 1.1 Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 1.2 Severability Clause. In case any provision in this Amendment shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.3 Ratification. Except as expressly amended hereby, the Loan and Servicing Agreement is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Amendment shall form a part of the Loan and Servicing Agreement for all purposes.

Section 1.4 Counterparts. The parties hereto may sign one or more copies of this Amendment in counterparts, all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 1.5 Headings. The headings of the Articles and Sections in this Amendment are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 1.6 Direction to Execute. The Lenders hereby authorize and direct U.S. Bank in each of its capacities to execute this Amendment.

Section 1.7 Execution. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Amendment or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other state laws based on the Uniform Electronic Transactions Act, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written above.

ARES CAPITAL CP FUNDING LLC

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

ARES CAPITAL CORPORATION, as the Servicer

By: /s/ Joshua Bloomstein
Name: Joshua Bloomstein
Title: Authorized Signatory

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as the Agent**

By: /s/ Louis Allan Schmitt
Name: Louis Allan Schmitt
Title: Managing Director

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as a Lender**

By: /s/ Louis Allan Schmitt
Name: Louis Allan Schmitt
Title: Managing Director

BANK OF AMERICA, N.A., as a Lender

By: /s/ Bryson Brannon
Name: Bryson Brannon
Title: Director

U.S. BANK NATIONAL ASSOCIATION, as Trustee, Bank and
Collateral Custodian

By: /s/ James H. Byrnes
Name: James H. Byrnes
Title: Vice President

SAMPENSION LIVSFORSIKRING A/S, as a Lender

By: /s/ Henrick Arnt
Name: Henrick Arnt
Title: Senior Portfolio Manager

By: /s/ Auders Tauber Lassen
Name: Auders Tauber Lassen
Title: Head of Credit

ARKITEKTERNES PENSIONSKASSE, as a Lender

By: /s/ Henrick Arnt
Name: Henrick Arnt
Title: Senior Portfolio Manager

By: /s/ Auders Tauber Lassen
Name: Auders Tauber Lassen
Title: Head of Credit

**PENSIONS KASSEN FOR JORDBRUGSAKADMIKERE OG
DYRL/EGER, as a Lender**

By: /s/ Henrick Arnt
Name: Henrick Arnt
Title: Senior Portfolio Manager

By: /s/ Auders Tauber Lassen
Name: Auders Tauber Lassen
Title: Head of Credit

TIAA, FSB, as a Lender

By: /s/ Martin O'Brien
Name: Martin O'Brien
Title: Director

APPENDIX A

Up to U.S. \$1,525,000,000

LOAN AND SERVICING AGREEMENT

Dated as of January 22, 2010

Among

ARES CAPITAL CP FUNDING LLC,
as the Borrower

and

ARES CAPITAL CORPORATION,
as the Servicer and the Transferor

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Agent and the Swingline Lender

and

EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO,
as the Lenders

and

U.S. BANK NATIONAL ASSOCIATION,
as the Collateral Custodian, Trustee and the Bank

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EXHIBIT O	Form of Power of Attorney for Servicer
EXHIBIT P	Form of Power of Attorney for Borrower
EXHIBIT Q	Form of Servicer’s Certificate (Loan Asset Register)
EXHIBIT R	Form of U.S. Tax Compliance Certificates

ANNEXES

ANNEX A	Commitments
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This LOAN AND SERVICING AGREEMENT (as amended, restated, supplemented or modified from time to time, the "Loan and Servicing Agreement") is made as of January 22, 2010, among:

- (1) ARES CAPITAL CP FUNDING LLC, a Delaware limited liability company (together with its successors and assigns in such capacity, the "Borrower");
- (2) ARES CAPITAL CORPORATION, a Maryland corporation, as the Servicer (as defined herein) and the Transferor (as defined herein);
- (3) WELLS FARGO BANK, NATIONAL ASSOCIATION, as agent (together with its successor and assigns in such capacity, the "Agent") and as swingline lender (together with its successor and assigns in such capacity, the "Swingline Lender");
- (4) EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO, as a Lender; and
- (5) U.S. BANK NATIONAL ASSOCIATION ("U.S. Bank"), as the Trustee (together with its successors and assigns in such capacity, the "Trustee"), the Bank (as defined herein) and the Collateral Custodian (together with its successors and assigns in such capacity, the "Collateral Custodian").

PRELIMINARY STATEMENT

WHEREAS, certain parties hereto were party to a Sale and Servicing Agreement, dated as of November 3, 2004, by and among the Servicer, as the servicer, the Transferor, as the originator, the Borrower, as the borrower, Ares CP Funding II LLC, as the guarantor, Variable Funding Capital Company LLC ("VFCC"), as a conduit purchaser, the Note Purchaser, as an institutional purchaser, Wells Fargo Securities, LLC (f/k/a Wachovia Capital Markets, LLC) (together with its successors and assigns, "WFS"), as the administrative agent and as the purchaser agent for VFCC, Ares Capital CP Funding II, as the guarantor (the "Guarantor") the Trustee, as the trustee, and Lyon Financial Services, Inc. d/b/a U.S. Bank Portfolio Services ("Lyon"), as the backup servicer (as amended, restated, supplemented or modified prior to the date hereof, the "Original Agreement");

WHEREAS, certain parties hereto are party to an Amended and Restated Sale and Servicing Agreement, dated as of January 22, 2010, by and among the Servicer, as the servicer, the Transferor as the originator, the Borrower, as the borrower, Wells Fargo Bank, National Association, in its individual capacity (together with its successors and assigns, "Wells Fargo"), as the note purchaser, WFS, as the administrative agent, and U.S. Bank, as the collateral custodian, trustee and bank (as amended, restated, supplemented or modified prior to the date hereof, (the "Restatement Agreement") that amended and restated the Original Agreement;

WHEREAS, the Lenders have agreed, on the terms and conditions set forth herein, to provide a secured revolving credit facility which shall provide for Advances from time to time in an aggregate principal amount not to exceed the Borrowing Base; and

WHEREAS, the proceeds of the Advances will be used to finance the Borrower's origination or purchase, on a "true sale" basis, of Eligible Loan Assets from the Equityholder and the Equityholder's purchase, on a "true sale" basis, of Eligible Loan Assets from the Transferor, approved by the Agent, pursuant to the Second Tier Purchase and Sale Agreement between the

Borrower and the Equityholder and the First Tier Purchase and Sale Agreement between the Equityholder and the Transferor, respectively.

NOW, THEREFORE, based upon the foregoing Preliminary Statement, the parties agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01 Certain Defined Terms.

(a) Certain capitalized terms used throughout this Agreement are defined above or in this Section 1.01.

(b) As used in this Agreement and the exhibits, schedules and annexes thereto (each of which is hereby incorporated herein and made a part hereof), the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“1940 Act” means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

“Accreted Interest” means interest accrued on a Loan Asset that is added to the principal amount of such Loan Asset instead of being paid as interest as it accrues.

“Acquisition Agreement” means that certain Agreement and Plan of Merger, dated as of May 23, 2016 by and among Ares Capital Corporation, Orion Acquisition Sub, Inc., Ivy Hill Asset Management, L.P. and Ivy Hill Asset Management GP, LLC, in its capacity as general partner of Ivy Hill Asset Management, L.P. (collectively, the “Buyers”), and each of American Capital, Ltd. and American Capital Asset Management, LLC, (collectively the “Seller Parties”), and, solely for purposes of Section 2.2(a)(ii)(B), Section 2.3(a)(iii), Section 4.29, Section 4.30, Section 7.4 and Article VIII thereof, Ares Capital Management LLC, in its capacity as Ares Capital Corporation’s investment adviser.

“Acquisition Participation Elevation Period” means the period commencing on the Eighth Amendment Effective Date and ending on March 4, 2017.

“Acquisition Participation Interests” means the Participation Interests transferred to the Borrower in connection with the transactions contemplated by the Acquisition Agreement on the Eighth Amendment Effective Date, the seller thereof is a Seller Party or an Affiliate thereof.

“Action” has the meaning assigned to that term in Section 8.03.

“Additional Amount” has the meaning assigned to that term in Section 2.11(a).

“Adjusted Borrowing Value” means for any Loan Asset, for any date of determination, an amount equal to the lowest of: (i) the Outstanding Balance of such Loan Asset at such time, (ii) the initial Assigned Value of such Loan Asset, *multiplied by* the principal balance of such Loan Asset (exclusive of Accreted Interest) and (iii) the Assigned Value of such Loan Asset at such time *multiplied by* the principal balance of such Loan Asset (exclusive of

Accreted Interest); provided that the parties hereby agree that the Adjusted Borrowing Value of any Loan Asset that is no longer an Eligible Loan Asset shall be zero.

“Advance” means each loan advanced by the Lenders (including the Swingline Lender) hereunder (including each Advance, each Swingline Advance and each loan advanced for the purpose of refunding the Swingline Lender for any Swingline Advances pursuant to Section 2.25(a), and funding the Unfunded Exposure Account pursuant to Section 2.02(f)) to the Borrower on an Advance Date pursuant to Article II.

“Advance Date” means, with respect to any Advance and any Swingline Advance, the date on which such Advance or such Swingline Advance is made.

“Advances Outstanding” means, at any time, the sum of the principal amounts of Advances loaned to the Borrower for the initial and any subsequent borrowings pursuant to Sections 2.01 and 2.02 as of such time, reduced by the aggregate Available Collections received and distributed as repayment of principal amounts of Advances outstanding pursuant to Section 2.04 at or prior to such time and any other amounts received by the Lenders to repay the principal amounts of Advances outstanding pursuant to Section 2.18 or otherwise at or prior to such time; provided that the principal amounts of Advances outstanding shall not be reduced by any Available Collections or other amounts if at any time such Available Collections or other amounts are rescinded or must be returned for any reason.

“Affected Party” has the meaning assigned to that term in Section 2.10.

“Affiliate” when used with respect to a Person, means any other Person controlling, controlled by or under common control with such Person. For the purposes of this definition, “control,” when used with respect to any specified Person, means the power to vote 20% or more of the voting securities of such Person or to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing; provided that for purposes of determining whether any Loan Asset is an Eligible Loan Asset or for purposes of Section 5.01(b)(xix), the term Affiliate shall not include any Affiliate relationship which may exist solely as a result of direct or indirect ownership of, or control by, a common Financial Sponsor; provided, further, that, for the purposes of Section 2.07(b), Section 2.07(g), Section 4.01(ii), Section 4.03(q), Section 5.01(p) and Section 5.03(j) of this Agreement, as well as Section 4.1(ii) and Section 5.2(j)(v) of each of the Purchase and Sale Agreements, the term “Affiliate” shall not include any Excluded Affiliate.

“Agent” means Wells Fargo, in its capacity as agent for the Lenders, together with its successors and assigns, including any successor appointed pursuant to Article IX.

“Agent Fee” means the “agent fee” set forth in the Wells Fargo Fee Letter.

“Agented Note” means any Loan Asset (i) originated as a part of a syndicated loan transaction that has been closed (without regard to any contemporaneous or subsequent syndication of such Loan Asset) prior to such Loan Asset becoming part of the Collateral Portfolio and (ii) with respect to which, upon an assignment of the note under the Purchase and Sale Agreements to the Borrower, the Borrower, as assignee of the note, will have all of the rights but none of the obligations of the Transferor with respect to such note and the Underlying Collateral.

“Aggregate Funded Coupon” means, as of any date of determination, the sum of, for each Eligible Loan Asset included in the Collateral Portfolio that is a Fixed Rate Loan Asset, the product of (i) the current *per annum* rate at which such Eligible Loan Asset provides payment

of interest in cash (including, for any PIK Loan Asset, only the required current cash pay interest rate thereon) *multiplied by* (ii) the Adjusted Borrowing Value of such Eligible Loan Asset.

“Aggregate Funded Spread” means, as of any date of determination, the sum of:

(a) in the case of each Eligible Loan Asset (other than any Floor Obligation) included in the Collateral Portfolio that is a Floating Rate Loan Asset that bears interest at a spread over the Ares LIBOR Rate, (i) the stated interest rate spread on such Eligible Loan Asset (including, for any PIK Loan Asset, only the required current cash pay interest rate thereon) above the Ares LIBOR Rate on such date *multiplied by* (ii) the Adjusted Borrowing Value of such Eligible Loan Asset; and

(b) in the case of each Floor Obligation included in the Collateral Portfolio and each other Eligible Loan Asset included in the Collateral Portfolio that is a Floating Rate Loan Asset that bears interest at a spread over an index other than the Ares LIBOR Rate, (i) the excess of the sum of such spread and such index (including in the case of each Floor Obligation, the “floor” rate) on such Eligible Loan Asset (including, for any PIK Loan Asset, only the required current cash pay interest rate thereon) above the Ares LIBOR Rate on such date *multiplied by* (ii) the Adjusted Borrowing Value of such Eligible Loan Asset.

“Agreement” means this Loan and Servicing Agreement, as the same may be amended, restated, supplemented and/or otherwise modified from time to time hereafter.

“Anti-Corruption Laws” means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which the Borrower, the Servicer, the Transferor or any of their respective Subsidiaries is located or doing business.

“Anti-Money Laundering Laws” means Applicable Law in any jurisdiction in which the Borrower, the Servicer, the Transferor or any of their respective Subsidiaries are located or doing business that relates to money laundering or terrorism financing, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

“Applicable Law” means for any Person all existing and future laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders, licenses of and interpretations by any Governmental Authority which are applicable to such Person (including, without limitation, predatory lending laws, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board’s Regulations “B” and “Z”, the Servicemembers Civil Relief Act of 2003 and state adaptations of the National Consumer Act and of the Uniform Consumer Credit Code and all other consumer credit laws and equal credit opportunity and disclosure laws) and applicable judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

“Applicable Percentage” means (a) with respect to any First Lien Loan Asset, 65%, (b) with respect to any First Lien Last Out Loan Asset, 55% and (c) with respect to any Second Lien Loan Asset, 35%.

“Applicable Spread” means, for any date of determination (x) from and including the Ninth Amendment Effective Date to but excluding the Eleventh Amendment Effective Date,

in the event that the Yield Rate is calculated utilizing LIBOR 2.15% *per annum*, and in the event that the Yield Rate is calculated utilizing the Base Rate, 1.15% *per annum* and (y) from and including the Eleventh Amendment Effective Date, in the event that the Yield Rate is calculated utilizing LIBOR 2.00% *per annum*, and in the event that the Yield Rate is calculated utilizing the Base Rate, 1.00% *per annum*.

“Approval Notice” means, with respect to any Eligible Loan Asset, the written notice, in substantially the form attached hereto as Exhibit A, evidencing the approval by the Agent, in its sole discretion, of the conveyance of such Eligible Loan Asset by the Transferor to the Equityholder pursuant to the terms of the First Tier Purchase and Sale Agreement and by the Equityholder to the Borrower pursuant to the terms of the Second Tier Purchase and Sale Agreement and the Assignments by which the Transferor effects such conveyance.

“Approved Lender” means any prospective Lender that acting, for its own account, in the aggregate owns and invests on a discretionary basis, not less than \$25,000,000 in investments.

“Ares” means Ares Capital Corporation.

“Ares Competitor” means, as of any date, (1) any Person that (a) is a business development company under the 1940 Act as of such date or (b) has filed with the Securities and Exchange Commission to become a business development company under the 1940 Act as of such date or (2) any investment platform that is primarily engaged in the business of originating, acquiring, managing or investing in middle market loans as of such date which, for the avoidance of doubt, would include the individual business units of the companies set forth on Schedule VI that specialize in the business of originating, acquiring, managing or investing in middle market loans as of such date.

“Ares LIBOR Rate” means, with respect to any Loan Asset, the definition of “LIBOR Rate” or any comparable definition in the Loan Agreement for each such Loan Asset, and in any case that “LIBOR Rate” or such comparable definition is not defined in such Loan Agreement, the rate *per annum* appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time for such day, provided, if such day is not a Business Day, the immediately preceding Business Day, as the rate for dollar deposits with a one-month, a two-month or a three-month maturity, as applicable, as and when determined in accordance with the applicable Loan Agreement.

“Ares Prime Rate” means, with respect to any Loan Asset, the definition of “Prime Rate” or any comparable definition in the Loan Agreement for each such Loan Asset, and in any case that “Prime Rate” or such comparable definition is not defined in such Loan Agreement, the rate designated by certain reference lenders in the applicable Loan Agreement from time to time as its prime rate in the United States, such rate to change as and when the designated rate changes; provided that the Ares Prime Rate is not intended to be lowest rate of interest charged by Ares in connection with extensions of credit to debtors.

“Asset Coverage Ratio” means the ratio, determined on a consolidated basis, without duplication, in accordance with GAAP, of (a) the value of the total assets of Ares and its Subsidiaries, *less* all liabilities (other than outstanding Indebtedness, including outstanding Indebtedness hereunder) of Ares and its Subsidiaries, to (b) the aggregate amount of Indebtedness of Ares and its Subsidiaries. For purposes of calculating the Asset Coverage Ratio,

Indebtedness of an SBIC Subsidiary outstanding as of the date of such calculation shall be excluded from the calculation of the Asset Coverage Ratio to the extent and in the manner that such Indebtedness may be excluded from the asset coverage requirements of sections 18(a) and 61(d) of the Investment Company Act pursuant to an effective exemptive order issued by the US Securities and Exchange Commission.

“Asset Specific Hedge” means any interest rate exchange agreement between the Borrower and a Hedge Counterparty that is entered into by the Borrower in connection with the purchase or holding of a Fixed Rate Loan Asset or a Floating Rate Loan Asset.

“Asset Specific Hedged Loan Asset” means any Loan Asset for which the Borrower has entered into an Asset Specific Hedge. If an Asset Specific Hedge effectively provides for the conversion of a fixed rate of interest under the related Loan Asset to a floating rate of interest, such Loan Asset will, for all purposes under this Agreement, (i) be considered a Floating Rate Loan Asset and (ii) be deemed to pay interest at a floating rate equal to the implied spread over LIBOR to be received by the Borrower under such Asset Specific Hedge. If an Asset Specific Hedge effectively provides for the conversion of a floating rate of interest under the related Loan Asset to a fixed rate of interest, such Loan Asset will, for all purposes under this Agreement, (a) be considered a Fixed Rate Loan Asset and (b) be deemed to pay interest at a fixed rate to be received by the Borrower under the related Asset Specific Hedge.

“Assigned Documents” has the meaning assigned to that term in Section 2.12.

“Assigned Value” means, with respect to each Loan Asset, as of any date of determination and expressed as a percentage of the principal balance of such Loan Asset (exclusive of Accreted Interest), the lower of (x) the amount (not greater than par) paid by the Borrower to acquire such Loan Asset from the Equityholder (in each case, expressed exclusive of Accreted Interest) or (y) the value determined by the Agent, in its sole reasonable discretion, as of the applicable Cut-Off Date, subject to the following terms:

(c) If a Value Adjustment Event of the type described in clauses (ii), (iv) or (vi) of the definition thereof with respect to such Loan Asset occurs, the Assigned Value of such Loan Asset will be zero.

(d) If a Value Adjustment Event of the type described in clauses (i), (iii) or (v) of the definition thereof with respect to such Loan Asset occurs, “Assigned Value” may be amended at any time by the Agent, in its sole discretion (provided that, after the initial amendment to the Assigned Value with respect to any Loan Asset, any additional amendment (other than an amendment as a result of the occurrence of a separate Value Adjustment Event) shall only be on a quarterly or monthly basis, as applicable, after receipt by the Agent from the Servicer of the applicable financial information with respect to such Loan Asset).

(e) The Assigned Value of any Loan Asset may be increased at the sole reasonable discretion of the Agent upon improvement in the Net Leverage Ratio or the Interest Coverage Ratio of such Loan Asset, as the case may be, as part of a Value Adjustment Event. The Assigned Value of any Loan Asset whose Assigned Value is lower than 100% may be increased at the sole reasonable discretion of the Agent (i)(x) upon the cure of any Value Adjustment Event with respect to such Loan Asset or (y) if the Net Leverage Ratio for such Loan Asset is at least 0.50x lower than the Net Leverage Ratio calculated as of the applicable Cut-Off Date and (ii) upon the written request of the Borrower.

The Agent shall promptly notify the Servicer of any change effected by the Agent of the Assigned Value of any Loan Asset; provided that, solely with respect to the occurrence of a Value Adjustment Event of the type described in clause (i)(y) of the definition thereof, immediately after giving effect to any such reevaluation, the Assigned Value shall not be lower than such value that would result in the Facility Attachment Ratio for such Loan Asset (based upon such Loan Asset's Senior Net Leverage Ratio or Net Leverage Ratio, as applicable) being lower than the "Minimum Facility Attachment Ratio" specified therefor in accordance with the grid below:

First Lien Loan Assets	
Senior Net Leverage Ratio	Minimum Facility Attachment Ratio
#VALUE!	2.90x
> 4.25 and =< 5.00x	2.80x
> 5.00 and =< 6.00x	2.70x
> 6.00 and =< 7.00x	2.60x
> 7.00 and =< 8.00x	2.40x
> 8.00x	0.00x

First Lien Last Out Loan Assets	
Senior Net Leverage Ratio	Minimum Facility Attachment Ratio
#VALUE!	Facility Attachment Ratio as of Cut-Off Date
>5.00 and =<6.00x	Facility Attachment Ratio as of Cut-Off Date <i>less</i> 0.25x
>6.00 and =<7.00x	Facility Attachment Leverage Ratio as of Cut-Off Date <i>less</i> 0.50x
> 7.00x	0.00x

Second Lien Loan Assets	
Net Leverage Ratio	Minimum Facility Attachment Ratio
#VALUE!	Facility Attachment Ratio as of Cut-Off Date
>5.00 and =<6.00x	Facility Attachment Ratio as of Cut-Off Date <i>less</i> 0.25x
>6.00 and =<7.00x	Facility Attachment Leverage Ratio as of Cut-Off Date <i>less</i> 0.50x
>7.00x	0.00x

Designated Loan Asset	
Net Leverage Ratio	Minimum Facility Attachment Ratio
#VALUE!	The lesser of (i) the Facility Attachment Ratio as of the Cut-Off Date and (ii) 2.00x
> 6.50x	0.00x

For purposes of determining the Minimum Facility Attachment Ratio in reference to the grid above with respect to Second Lien Loan Assets and Designated Loan Assets, the calculation of the “Net Leverage Ratio” shall exclude Indebtedness of the applicable Obligor that is subordinate in right of payment to tranches of Indebtedness of such Obligor having a second priority security interest on the Obligor’s assets constituting Underlying Collateral for the applicable Loan Asset.

At the time of approval of each Loan Asset, the Agent in its sole discretion will designate any applicable Loan Asset as a “Designated Loan Asset” for purposes of determining the Assigned Value of such Loan Asset in reference to the Minimum Facility Attachment Ratios set forth in the definition of “Assigned Value”.

“Assignment of Mortgage” means an assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form sufficient under the laws of the jurisdiction wherein the related mortgaged property is located to effect the assignment of the Mortgage to the Trustee, which assignment, notice of transfer or equivalent instrument may be in the form of one or more blanket assignments covering the Loan Assets secured by mortgaged properties located in the same jurisdiction, if permitted by Applicable Law, substantially in the form of Exhibit B.

“Assignments” means the First Tier Loan Assignment and the Second Tier Loan Assignment.

“Attached Equity” means, with respect to any Loan Asset, any stock, partnership or membership interest, beneficial interest or other equity security, warrant, option, or any right, including, without limitation, any registration right, with respect to the foregoing received by the Transferor in connection with the origination or acquisition of such Loan Asset.

“Availability” means, at any time, an amount equal to the positive excess (if any) of the Borrowing Base over the Advances Outstanding. On and after the end of the Reinvestment Period or the Facility Maturity Date, the Availability shall be zero.

“Available Collections” means, (a) all cash collections and other cash proceeds with respect to any Loan Asset, including, without limitation, all Principal Collections, all Interest Collections, all proceeds of any sale or disposition with respect to such Loan Asset, cash proceeds or other funds received by the Borrower or the Servicer with respect to any Underlying Collateral (including from any guarantors), all other amounts on deposit in the Collection Account from time to time, and all proceeds of Permitted Investments with respect to the Controlled Accounts and (b) all payments received pursuant to any Hedging Agreement or Hedge Transaction; provided that, for the avoidance of doubt, “Available Collections” shall not include amounts on deposit in the Unfunded Exposure Account which do not represent proceeds of Permitted Investments; provided, further, that all amounts paid into the Collection Account

pursuant to Section 5.09(c)(iii) which are received on or prior to the Determination Date immediately preceding any Payment Date shall be included as “Available Collections” for such Payment Date.

“Average Life” means, for any Loan Asset, as of any date of determination, the number determined by multiplying the amount of each Scheduled Payment of principal to be paid after such date of determination by the number of years (rounded to the nearest hundredth) from such date of determination until such Scheduled Payment of principal is due.

“Bail-In Action” has the meaning assigned to that term in Section 11.14.

“Bail-In Legislation” has the meaning assigned to that term in Section 11.14.

“Bank” means U.S. Bank, in its capacity as the “Bank” pursuant to each of the Collection Account Agreement and the Unfunded Exposure Account Agreement.

“Bankruptcy Code” means Title 11, United States Code, 11 U.S.C. §§ 101 et seq., as amended from time to time.

“Bankruptcy Event” shall be deemed to have occurred with respect to a Person if either:

(i) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets under any Bankruptcy Laws, or any similar action with respect to such Person, in each case, under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of 60 consecutive days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(ii) such Person shall commence a voluntary case or other proceeding under any Bankruptcy Laws now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or all or substantially all of its assets under any Bankruptcy Laws, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors or members shall vote to implement any of the foregoing.

“Bankruptcy Laws” means the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

“Bankruptcy Proceeding” means any case, action or proceeding before any court or other Governmental Authority relating to any Bankruptcy Event.

“Base Rate” means, on any date, a fluctuating *per annum* interest rate equal to the higher of (a) the Prime Rate or (b) the Federal Funds Rate *plus* 0.5%.

“Benchmark Replacement” means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for United States dollars denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Benchmark Replacement Adjustment” means with respect to any replacement of LIBOR (or a Benchmark Replacement that is not Term SOFR) with an Unadjusted Benchmark Replacement for each applicable Remittance Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for United States dollars denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Prime Rate,” the definition of “Ares LIBOR Rate,” the definition of “Ares Prime Rate,” the definition of “Federal Funds Rate,” the definition of “Remittance Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Agent, in consultation with the Borrower, decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Agent, in consultation with the Borrower, decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to LIBOR:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to LIBOR:

(1) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

“Benchmark Transition Start Date” means: (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Agent or the Required Lenders, as applicable, by notice to the Borrower (in such case of such notice by the Agent or Required Lenders), the Agent (in the case of such notice by the Required Lenders), the Servicer and the Lenders.

“Benchmark Unavailability Period” means if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with Section 11.01 and (y) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to Section 11.01.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities Industry and Financial Markets Association.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan Investor” means a “benefit plan investor” as defined in Department of Labor regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, and includes an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of ERISA, a plan that is subject to Section 4975 of the Code, and an entity the underlying assets of which are deemed to include plan assets.

“BHC Act Affiliate” means the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Borrower” has the meaning assigned to that term in the preamble hereto.

“Borrowing Base” means, as of any date of determination, an amount equal to the lesser of:

(a) (i) the product of (A) the Weighted Average Applicable Percentage as of such date and (B) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets as of such date *minus* the Excess Concentration Amount, *plus* (ii) the amount on deposit in the Principal Collection Account as of such date, *minus* (iii) the Unfunded Exposure Equity Shortfall; or

(b) (i) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets as of such date, *minus* (ii) the Minimum Required Equity Amount, *minus* (iii) the Excess Concentration Amount, *plus* (iv) the amount on deposit in the Principal Collection Account as of such date, *minus* (v) the Unfunded Exposure Equity Shortfall; or

(c) the Maximum Facility Amount *minus* the Unfunded Exposure Amount;

provided that, for the avoidance of doubt, any Loan Asset which at any time is no longer an Eligible Loan Asset shall not be included in the calculation of “Borrowing Base”.

“Borrowing Base Certificate” means a certificate setting forth the calculation of the Borrowing Base as of the applicable date of determination substantially in the form of Exhibit C hereto, prepared by the Servicer.

“Borrowing Base Deficiency” means, as of any date of determination, the extent to which the aggregate Advances Outstanding on such date exceeds the Borrowing Base.

“Breakage Fee” means, for Advances which are repaid (in whole or in part) on any date other than a Payment Date, the breakage costs, if any, related to such repayment, it hereby being understood that the amount of any loss, costs or expense payable by the Borrower to any Lender as Breakage Fee shall be determined in the respective Lender’s reasonable discretion based upon the assumption that such Lender funded its loan commitment in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods which such Lender deems appropriate and practical.

“Business Day” means a day of the year other than (i) Saturday or a Sunday, (ii) any other day on which commercial banks in New York, New York or the city in which the offices of the Trustee are authorized or required by Applicable Law, regulation or executive order to close or (iii) any day that is not a TARGET Day; provided that, if any determination of a Business Day shall relate to an Advance bearing interest at LIBOR, the term “Business Day” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market. For avoidance of doubt, if the offices of the Trustee are authorized by Applicable Law, regulation or executive order to close but remain open, such day shall not be a “Business Day”.

“Buyers” has the meaning assigned to that term in the definition of “Acquisition Agreement”.

“Capital Lease Obligations” means, with respect to any entity, the obligations of such entity to pay rent or other amounts under any lease of (or other arrangement conveying the

right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such entity under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Change of Control” shall be deemed to have occurred if any of the following occur:

- (d) the Management Agreement shall fail to be in full force and effect;
 - (e) the creation or imposition of any Lien on any limited liability company membership interest in the Borrower (other than pursuant to the Pledge Agreement);
 - (f) the failure by the Transferor to own 100% of the limited liability company membership interests in the Equityholder;
 - (g) the failure by the Equityholder to own 100% of the limited liability company membership interests in the Borrower;
- or
- (h) the dissolution, termination or liquidation in whole or in part, transfer or other disposition, in each case, of all or substantially all of the assets of, Ares, that does not comply with the provisions of Section 5.04(a) of this Agreement.

“Closing Date” means November 3, 2004.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral Custodian” means U.S. Bank, not in its individual capacity, but solely as collateral custodian pursuant to the terms of this Agreement.

“Collateral Custodian Expenses” means the custodial expenses set forth in the Trustee and Collateral Custodian Fee Letter and any other accrued and unpaid fees, expenses (including reasonable attorneys’ fees, costs and expenses) and indemnity amounts payable by the Borrower or the Servicer to the Collateral Custodian under the Transaction Documents.

“Collateral Custodian Fees” means the custodial fees set forth in the Trustee and Collateral Custodian Fee Letter, as such fee letter may be amended, restated, supplemented and/or otherwise modified from time to time.

“Collateral Custodian Termination Notice” has the meaning assigned to that term in Section 12.05.

“Collateral Portfolio” means all right, title, and interest (whether now owned or hereafter acquired or arising, and wherever located) of the Borrower in the property identified below in clauses (i) through (v) and all accounts, cash and currency, chattel paper, tangible chattel paper, electronic chattel paper, copyrights, copyright licenses, equipment, fixtures, contract rights, general intangibles, instruments, certificates of deposit, certificated securities, uncertificated securities, financial assets, securities entitlements, commercial tort claims, deposit accounts, inventory, investment property, letter-of-credit rights, software, supporting obligations, accessions, or other property consisting of, arising out of, or related to any of the following (in each case excluding the Retained Interest and the Excluded Amounts):

(i) the Loan Assets, and all monies due or to become due in payment under such Loan Assets on and after the related Cut-Off Date, including, but not limited to, all Available Collections, but excluding any related Attached Equity;

(ii) the Portfolio Assets with respect to the Loan Assets referred to in clause (i);

(iii) the Purchase and Sale Agreements, any other agreement pursuant to which an Eligible Loan Asset is sold to the Borrower and all other documents now or hereafter in effect to which the Borrower is a party (collectively, the “Borrower Assigned Agreements”), including (a) all rights of the Borrower to receive moneys due and to become due under or pursuant to the Borrower Assigned Agreements, (b) all rights of the Borrower to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Borrower Assigned Agreements, (c) claims of the Borrower for damages arising out of or for breach of or default under the Borrower Assigned Agreements, and (d) the right of the Borrower to amend, waive or terminate the Borrower Assigned Agreements, to perform under the Borrower Assigned Agreements and to compel performance and otherwise exercise all remedies and rights under the Borrower Assigned Agreements;

(iv) the Controlled Accounts and all Permitted Investments purchased with funds on deposit in the Controlled Accounts; and

(v) all income and Proceeds of the foregoing.

“Collateral Quality Test” means each of the tests set forth below:

(vi) the Minimum Weighted Average Spread Test; and

(vii) the Minimum Weighted Average Coupon Test.

“Collection Account” means a trust account (account number 787456-200 at the Bank) in the name of the Borrower subject to the lien of the Trustee for the benefit of the Secured Parties; provided that the funds deposited therein (including any interest and earnings thereon) from time to time shall constitute the property and assets of the Borrower, and the Borrower shall be solely liable for any Taxes payable with respect to the Collection Account.

“Collection Account Agreement” means that certain Amended and Restated Securities Account Control Agreement, dated the Closing Date and amended and restated as of the Restatement Date, among the Borrower, the Servicer, the Bank, the Agent and the Trustee, which agreement relates to the Collection Account, as such agreement may from time to time be amended, supplemented or otherwise modified in accordance with the terms thereof.

“Collection Date” means the date on which the aggregate outstanding principal amount of the Advances have been repaid in full and all Yield and Fees and all other Obligations have been paid in full, and the Borrower shall have no further right to request any additional Advances.

“Commitment” means, with respect to each Lender, (i) prior to the end of the Reinvestment Period or for purposes of Advances made pursuant to Section 2.02(f), the dollar amount set forth opposite such Lender’s name on Annex A hereto (as such amount may be revised from time to time pursuant to the terms of this Agreement) or the amount set forth as such Lender’s “Commitment” on Schedule I to the Joinder Supplement relating to such Lender,

as applicable, and (ii) on or after the Reinvestment Period (other than for purposes of Advances made pursuant to Section 2.02(f)), such Lender's Pro Rata Share of the aggregate Advances Outstanding.

“Commitment Termination Premium” means, in the event that this Agreement is terminated or the Maximum Facility Amount is permanently reduced, in each case, pursuant to Section 2.18(b), (i) prior to the one year anniversary of the Eighth Amendment Effective Date, an amount equal to 1.00%, or (ii) on or after the one year anniversary of the Eighth Amendment Effective Date, but prior to the one year and six month anniversary of the Eighth Amendment Effective Date, an amount equal to 0.50%, in each case, of either (x) the Maximum Facility Amount, in the case of such termination, or (y) the amount of such reduction, in the case of such permanent reduction of the Maximum Facility Amount and, in each case, such amounts shall be payable *pro rata* to each Lender.

“Concentration Limits” means, for the purposes of determining the Excess Concentration Amount, with respect to the Borrowing Base:

(viii) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets to Obligor in the same GICS Industry Classification Group shall not exceed 15% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets; provided that for two individual industries the aggregate Adjusted Borrowing Value of all Eligible Loan Assets to Obligor in such industries may exceed 15% but shall not exceed 20%; provided, further, that for one additional individual industry the aggregate Adjusted Borrowing Value of all Eligible Loan Assets to Obligor in such industry may exceed 15% but shall not exceed 25%;

(ix) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets to the same Obligor shall not exceed 6.0% of the Maximum Facility Amount; provided that for two individual Obligor the aggregate Adjusted Borrowing Value of all Eligible Loan Assets to such Obligor may exceed 6.0% but shall not exceed 7.5% of the Maximum Facility Amount;

(x) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets that are Second Lien Loan Assets shall not exceed 20% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets;

(xi) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets that are First Lien Last Out Loan Assets and Eligible Loan Assets that are Second Lien Loan Assets shall not exceed 40% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets;

(xii) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets that are Fixed Rate Loan Assets shall not exceed 15% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets; provided that Asset Specific Hedged Loan Assets shall be considered Fixed Rate Loan Assets or Floating Rate Loan Assets, as applicable, as provided in the definition thereof;

(xiii) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets that pay interest in cash less frequently than quarterly shall not exceed 15% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets;

(xiv) the aggregate Outstanding Balances and Exposure Amounts of all Eligible Loan Assets that are Revolving Loan Assets and the Exposure

Amounts of Eligible Loan Assets that are Delayed Draw Loan Assets shall not exceed 10% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets;

(xv) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets that are Partial PIK Loan Assets shall not exceed 10% of the aggregate Adjusted Borrowing Value of all Eligible Loan Assets; and

(xvi) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets that are Participation Interests shall not exceed (i) during the Acquisition Participation Elevation Period, 10.0% and (ii) thereafter, 0.0%.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

“Controlled Accounts” means the Collection Account and the Unfunded Exposure Account.

“Covered Party” means any Secured Party that is one of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b), or any subsidiary of such a covered bank to which 12 C.F.R. Part 47 applies in accordance with 12 C.F.R. §47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

“Cut-Off Date” means, with respect to each Loan Asset, the date such Loan Asset is Pledged hereunder.

“Default Funding Rate” means a floating interest rate *per annum* equal to 4.00% *plus* LIBOR; provided that if any Lender shall have notified the Agent that a Eurodollar Disruption Event has occurred, the Default Funding Rate with respect to Advances of such Lender shall be equal to the Base Rate *plus* 3.00% until such Lender shall have notified the Agent that such Eurodollar Disruption Event has ceased, at which time the Default Funding Rate with respect to Advances of such Lender shall again be equal to LIBOR for such date *plus* 4.00%.

“Default Right” means the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that (i) has failed to fund any portion of the Advances or participations in Swingline Advances required to be funded by it hereunder within one Business Day (or, solely in the case of a European Lender that receives the applicable Notice of Borrowing after 9:00 a.m. (New York City time) on the second Business Day prior to the related Advance Date, two Business Days and (a) Wells Fargo, in its sole discretion, agrees for such two Business Day period to fund the amount that was to be funded by the European Lender and (b) the European Lender agrees to reimburse Wells Fargo within two (2) Business Days for any amounts paid pursuant to clause (a) above) of the date required to be funded by it hereunder, (ii) has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless such amount is the subject of a good faith dispute, (iii) has notified the Borrower, the Agent or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply or has failed to comply with its funding obligations under this Agreement or

generally under other agreements in which it commits or is obligated to extend credit or (iv) has (or, with respect to such Lender (x) the bank holding company (as defined in Federal Reserve Board Regulation Y), if any, of such Lender and/or (y) any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Lender, has) become or is insolvent or has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

“Delayed Draw Loan Asset” means a Loan Asset that is fully committed on the initial funding date of such Loan Asset and is required to be fully funded in one or more installments on draw dates to occur after the initial funding of such Loan Asset but which, once all such installments have been made, has the characteristics of a Term Loan Asset.

“Designated Lender” means Wells Fargo, in its capacity as a Lender hereunder, and any successor-in-interest thereto.

“Designated Loan Asset” means any Loan Asset designated by the Agent in its sole discretion as a “Designated Loan Asset” at the time of approval of such Loan Asset.

“Determination Date” means the last day of each calendar month.

“Disbursement Request” means a disbursement request from the Borrower to the Agent and the Trustee in the form attached hereto as Exhibit D in connection with a disbursement request from the Unfunded Exposure Account in accordance with Section 2.04(d), or a disbursement request from the Principal Collection Account in accordance with Section 2.21, as applicable.

“Early Opt-in Election” means the occurrence of:

(1) (i) a determination by the Agent or (ii) a notification by the Required Lenders to the Agent (with a copy to the Borrower and the Servicer) that the Required Lenders have determined that United States dollars denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 11.01 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

(2) (i) the election by the Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Agent of written notice of such election to the Borrower, the Servicer and the Lenders or by the Required Lenders of written notice of such election to the Agent.

“EBITDA” means, with respect to any period and any Loan Asset, the meaning of “EBITDA”, “Adjusted EBITDA” or any comparable definition in the Loan Agreement for such Loan Asset (together with all add-backs and exclusions as designated in such Loan Agreement), and in any case that “EBITDA”, “Adjusted EBITDA” or such comparable definition is not defined in such Loan Agreement, an amount, for the principal obligor on such Loan Asset and any of its parents or Subsidiaries that are obligated pursuant to the Loan Agreement for such Loan Asset (determined on a consolidated basis without duplication in accordance with GAAP) equal to earnings from continuing operations for such period *plus* (a) cash interest expense, (b) income taxes, (c) depreciation and amortization for such period (to the extent deducted in determining earnings from continuing operations for such period), (d) amortization of intangibles (including, but not limited to, goodwill, financing fees and other capitalized costs), to the extent not otherwise included in clause (c) above, other non-cash charges and organization costs, (e) extraordinary losses in accordance with GAAP, (f) one-time, non-recurring non-cash charges

consistent with the compliance statements and financial reporting packages provided by the Obligors and (g) any other item the Borrower and the Agent mutually deem to be appropriate; provided that with respect to any Obligor for which four full fiscal quarters of financial data are not available, EBITDA shall be determined for such Obligor based on annualizing the financial data from the reporting periods actually available.

“EEA Financial Institution” has the meaning assigned to that term in Section 11.14.

“EEA Member Country” has the meaning assigned to that term in Section 11.14.

“EEA Resolution Authority” has the meaning assigned to that term in Section 11.14.

“Eighth Amendment Effective Date” means January 3, 2017.

“Eleventh Amendment Effective Date” means December 14, 2018.

“Eligible Bid” means a bid made in good faith (and acceptable as a valid bid in the Agent’s reasonable discretion) by a bidder for all or any portion of the Collateral Portfolio in connection with a sale of the Collateral Portfolio in whole or in part pursuant to Section 7.02(i).

“Eligible Loan Asset” means, at any time, a Loan Asset in respect of which each of the representations and warranties contained in Section 4.02 and Schedule III hereto is true and correct.

“Environmental Laws” means any and all foreign, federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, interpretations (with the force of law) and orders of courts or Governmental Authorities, relating to the protection of human health or the environment, including, but not limited to, requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials. Environmental Laws include, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 331 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300, et seq.), the Environmental Protection Agency’s regulations relating to underground storage tanks (40 C.F.R. Parts 280 and 281), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and the rules and regulations thereunder, each as amended or supplemented from time to time.

“Equity Security” means (i) any equity security or any other security that is not eligible for purchase by the Borrower as a Loan Asset, (ii) any security purchased as part of a “unit” with a Loan Asset and that itself is not eligible for purchase by the Borrower as a Loan Asset, and (iii) any obligation that, at the time of commitment to acquire such obligation, was eligible for purchase by the Borrower as a Loan Asset but that, as of any subsequent date of determination, no longer is eligible for purchase by the Borrower as a Loan Asset, for so long as such obligation fails to satisfy such requirements.

“Equityholder” means Ares Capital CP Funding Holdings LLC, a Delaware limited liability company, which owns 100% of the equity interests in the Borrower.

“ERISA” means the United States Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means (a) any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower, any corporation described in clause (a) above or any trade or business described in clause (b) above.

“EU Bail-In Legislation Schedule” has the meaning assigned to that term in Section 11.14.

“EUR” and “euro” denote the single currency of the Participating Member States.

“Eurodollar Disruption Event” means the occurrence of any of the following: (a) any Lender shall have notified the Agent of a determination by such Lender or any of its assignees or participants that it would be contrary to law or to the directive of any central bank or other Governmental Authority (whether or not having the force of law) to obtain United States dollars in the London interbank market to fund any Advance, (b) any Lender shall have notified the Agent of the inability, for any reason, of such Lender or any of its assignees or participants to determine LIBOR, (c) any Lender shall have notified the Agent of a determination by such Lender or any of its assignees or participants that the rate at which deposits of United States dollars are being offered to such Lender or any of its assignees or participants in the London interbank market does not accurately reflect the cost to such Lender or such assignee or such participant of making, funding or maintaining any Advance or (d) any Lender shall have notified the Agent of the inability of such Lender or any of its assignees or participants to obtain United States dollars in the London interbank market to make, fund or maintain any Advance.

“European Lender” means a Lender that is domiciled in Europe or has its primary lending office in Europe.

“Event of Default” has the meaning assigned to that term in Section 7.01.

“Excepted Persons” has the meaning assigned to that term in Section 11.13(a).

“Excess Concentration Amount” means, as of any date of determination, with respect to all Eligible Loan Assets included in the Collateral Portfolio, the amount by which the sum of the Adjusted Borrowing Value of such Eligible Loan Assets exceeds any applicable Concentration Limits, to be calculated without duplication after giving effect to any sales, purchases or substitutions of Loan Assets as of such date.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Excluded Affiliate” means any portfolio company of the Servicer or the Transferor, as applicable, that is not consolidated on the financial statements of the Servicer or the Transferor, as applicable.

“Excluded Amounts” means (a) any amount received in the Collection Account with respect to any Loan Asset included as part of the Collateral Portfolio, which amount is attributable to the payment of any Tax, fee or other charge imposed by any Governmental Authority on such Loan Asset or on any Underlying Collateral and (b) any amount received in the Collection Account or other Controlled Account representing (i) any amount representing a

reimbursement of insurance premiums, (ii) any escrows relating to Taxes, insurance and other amounts in connection with Loan Assets which are held in an escrow account for the benefit of the Obligor and the secured party pursuant to escrow arrangements under a Loan Agreement, (iii) any amount received in the Collection Account with respect to any Loan Asset retransferred or substituted for upon the occurrence of a Warranty Event or that is otherwise replaced by a Substitute Eligible Loan Asset, or that is otherwise sold or transferred by the Borrower pursuant to Section 2.07, to the extent such amount is attributable to a time after the effective date of such replacement or sale, (iv) any amounts paid in respect of Attached Equity, (v) any interest accruing on a Loan Asset prior to the related Cut-Off Date that was not purchased by the Borrower and is for the account of the Person from whom the Borrower purchased such Loan Asset and (vi) any amounts deposited into the Collection Account manifestly in error .

“Excluded Taxes” means any of the following Taxes imposed on or with respect to an Indemnified Party or required to be withheld or deducted from a payment to an Indemnified Party, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Indemnified Party being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender hereunder pursuant to a law in effect on the date on which (i) such Lender acquires such interest in this Agreement (other than pursuant to an assignment request by the Borrower under Section 2.24(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.11, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Lender’s failure to comply with Section 2.11(d), and (d) any Taxes imposed under FATCA.

“Exposure Amount” means, as of any date of determination, with respect to any Delayed Draw Loan Asset or Revolving Loan Asset, (i) the maximum commitment of the Borrower with respect to such Revolving Loan Asset or Delayed Draw Loan Asset (excluding any original issue discount) under the terms of the applicable Loan Agreement to make advances (and, for the avoidance of doubt, the Borrower’s commitment in respect of a Loan Asset as to which the commitment to make additional advances has been terminated shall be zero) *minus* (ii) the Outstanding Balance of such Delayed Draw Loan Asset or Revolving Loan Asset on such date of determination.

“Exposure Amount Shortfall” has the meaning assigned to that term in Section 2.02(f).

“Facility Attachment Ratio” means (a) for any First Lien Loan Asset, as of any date of determination, an amount equal to, the product of (i) the First Out Attachment Ratio, (ii) the Applicable Percentage and (iii) the Assigned Value, as of such date; (b) for any First Lien Last Out Loan Asset, as of any date of determination, an amount equal to, the sum of (i) the First Out Attachment Ratio and (ii) the product of (A) the Last Out Attachment Ratio *less* the First Out Attachment Ratio, (B) the Applicable Percentage and (C) the Assigned Value, as of such date and (c) for any Second Lien Loan Asset, as of any date of determination, an amount equal to, the sum of (i) the Senior Net Leverage Ratio and (ii) the product of (A) the Net Leverage Ratio *less* the Senior Net Leverage Ratio, (B) the Applicable Percentage and (C) the Assigned Value, as of such date; provided that the Facility Attachment Ratio for any Designated Loan Asset that is a First Lien Loan Asset, First Lien Last Out Loan Asset or Second Lien Loan Asset shall be determined as set forth above in clause (a), (b) or (c) respectively, as applicable.

“Facility Maturity Date” means the earliest to occur of (i) the Stated Maturity Date, (ii) the date of the declaration, or automatic occurrence, of the Facility Maturity Date pursuant to Section 7.01, (iii) the Collection Date and (iv) the occurrence of the termination of this Agreement pursuant to Section 2.18(b) hereof.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements (and any related laws, rules or practices) implementing or modifying the foregoing.

“FDIC” means the Federal Deposit Insurance Corporation, and any successor thereto.

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at www.newyorkfed.org, or any successor source.

“Federal Funds Rate” means, for any period, a fluctuating interest *per annum* rate equal, for each day during such period, to the weighted average of the overnight federal funds rates as in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by the Agent (or, if such day is not a Business Day, for the next preceding Business Day), or, if for any reason such rate is not available on any day, the rate determined, in the sole discretion of the Agent, to be the rate at which overnight federal funds are being offered in the national federal funds market at 9:00 a.m. on such day.

“Fees” means all fees payable to each Lender pursuant to the terms of any Lender Fee Letter.

“Fifth Amendment Effective Date” means June 7, 2012.

“Financial Asset” has the meaning specified in Section 8-102(a)(9) of the UCC.

“Financial Sponsor” means any Person, including any Subsidiary of such Person, whose principal business activity is acquiring, holding, and selling investments (including controlling interests) in otherwise unrelated companies that each are distinct legal entities with separate management, books and records and bank accounts, whose operations are not integrated with one another and whose financial condition and creditworthiness are independent of the other companies so owned by such Person.

“First Lien Last Out Loan Asset” means any Loan Asset that (i) is secured by a valid and perfected first priority Lien on all of the Obligor’s assets constituting Underlying Collateral for the Loan Asset, subject to any expressly permitted liens under the applicable covenants in the Loan Agreement for such Loan Asset, including those set forth in “permitted liens” as defined in the applicable Loan Agreement for such Loan Asset or such comparable definition if “permitted liens” is not defined therein, so long as such definition is reasonable and customary, (ii) has a Loan-to-Value Ratio not greater than 65%, and (iii) is not by its terms (and is not expressly permitted by its terms to become) subordinate in right of payment to any other obligation for borrowed money of the Obligor of such Loan Asset, other than with respect to the liquidation of such Obligor or such Underlying Collateral.

“First Lien Loan Asset” means any Loan Asset that (i) is secured by a valid and perfected first priority Lien on all of the Obligor’s assets constituting Underlying Collateral for the Loan Asset, subject to any expressly permitted liens under the applicable covenants in the

Loan Agreement for such Loan Asset, including those set forth in “permitted liens” as defined in the applicable Loan Agreement for such Loan Asset or such comparable definition if “permitted liens” is not defined therein, so long as such definition is reasonable and customary, (ii) has a Loan-to-Value Ratio not greater than 60%, and (iii) provides that the payment obligation of the Obligor on such Loan Asset is either senior to, or *pari passu* with, all other Indebtedness of such Obligor.

“First Out Attachment Ratio” means, with respect to any Loan Asset, as of any date of determination, an amount equal to the Senior Net Leverage Ratio with respect to all or any portion of such Loan Asset that constitutes first lien senior secured Indebtedness that is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings (excluding any First Lien Last Out Loan Asset or first lien last out Indebtedness within the capital structure).

“First Tier Loan Assignment” has the meaning set forth in the First Tier Purchase and Sale Agreement.

“First Tier Purchase and Sale Agreement” means that certain Amended and Restated Purchase and Sale Agreement, dated as of the Closing Date and amended and restated as of the Restatement Date, between the Transferor, as the seller, and the Equityholder, as the purchaser, as amended, modified, waived, supplemented, restated or replaced from time to time.

“Fixed Rate Excess” means as, as of any date of determination, a fraction (expressed as a percentage) the numerator of which is the product of (i) the greater of zero and the excess of the Weighted Average Coupon for such date of determination over the Minimum Weighted Average Coupon on such date of determination and (ii) the Adjusted Borrowing Value of all Fixed Rate Loan Assets (excluding any defaulted Loan Assets) held by the Borrower as of such date of determination, and the denominator of which is the Adjusted Borrowing Value of all Floating Rate Loan Assets (excluding any defaulted Loan Assets) held by the Borrower as of such date of determination.

“Fixed Rate Loan Asset” means a Loan Asset other than a Floating Rate Loan Asset.

“Floating Rate Loan Asset” means a Loan Asset under which the interest rate payable by the Obligor thereof is based on the Ares Prime Rate or Ares LIBOR Rate, *plus* some specified interest percentage in addition thereto, and which provides that such interest rate will reset immediately upon any change in the related Ares Prime Rate or Ares LIBOR Rate.

“Floor Obligation” means, as of any date, a Floating Rate Loan Asset (a) for which the related Underlying Instruments allow a floating rate option, (b) that provides that such floating rate is (in effect) calculated as the greater of (i) a specified “floor” rate *per annum* and (ii) the London interbank offered rate or other floating rate for the applicable interest period for such Loan Asset and (c) that, as of such date, bears interest based on such floating rate option, but only if as of such date such London interbank offered rate or other floating rate for the applicable interest period is less than the “floor” rate.

“Foreign Lender” has the meaning assigned to that term in Section 2.11(d)(ii)(B).

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to the Swingline Lender, such Defaulting Lender’s Pro Rata Share of Swingline Advances other than Swingline Advances as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders, repaid by the Borrower or for which cash collateral or other credit

support acceptable to the Swingline Lender shall have been provided in accordance with the terms hereof.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States.

“GICS Industry Classification Group” means each sub-industry classification group listed on Schedule VII, as the same may be updated by the Borrower (a) to conform to the Global Industry Classification Standard promulgated by MSCI Inc. or (b) as otherwise agreed with the Agent.

“Governmental Authority” means, with respect to any Person, any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

“Hazardous Materials” means all materials subject to any Environmental Law, including, without limitation, materials listed in 49 C.F.R. § 172.010, materials defined as hazardous pursuant to § 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, flammable, explosive or radioactive materials, hazardous or toxic wastes or substances, lead-based materials, petroleum or petroleum distillates or asbestos or material containing asbestos, polychlorinated biphenyls, radon gas, urea formaldehyde and any substances classified as being “in inventory”, “usable work in process” or similar classification that would, if classified as unusable, be included in the foregoing definition.

“Hedge Breakage Costs” means, for any Hedge Transaction, any amount payable by the Borrower for the early termination of that Hedge Transaction or any portion thereof.

“Hedge Collateral” has the meaning assigned to that term in Section 5.09(b).

“Hedge Counterparty” means any entity that either (i) is approved in writing by the Agent (in its reasonable discretion) or (ii) satisfies the Hedge Counterparty Minimum Ratings, which has entered into a Hedging Agreement in connection with this Agreement.

“Hedge Counterparty Minimum Ratings” means (i) a rating of its unsecured and otherwise unsupported long-term debt obligations of at least “A1” and a rating of its unsecured and otherwise unsupported short-term debt obligations of at least “P-1” respectively by Moody’s, if such counterparty has both long-term and short-term ratings, or if it has no such short-term rating, “A2” and (ii) a rating of its unsecured and otherwise unsupported short-term debt obligations of at least “A-1” by S&P, or if it has no such short-term rating, the rating of its unsecured and otherwise unsupported long-term debt obligations of “A” (or, with respect to any Hedge Counterparty not so rated, whose obligations in respect of the Hedging Agreement are absolutely and unconditionally guaranteed by an Affiliate of such Hedge Counterparty, such ratings of such Affiliate’s debt obligations); provided that in each case, if it has the minimum specified rating, it is not on watch for possible downgrade.

“Hedge Transaction” means each Asset Specific Hedge, interest rate swap transaction, interest rate cap transaction, interest rate floor transaction or other derivative transaction approved in writing by the Agent, between the Borrower and a Hedge Counterparty that is entered into pursuant to Section 5.09 and is governed by a Hedging Agreement.

“Hedge Notional Amount” means, for any Loan Asset, the aggregate notional amount in effect on any day under all Hedge Transactions entered into pursuant to Section 5.09 for that Loan Asset.

“Hedging Agreement” means each agreement between the Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into by the Borrower and such Hedge Counterparty pursuant to Section 5.09, which agreement shall consist of a “Master Agreement” in a form published by the International Swaps and Derivatives Association, Inc., together with a “Schedule” and each “Confirmation” thereunder confirming the specific terms of each such Hedge Transaction; provided that the “Schedule” and the form of each “Confirmation” to any Hedging Agreement shall be subject to the written approval of the Agent, in its reasonable discretion.

“Indebtedness” means:

(xvii) with respect to any Obligor under any Loan Asset, for the purposes of the definition of the Interest Coverage Ratio, the Senior Net Leverage Ratio and the Net Leverage Ratio, the meaning of “Indebtedness” or any comparable definition in the Loan Agreement for each such Loan Asset, and in any case that “Indebtedness” or such comparable definition is not defined in such Loan Agreement, without duplication, (a) all obligations of such entity for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such entity evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such entity under conditional sale or other title retention agreements relating to property acquired by such entity, (d) all obligations of such entity in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (e) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such entity, whether or not the indebtedness secured thereby has been assumed, (f) all guarantees by such entity of indebtedness of others, (g) all Capital Lease Obligations of such entity, (h) all obligations, contingent or otherwise, of such entity as an account party in respect of letters of credit and letters of guaranty and (i) all obligations, contingent or otherwise, of such entity in respect of bankers’ acceptances; and

(xviii) for all other purposes, with respect to any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument or other evidence of indebtedness customary for indebtedness of that type, (b) all obligations of such Person under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (e) all indebtedness, obligations or liabilities of that Person in respect of derivatives, and (f) all obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clauses (a) through (e) of this clause (ii), but expressly excluding any obligation of such Person to fund any Loan Asset constituting a Revolving Loan Asset or a Delayed Draw Loan Asset.

“Indemnified Amounts” has the meaning assigned to that term in Section 8.01.

“Indemnified Party” has the meaning assigned to that term in Section 8.01.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower under this Agreement and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnifying Party” has the meaning assigned to that term in Section 8.03.

“Independent Director” means a natural person who, (A) for the five-year period prior to his or her appointment as Independent Director, has not been, and during the continuation of his or her service as Independent Director is not: (i) an employee, director, stockholder, member, manager, partner or officer of the Borrower, the Equityholder or any of their respective Affiliates (other than his or her service as an Independent Director, independent officer or other independent capacity of the Borrower or other Affiliates that are structured to be “bankruptcy remote”); (ii) a customer or supplier of the Borrower, the Equityholder or any of their Affiliates (other than his or her service as an Independent Director, independent officer or other independent capacity of the Borrower or other Affiliates that are structured to be “bankruptcy remote”); or (iii) any member of the immediate family of a person described in (i) or (ii), and (B) has, (i) prior experience as an Independent Director for a corporation or limited liability company whose charter documents required the unanimous consent of all Independent Directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (ii) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

“Indorsement” has the meaning specified in Section 8-102(a)(11) of the UCC, and “Indorsed” has a corresponding meaning.

“Initial Advance” means the first Advance made pursuant to Article II.

“Initial Payment Date” means the 15th day of April 2010 (or if such day is not a Business Day, the next succeeding Business Day).

“Instrument” has the meaning specified in Section 9-102(a)(47) of the UCC.

“Insurance Policy” means, with respect to any Loan Asset, an insurance policy covering liability and physical damage to, or loss of, the Underlying Collateral, or an ACORD certificate or other evidence of such insurance

“Insurance Proceeds” means any amounts received on or with respect to a Loan Asset under any Insurance Policy or with respect to any condemnation proceeding or award in lieu of condemnation which is neither required to be used to restore, improve or repair the related real estate nor required to be paid to the Obligor under the Loan Agreement other than, prior to an Event of Default hereunder and with prior notice to the Agent, any such amount for which the Servicer has consented, in its reasonable business discretion, to be used to restore, improve or repair the related property or otherwise to be paid to the Obligor under the Loan Agreement.

“Interest” means, with respect to any period and any Loan Asset, for the Obligor on such Loan Asset and any of its parents or Subsidiaries that are obligated under the Loan Agreement for such Loan Asset (determined on a consolidated basis without duplication in

accordance with GAAP), the meaning of “Interest” or any comparable definition in the Loan Agreement for each such Loan Asset and in any case that “Interest” or such comparable definition is not defined in such Loan Agreement, all interest in respect of Indebtedness (including the interest component of any payments in respect of Capital Lease Obligations) accrued or capitalized during such period (whether or not actually paid during such period).

“Interest Collection Account” means a sub-account (account number 787456-201 at the Bank) of the Collection Account into which Interest Collections shall be segregated.

“Interest Collections” means, (i) with respect to any Loan Asset, all payments and collections attributable to interest on such Loan Asset, including, without limitation, all scheduled payments of interest and payments of interest relating to principal prepayments, all guaranty payments attributable to interest and proceeds of any liquidations, sales, dispositions or securitizations attributable to interest on such Loan Asset and (ii) amendment fees, late fees, waiver fees or other amounts received in respect of Loan Assets.

“Interest Coverage Ratio” means, with respect to any Loan Asset for any Relevant Test Period, the meaning of “Interest Coverage Ratio” or any comparable definition in the Loan Agreement for each such Loan Asset, and in any case that “Interest Coverage Ratio” or such comparable definition is not defined in such Loan Agreement, the ratio of (a) EBITDA to (b) Interest.

“Joinder Supplement” means an agreement among the Borrower, a Lender and the Agent in the form of Exhibit E to this Agreement (appropriately completed) delivered in connection with a Person becoming a Lender hereunder after the Restatement Date.

“Last Out Attachment Ratio” means, with respect to any Loan Asset, as of any date of determination, an amount equal to the Senior Net Leverage Ratio with respect to all or any portion of such Loan Asset that constitutes first lien senior secured Indebtedness that is (or by its terms could become) subordinate in right of payment to one or more tranches of first lien senior secured indebtedness.

“Lender” means (i) Wells Fargo and (ii) each financial institution which may from time to time become a Lender hereunder by executing and delivering this Agreement or a Joinder Supplement to the Agent and the Borrower as contemplated by Section 2.22, and/or any other Person to whom a Lender assigns any part of its rights and obligations under this Agreement and the other Transaction Documents in accordance with the terms of Section 11.04. For the avoidance of doubt, the Swingline Lender shall constitute a “Lender” with respect to the repayment of Swingline Advances for all purposes hereunder.

“Lender Fee Letter” means each fee letter agreement that shall be entered into by and among the Borrower, the Servicer, the Agent and the applicable Lender in connection with the transactions contemplated by this Agreement, as amended, modified, waived, supplemented, restated or replaced from time to time.

“LIBOR” means, for any day during the Remittance Period, with respect to any Advance (or portion thereof) the greater of (x)(a) the rate *per annum* appearing on Reuters Screen LIBOR01 Page (or any successor or substitute page) as the London interbank offered rate for deposits in dollars at approximately 11:00 a.m., London time, for such day, provided, if such day is not a Business Day, the immediately preceding Business Day, for a one-month maturity; and (b) if no rate specified in clause (a) of this definition so appears on Reuters Screen LIBOR01 Page (or any successor or substitute page), the interest rate *per annum* at which dollar deposits of \$5,000,000 and for a one-month maturity are offered by the principal London office of Wells

Fargo in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, for such day and (y) zero.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, claim, preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale, lease or other title retention agreement, sale subject to a repurchase obligation, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing) or the filing of or agreement to give any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction.

“Lien Release Dividend” has the meaning assigned to that term in Section 2.07(d).

“Lien Release Dividend Date” means the date specified by the Borrower, which date may be any Business Day, provided written notice is given in accordance with Section 2.07(d).

“Loan Agreement” means the loan agreement, credit agreement or other agreement pursuant to which a Loan Asset has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Loan Asset or of which the holders of such Loan Asset are the beneficiaries.

“Loan Asset” means any loan originated or acquired by the Transferor in the ordinary course of its business (or, during the Acquisition Participation Elevation Period, any Acquisition Participation Interest in any such loan), which loan includes, without limitation, (i) the Required Loan Documents and Loan Asset File, and (ii) all right, title and interest of the Transferor in and to the loan and any Underlying Collateral (or the applicable Acquisition Participation Interest), but excluding, in each case, the Retained Interest, any Attached Equity and Excluded Amounts and which loan or Acquisition Participation Interest was (x) acquired from the Transferor by the Borrower prior to the Restatement Date pursuant to the Original Purchase and Sale Agreement or (y) acquired by the Borrower from the Equityholder under the Second Tier Purchase and Sale Agreement and by the Equityholder from the Transferor under the First Tier Purchase and Sale Agreement and owned by the Borrower on the initial Advance Date (as set forth on the Loan Asset Schedule delivered on the initial Advance Date) or acquired by the Borrower after the initial Advance Date pursuant to the delivery of the Loan Assignments and listed on Schedule I to such Loan Assignments (or in the case of the Acquisition Participation Interests, the applicable participation documentation), which Schedule I is in the possession of Ares Capital Funding LLC and includes specific accounts, instruments or general intangibles.

“Loan Asset Checklist” means an electronic or hard copy, as applicable, of a checklist delivered by or on behalf of the Borrower to the Collateral Custodian, for each Loan Asset, of all Required Loan Documents to be included within the respective Loan Asset File, which shall specify (i) whether such document is an original or a copy and (ii) whether such Loan Asset is a Third Party Acquired Loan Asset.

“Loan Asset File” means, with respect to each Loan Asset, a file containing (a) each of the documents and items as set forth on the Loan Asset Checklist with respect to such Loan Asset and (b) duly executed originals (to the extent required by the Servicing Standard) and copies of any other Records relating to such Loan Assets and Portfolio Assets pertaining thereto.

“Loan Asset Register” has the meaning assigned to that term in Section 5.03(1).

“Loan Asset Schedule” means the schedule of Loan Agreements evidencing Loan Assets delivered by the Borrower to the Collateral Custodian and the Agent. Each such schedule shall set forth, as to any Eligible Loan Asset to be Pledged hereunder, the applicable information specified on Schedule V, which shall also be provided to the Collateral Custodian in electronic format acceptable to the Collateral Custodian.

“Loan Assignments” means, collectively, the First Tier Loan Assignment (as such term is defined in the First Tier Purchase and Sale Agreement) and the Second Tier Loan Assignment (as such term is defined in the Second Tier Purchase and Sale Agreement).

“Loan-to-Value Ratio” means, with respect to any Loan Asset, as of any date of determination, the percentage equivalent of a fraction, (i) the numerator of which is equal to the commitment amount as provided in the applicable Loan Agreements of such Loan Asset plus the commitment amount of any other senior or *pari passu* Indebtedness of the related Obligor (including, in the case of Revolving Loan Assets and Delayed Draw Loan Assets, without duplication, the maximum availability thereof) and (ii) the denominator of which is equal to the enterprise value of the Underlying Collateral securing such Loan Asset (as determined by the Transferor in accordance with the Servicing Standard unless the Agent in its reasonable discretion disagrees with such determination, in which case the Agent shall determine the enterprise value of the Underlying Collateral).

“Management Agreement” means the Restated Investment Advisory and Management Agreement, dated as of June 6, 2011, between Ares Capital Corporation and Ares Capital Management LLC, as further amended, restated or otherwise modified from time to time.

“Margin Stock” means “margin stock” as such term is defined in Regulation T, U or X of the Federal Reserve Board.

“Material Adverse Effect” means, with respect to any event or circumstance, a material adverse effect on (a) the business, financial condition, operations, performance or properties of the Transferor, the Servicer or the Borrower, (b) the validity, enforceability or collectability of this Agreement or any other Transaction Document or the validity, enforceability or collectability of the Loan Assets generally or any material portion of the Loan Assets, (c) the rights and remedies of the Trustee, the Agent, any Lender and the Secured Parties with respect to matters arising under this Agreement or any other Transaction Document, (d) the ability of each of the Borrower and the Servicer, to perform their respective obligations under this Agreement or any other Transaction Document, or (e) the status, existence, perfection, priority or enforceability of the Trustee’s, the Agent’s or the other Secured Parties’ lien on the Collateral Portfolio.

“Material Modification” means any amendment or waiver of, or modification or supplement to, a Loan Agreement governing a Loan Asset executed or effected on or after the Cut-Off Date for such Loan Asset (or, solely in the case of clause (d)(ii)(y), a change to any loan senior to a Loan Asset) which:

(a) reduces or forgives any or all of the principal amount due under such Loan Asset;

(b) delays or extends the required or scheduled amortization in any way that increases the Average Life of such Loan Asset; provided that a “Material Modification” shall not be deemed to have occurred pursuant to this clause (b) if (x) the Average Life of such Loan Asset is increased by not more than 20% from its Average Life on the related Cut-Off Date and (y) the Net Leverage Ratio of such Loan Asset is not more than 85% of the maximum established in the Net Leverage Ratio covenant of such Loan Asset;

provided further that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Agent (with the consent of the Servicer (such consent not to be unreasonably withheld, delayed or conditioned)) may retroactively adjust the Net Leverage Ratio for any Loan Asset as determined on the applicable Cut-Off Date.

(c) waives one or more interest payments, permits any interest due in cash to be deferred or capitalized and added to the principal amount of such Loan Asset (other than any deferral or capitalization already allowed by the terms of the Loan Agreement of any Partial PIK Loan Asset), or reduces the spread or coupon with respect to such Loan Asset; provided that a “Material Modification” shall not be deemed to have occurred pursuant to this clause (c) if (x) such spread or coupon is reduced a maximum of one time and by not more than 20% from the spread or coupon on the related Cut-Off Date and (y) the Interest Coverage Ratio of such Loan Asset is greater than 2.0:1.0 at the time of such reduction; provided further that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Agent (with the consent of the Servicer (such consent not to be unreasonably withheld, delayed or conditioned)) may retroactively adjust the Interest Coverage Ratio for any Loan Asset as determined on the applicable Cut-Off Date.

(d) (i) in the case of a First Lien Loan Asset, contractually or structurally subordinates such Loan Asset by operation of a priority of payments, turnover provisions, the transfer of assets in order to limit recourse to the related Obligor or the granting of Liens (other than “permitted liens” as defined in the applicable Loan Agreement for such Loan Asset or such comparable definition if “permitted liens” is not defined therein, so long as such definition is reasonable and customary) on any of the Underlying Collateral securing such Loan Asset or (ii) in the case of a First Lien Last Out Loan Asset or Second Lien Loan Asset, (x) contractually or structurally subordinates such Loan Asset to any obligation (other than any loan which existed at the Cut-Off Date for such Loan Asset which is senior to such Loan Asset) by operation of a priority of payments, turnover provisions, the transfer of assets in order to limit recourse to the related Obligor or the granting of Liens (other than “permitted liens” as defined in the applicable Loan Agreement for such Loan Asset or such comparable definition if “permitted liens” is not defined therein, so long as such definition is reasonable and customary) on any of the Underlying Collateral securing such Loan Asset or (y) increases the commitment amount of any loan senior to such Loan Asset and the Net Leverage Ratio of such Loan Asset increases by more than 0.5x as a result of such increase;

(e) substitutes, alters or releases the Underlying Collateral securing such Loan Asset and each such substitution, alteration or release, as determined in the sole reasonable discretion of the Agent, materially and adversely affects the value of such Loan Asset;

(f) provides additional funds to the Obligor of such Loan Asset with the intent of keeping that Loan Asset current; or

(g) amends, waives, forbears, supplements or otherwise modifies (i) the meaning of “Senior Net Leverage Ratio”, “Net Leverage Ratio”, “Interest Coverage Ratio” or “Permitted Liens” or any respective comparable definitions in the Loan Agreement for such Loan Asset or (ii) any term or provision of such Loan Agreement referenced in or utilized in the calculation of the “Senior Net Leverage Ratio”, “Net Leverage Ratio”, “Interest Coverage Ratio” or “Permitted Liens” or any respective comparable definitions for such Loan Asset, in either case in a manner that, in the sole reasonable judgment of the Agent, is materially adverse to the Secured Parties; provided

that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Agent (with the consent of the Servicer (such consent not to be unreasonably withheld, delayed or conditioned)) may retroactively adjust the Interest Coverage Ratio, Senior Net Leverage Ratio or Net Leverage Ratio for any Loan Asset as determined on the applicable Cut-Off Date.

“Maximum Facility Amount” means the aggregate Commitments of the Lenders then in effect, which amount may be up to \$1,525,000,000, as such amount may vary from time to time pursuant to Section 2.18(b) or Section 2.22; provided that, at all times after the Reinvestment Period, the Maximum Facility Amount shall mean the aggregate Advances Outstanding at such time.

“Minimum Required Equity Amount” means, as of any date of determination, an amount equal to the greater of (i) \$300,000,000 and (ii) the sum of the Adjusted Borrowing Values of all Eligible Loan Assets attributable to the three Obligor having the largest Obligor concentration; such Obligor concentrations to be determined by summing, for each Obligor, the Adjusted Borrowing Values for all Eligible Loan Assets of such Obligor on such date of determination.

“Minimum Weighted Average Coupon” means ~~7.00~~5.00%.

“Minimum Weighted Average Coupon Test” means a test that will be satisfied on any date of determination if the Weighted Average Coupon of all Loan Assets included in the Collateral Portfolio is equal to or greater than the Minimum Weighted Average Coupon.

“Minimum Weighted Average Spread” means 3.00%.

“Minimum Weighted Average Spread Test” means a test that will be satisfied on any date of determination if the Weighted Average Spread of all Loan Assets included in the Collateral Portfolio is equal to or greater than the Minimum Weighted Average Spread.

“Monthly Period” means, for any date of determination, the period from but excluding the immediately preceding Determination Date to and including the immediately succeeding Determination Date.

“Moody’s” means Moody’s Investors Service, Inc. (or its successors in interest).

“Mortgage” means the mortgage, deed of trust or other instrument creating a Lien on an interest in real property securing a Loan Asset, including the assignment of leases and rents related thereto.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA to which, in the case of the Borrower, the Borrower or any ERISA Affiliate thereof, or in the case of the Servicer, the Servicer or any ERISA Affiliate thereof, contributed or had any obligation to contribute on behalf of its employees at any time during the current year or the preceding five years.

“Net Leverage Ratio” means, with respect to any Loan Asset for any Relevant Test Period, the meaning of “Net Leverage Ratio” or any comparable definition in the Loan Agreement for each such Loan Asset, and in any case that “Net Leverage Ratio” or such comparable definition is not defined in such Loan Agreement, the ratio of (a) Indebtedness *minus* Unrestricted Cash to (b) EBITDA.

“Ninth Amendment Effective Date” means October 2, 2017.

“Non-Usage Fee” has the meaning ascribed thereto in the Non-Usage Fee Letter.

“Non-Usage Fee Letter” means that certain non-usage fee letter agreement, dated as of the Eleventh Amendment Effective Date, by and among the Borrower, the Servicer and the Agent (on behalf of the Lenders), as amended, modified, waived, supplemented, restated or replaced from time to time.

“Noteless Loan Asset” means a Loan Asset with respect to which the Loan Agreements (i) do not require the Obligor to execute and deliver a promissory note to evidence the indebtedness created under such Loan Asset or (ii) require any holder of the indebtedness created under such Loan Asset to affirmatively request a promissory note from the related Obligor.

“Notice and Request for Consent” has the meaning assigned to that term in Section 2.07(d)(i).

“Notice of Borrowing” means an irrevocable written notice of borrowing from the Borrower to the Agent in the form attached hereto as Exhibit F.

“Notice of Reduction” means a notice of a reduction of the Advances Outstanding or a reduction of the aggregate Commitments, as applicable, pursuant to Section 2.18, in the form attached hereto as Exhibit G or Exhibit H, as applicable.

“Obligations” means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower to the Lenders, the Agent, the Bank, any Hedge Counterparty, the Trustee or the Collateral Custodian arising under this Agreement and/or any other Transaction Document and shall include, without limitation, all liability for principal of and interest on the Advances, Hedge Breakage Costs, Breakage Fees, indemnifications and other amounts due or to become due by the Borrower to the Lenders, any Hedge Counterparty, the Agent or the Trustee under this Agreement and/or any other Transaction Document, including, without limitation, any amounts payable under any Hedging Agreement (including, without limitation, payments in respect of the termination of any such Hedging Agreement), any Lender Fee Letter, any Commitment Termination Premium and costs and expenses payable by the Borrower to the Lenders, the Agent, the Bank, the Trustee or the Collateral Custodian, including reasonable attorneys’ fees, costs and expenses, including without limitation, interest, fees and other obligations that accrue after the commencement of an insolvency proceeding (in each case whether or not allowed as a claim in such insolvency proceeding).

“Obligor” means, collectively, each Person obligated to make payments under a Loan Agreement, including any guarantor thereof.

“Officer’s Certificate” means a certificate signed by the president, the secretary, an assistant secretary, the chief financial officer or any vice president, as an authorized officer, or any other authorized signatory, of any Person.

“Operating Lease Implementation” means the implementation by an Obligor of IFRS 16/ASC 842.

“Opinion of Counsel” means a written opinion of counsel, which opinion and counsel are acceptable to the Agent in its sole discretion; provided that Latham & Watkins LLP, Richards Layton & Finger, P.A. and Venable LLP shall be considered acceptable counsel for purposes of this definition.

“Optional Sale” has the meaning assigned to that term in Section 2.07(c).

“Optional Sale Date” means any Business Day, provided 45 days’ prior written notice is given in accordance with Section 2.07(c).

“Original Agreement” has the meaning assigned to that term in the Preliminary Statement.

“Original Loan Asset” means each Loan Asset acquired by the Borrower prior to the Restatement Date.

“Original Purchase and Sale Agreement” means that certain Purchase and Sale Agreement, dated as of November 3, 2004, by and between the Transferor, as the seller, and the Borrower, as the Buyer, as amended and modified prior to the Restatement Date.

“Other Connection Taxes” means, with respect to any Indemnified Party, Taxes imposed as a result of a present or former connection between such Indemnified Party and the jurisdiction imposing such Tax (other than connections arising from such Indemnified Party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement, or sold or assigned an interest in any obligation hereunder).

“Other Taxes” has the meaning assigned to that term in Section 11.07(b).

“Outstanding Balance” means, with respect to any Loan Asset as of any date of determination, the outstanding principal balance of any advances or loans made to the related Obligor pursuant to the related Loan Agreement as of such date of determination (exclusive of any interest and Accreted Interest).

“Partial PIK Loan Asset” has the meaning assigned to that term in the definition of “PIK Loan Asset”.

“Participating Member State” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Participation Agreement” means a participation agreement, with respect to any Acquisition Participation Interests, if any, in such form as may be approved by the Agent in its sole discretion.

“Participation Interest” means a participation interest in a loan that would, at the time of acquisition or the Borrower’s commitment to acquire the same, satisfy each of the following criteria: (i) such loan would constitute an Eligible Loan Asset were it acquired directly, (ii) the seller of the participation is the lender on the subject loan, (iii) the aggregate participation in the loan does not exceed the principal amount or commitment of such loan, (iv) such participation does not grant, in the aggregate, to the participant in such participation a greater interest than the seller holds in the loan or commitment that is the subject of the participation, (v) the entire purchase price for such participation is paid in full at the time of its acquisition, and (vi) the participation provides the participant all of the economic benefit and risk of the whole or part of the loan or commitment that is the subject of the loan participation.

“Payment Date” means the 15th day of each calendar month or, if such day is not a Business Day, the next succeeding Business Day; provided that the final Payment Date shall occur on the Collection Date.

“Payment Duties” has the meaning assigned to that term in Section 10.02(b)(i).

“Pension Plan” has the meaning assigned to that term in Section 4.01(x).

“Permitted Investment Required Ratings” means a long-term credit rating by Moody’s that is no lower than Moody’s then current long-term sovereign rating of the United States and by S&P that is no lower than S&P’s then current long-term sovereign rating of the United States, in the case of long-term debt obligations, or “Prime-1” by Moody’s (which is not then on credit watch for possible downgrade by Moody’s) and “A-1+” by S&P, in the case of commercial paper and short-term obligations; provided that if such obligation or security has a maturity of longer than 91 days, the issuer thereof must also have at the time of such investment a long-term credit rating by Moody’s that is no lower than Moody’s then current long-term sovereign rating of the United States and by S&P that is no lower than S&P’s then current long-term sovereign rating of the United States.

“Permitted Investments” means either cash or any United States dollar investment that, at the time it is delivered (directly or through an intermediary or bailee), (x) matures not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof, and (y) is one or more of the following obligations or securities:

(h) direct Registered obligations of, and Registered obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States or any agency or instrumentality of the United States the obligations of which are expressly backed by the full faith and credit of the United States;

(i) demand and time deposits in, certificates of deposit of, trust accounts with, bankers’ acceptances issued by, or federal funds sold by any depository institution or trust company incorporated under the laws of the United States (including the Bank) or any state thereof and subject to supervision and examination by federal and/or state banking authorities or with the Agent, in each case payable within 60 days after issuance, so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have the Permitted Investment Required Ratings;

(j) commercial paper or other short-term obligations (other than asset-backed commercial paper) that is payable in United States dollars with the Permitted Investment Required Ratings and that either bear interest or are sold at a discount from the face amount thereof and have a maturity of not more than 60 days from their date of issuance; and

(k) money market funds that have, at all times, credit ratings of “Aaa” and “MR1+” by Moody’s and “AAAm” or “AAAm-G” by S&P, respectively; and

provided that (1) Permitted Investments purchased with funds in any Controlled Account shall be held until maturity except as otherwise specifically provided herein and shall include only such obligations or securities, other than those referred to in clause (f) above, as mature (or are puttable at par to the issuer thereof) no later than the Business

Day prior to the next Payment Date unless such Permitted Investments are issued by the Collateral Agent in its capacity as a banking institution, in which event such Permitted Investments may mature on such Payment Date; and (2) none of the foregoing obligations or securities shall constitute Permitted Investments if (A) such obligation or security has an “f”, “r”, “p”, “pi”, “q” or “t” subscript assigned by S&P, (B) all, or substantially all, of the remaining amounts payable thereunder consist of interest and not principal payments, (C) payments with respect to such obligations or securities or proceeds of disposition are subject to withholding Taxes by any jurisdiction unless the payor is required to make “gross-up” payments that cover the full amount of any such withholding Taxes on an after-tax basis, (D) such obligation or security is secured by real property, (E) such obligation or security is purchased at a price greater than 100% of the principal or face amount thereof, (F) such obligation or security is subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action, (G) in the Servicer’s judgment, such obligation or security is subject to material non-credit related risks, (H) such obligation is a structured finance obligation or (I) such obligation or security is represented by a certificate of interest in a grantor trust. Any investment that is a Permitted Investment pursuant to the above provisions of this definition shall not be disqualified from being a Permitted Investment because it is issued by or made with the Bank or because the Bank or the Trustee or an Affiliate of the Bank or the Trustee provides services for such investment and receives compensation therefor); provided that, notwithstanding the foregoing clauses (a) through (d), unless the Borrower and the Servicer have received the written advice of counsel of national reputation experienced in such matters to the contrary (together with an Officer’s Certificate of the Borrower or the Servicer to the Agent that the advice specified in this definition has been received by the Borrower and the Servicer), Permitted Investments may only include obligations or securities that constitute cash equivalents for purposes of the rights and assets in paragraph (c)(8)(i)(B) of the exclusions from the definition of “covered fund” for purposes of the Volcker Rule.

“Permitted Liens” means any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced (a) Liens for state, municipal or other local Taxes if such Taxes shall not at the time be due and payable or if a Person shall currently be contesting the validity thereof in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of such Person, (b) Liens imposed by law, such as materialmen’s, warehousemen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens and other similar Liens, arising by operation of law in the ordinary course of business for sums that are not overdue or are being contested in good faith and (c) Liens granted pursuant to or by the Transaction Documents.

“Permitted Refinancing” means any refinancing transaction undertaken by the Transferor, the Borrower or an Affiliate of the Transferor that is secured, directly or indirectly, by any Loan Asset currently or formerly included in the Collateral Portfolio or any portion thereof or any interest therein released from the Lien of this Agreement.

“Permitted Securitization” means any private or public term or conduit securitization transaction (a) undertaken by the Transferor, the Borrower or an Affiliate of the Transferor, that is secured, directly or indirectly, by any Loan Asset currently or formerly included in the Collateral Portfolio or any portion thereof or any interest therein released from the Lien of this Agreement, including, without limitation, any collateralized loan obligation or collateralized debt obligation offering or other asset securitization and (b) in the case of a term securitization in which the Transferor or an Affiliate thereof or underwriter or placement agent has agreed to purchase or place 100% of the equity and non-investment grade tranches of notes issued in such term securitization transaction. For the avoidance of doubt, notwithstanding any agreement by the Transferor or an Affiliate to purchase or place 100% of the equity in such term

securitization transaction, any such party agreeing to so purchase or place may designate other Persons as purchasers of such equity provided such party or parties remain primarily liable therefor if such designees fail to purchase or place in connection with the closing date of such term securitization and/or, after the closing of such term securitization, may transfer equity it purchases at the closing thereof.

“Person” means an individual, partnership, corporation (including a statutory or business trust), company, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated association, sole proprietorship, joint venture, nonprofit corporation, group, sector, government (or any agency, instrumentality or political subdivision thereof), territory or other entity or organization.

“PIK Loan Asset” means a Loan Asset which provides for a portion of the interest that accrues thereon to be added to the principal amount of such Loan Asset for some period of the time prior to such Loan Asset requiring the current cash payment of such previously capitalized interest, which cash payment shall be treated as an Interest Collection at the time it is received; provided that, notwithstanding the foregoing, no Loan Asset shall constitute a PIK Loan Asset if the portion of the interest accruing thereon that is contractually required to be paid in cash accrues at a rate equal to or in excess of (a) the Ares LIBOR Rate *plus* 2.0%, if such Loan Asset is a Floating Rate Loan Asset with an interest rate based on the London interbank offered rate applicable to such Loan Asset pursuant to the Loan Agreement for such Loan Asset, (b) the Ares Prime Rate, if such Loan Asset is a Floating Rate Loan Asset with an interest rate based on the Ares Prime Rate, and (c) 6.0%, if such Loan Asset is a Fixed Rate Loan Asset (any such Loan Asset described in this proviso, a “Partial PIK Loan Asset”).

“Pledge” means the pledge of any Eligible Loan Asset or other Portfolio Asset pursuant to Article II.

“Pledge Agreement” means that certain Pledge Agreement, dated as of the Restatement Date, between the Equityholder, as pledgor, and the Trustee, as pledgee, as such Pledge Agreement may from time to time be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Portfolio Assets” means all Loan Assets owned by the Borrower, together with all proceeds thereof and other assets or property related thereto, including all right, title and interest of the Borrower in and to:

- (l) any amounts on deposit in any cash reserve, collection, custody or lockbox accounts securing the Loan Assets;
- (m) all rights with respect to the Loan Assets to which the Transferor is entitled as lender under the applicable Loan Agreement;
- (n) the Controlled Accounts, together with all cash and investments in each of the foregoing other than amounts earned on investments therein;
- (o) any Underlying Collateral securing a Loan Asset and all Recoveries related thereto, all payments paid in respect thereof and all monies due, to become due and paid in respect thereof accruing after the applicable Cut-Off Date and all liquidation proceeds;
- (p) all Required Loan Documents, the Loan Asset Files related to any Loan Asset, any Records, and the documents, agreements, and instruments included in the Loan Asset Files or Records;

(q) all Insurance Policies with respect to any Loan Asset;

(r) all Liens, guaranties, indemnities, warranties, letters of credit, accounts, bank accounts and property subject thereto from time to time purporting to secure or support payment of any Loan Asset, together with all UCC financing statements, mortgages or similar filings signed or authorized by an Obligor relating thereto;

(s) the Purchase and Sale Agreements (including, without limitation, rights of recovery of the Borrower against the Equityholder and the Transferor) and the assignment to the Trustee, for the benefit of the Secured Parties, of all UCC financing statements filed by the Borrower against the Equityholder and filed by the Equityholder against the Transferor under or in connection with the Purchase and Sale Agreements;

(t) any Hedging Agreement and all payments from time to time due thereunder;

(u) all records (including computer records) with respect to the foregoing; and

(v) all collections, income, payments, proceeds and other benefits of each of the foregoing.

“Prime Rate” means the rate announced by Wells Fargo from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Wells Fargo or any other specified financial institution in connection with extensions of credit to debtors.

“Principal Collection Account” means a sub-account (account number 787456-202 at the Bank) of the Collection Account into which Principal Collections shall be segregated.

“Principal Collections” means (i) any deposits by the Borrower in accordance with Section 2.06(a)(i) or Section 2.07(e)(i), (ii) with respect to any Loan Asset, all amounts received which are not Interest Collections, including, without limitation, all Recoveries, all Insurance Proceeds, all scheduled payments of principal and principal prepayments and all guaranty payments and proceeds of any liquidations, sales, dispositions or securitizations, in each case, attributable to the principal of such Loan Asset and (iii) all payments received pursuant to any Hedging Agreement or Hedge Transaction; provided that, for the avoidance of doubt, “Principal Collections” shall not include amounts on deposit in the Unfunded Exposure Account or amounts withdrawn pursuant to Section 2.21.

“Pro Rata Share” means, with respect to each Lender, the percentage obtained by dividing the Commitment of such Lender (as determined under clause (i) of the definition of “Commitment”), by the aggregate Commitments of all the Lenders (as determined under clause (i) of the definition of “Commitment”).

“Proceeds” means, with respect to any Collateral Portfolio, all property that is receivable or received when such Collateral Portfolio is collected, sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating to such Collateral Portfolio.

“Purchase and Sale Agreements” means the First Tier Purchase and Sale Agreement and the Second Tier Purchase and Sale Agreement.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“Records” means all documents relating to the Loan Assets, including books, records and other information executed in connection with the origination or acquisition of the Collateral Portfolio or maintained with respect to the Collateral Portfolio and the related Obligor that the Borrower, the Transferor or the Servicer have generated, in which the Borrower, the Transferor or the Equityholder have acquired an interest pursuant to the Purchase and Sale Agreements or in which the Borrower, the Transferor or the Equityholder have otherwise obtained an interest.

“Recoveries” means, as of the time any Underlying Collateral with respect to any Loan Asset subject to clauses (ii) or (iv) of the definition of “Value Adjustment Event”, as applicable, is sold, discarded or abandoned (after a determination by the Servicer that such Underlying Collateral has little or no remaining value) or otherwise determined to be fully liquidated by the Servicer in accordance with the Servicing Standard, the proceeds from the sale of the Underlying Collateral, the proceeds of any related Insurance Policy, any other recoveries with respect to such Loan Asset, as applicable, the Underlying Collateral, and amounts representing late fees and penalties, net of any amounts received that are required under such Loan Asset, as applicable, to be refunded to the related Obligor.

“Register” has the meaning assigned to that term in [Section 2.14](#).

“Registered” means, for the purposes of the definition of “Permitted Investments”, in registered form for United States federal income tax purposes and issued after July 18, 1984; provided that a certificate of interest in a grantor trust shall not be treated as Registered unless each of the obligations or securities held by the trust was issued after that date.

“Reinvestment Period” means the date commencing on the Eighth Amendment Effective Date and ending on the earliest to occur of (i) January 31, 2023 (or such later date as is agreed to in writing by the Borrower, the Servicer, the Agent and the Lenders pursuant to [Section 2.19](#)), (ii) the occurrence of an Event of Default (past any applicable notice or cure period provided in the definition thereof) and (iii) the date of any voluntary termination by the Borrower pursuant to [Section 2.18\(b\)](#); provided that if any of the foregoing is not a Business Day, the Reinvestment Period shall end on the next succeeding Business Day.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Release Date” has the meaning assigned to that term in [Section 2.07\(e\)](#).

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Relevant Test Period” means, with respect to any Loan Asset, the relevant test period for the calculation of Senior Net Leverage Ratio, Net Leverage Ratio or Interest Coverage Ratio, as applicable, for such Loan Asset in the Loan Agreements or, if no such period is provided for therein, for Obligor delivering monthly financing statements, each period of the last 12 consecutive reported calendar months, and for Obligor delivering quarterly financing statements, each period of the last four consecutive reported fiscal quarters of the principal Obligor on such Loan Asset; provided that with respect to any Loan Asset for which the relevant

test period is not provided for in the Loan Agreement, if an Obligor is a newly-formed entity as to which 12 consecutive calendar months have not yet elapsed, “Relevant Test Period” shall initially include the period from the date of formation of such Obligor to the end of the twelfth calendar month or fourth fiscal quarter (as the case may be) from the date of formation, and shall subsequently include each period of the last 12 consecutive reported calendar months or four consecutive reported fiscal quarters (as the case may be) of such Obligor.

“Remittance Period” means, (i) as to the Initial Payment Date, the period beginning on January 1, 2010 and ending on, and including, the Determination Date immediately preceding such Payment Date and (ii) as to any subsequent Payment Date, the period beginning on the first day after the most recently ended Remittance Period and ending on, and including, the Determination Date immediately preceding such Payment Date, or, with respect to the final Remittance Period, the Collection Date.

“Replacement Servicer” has the meaning assigned to that term in Section 6.01(c).

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than an event for which the 30 day notice period has been waived.

“Reporting Date” means the date that is two Business Days prior to each Payment Date.

“Required Lenders” means (i) so long as Wells Fargo (or an Affiliate of Wells Fargo) is the Agent hereunder, Wells Fargo (as a Lender hereunder) and its successors and assigns and (ii) the Lenders representing an aggregate of more than 50% of the aggregate Commitments of the Lenders then in effect; provided that, if there are two or more unaffiliated Lenders party to this Agreement as of the applicable date of determination, then at least two such Lenders shall be required to constitute the Required Lenders; provided further that the Commitment of, and the portion of any outstanding Advances, as applicable, held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided further that with respect to the waiver of an Event of Default pursuant to Section 11.01 or the appointment of a replacement Servicer pursuant to Section 6.01(c), Required Lenders shall also include each Lender holding 20% or more of the aggregate Commitments (provided that such Lender also held 20% or more of the aggregate Commitments as of the Thirteenth Amendment Effective Date).

“Required Loan Documents” means, for each Loan Asset, originals (except as otherwise indicated) of the following documents or instruments, all as specified on the related Loan Asset Checklist:

(w) (i) other than in the case of a Noteless Loan Asset, the original or, if accompanied by an original “lost note” affidavit and indemnity, a copy of, the underlying promissory note, endorsed by the Borrower or the prior holder of record either in blank or to the Trustee (and evidencing an unbroken chain of endorsements from each prior holder thereof evidenced in the chain of endorsements either in blank or to the Trustee, subject to Section 11.19), with any endorsement to the Trustee to be in the following form: “U.S. Bank National Association, as Trustee for the Secured Parties” and (ii) in the case of a Noteless Loan Asset (x) a copy of each transfer document or instrument relating to such Noteless Loan Asset evidencing the assignment of such Noteless Loan Asset to the Transferor and from the Transferor to the Borrower (or, in the case of Third Party Acquired Loan Assets purchased by the Transferor from third parties, from such third party directly to the Borrower as provided in Section 11.19) and from the Borrower either to the Trustee or in blank, and (y) a copy of the Loan Asset Register with respect to such Noteless Loan Asset, as described in Section 5.03(1)(ii);

(x) originals or copies of each of the following, to the extent applicable to the related Loan Asset; any related loan agreement, credit agreement, note purchase agreement, security agreement (if separate from any Mortgage), sale and servicing agreement, acquisition agreement, subordination agreement, intercreditor agreement or similar instruments, guarantee, Insurance Policy, assumption or substitution agreement or similar material operative document, in each case together with any amendment or modification thereto, as set forth on the Loan Asset Checklist;

(y) if any Loan Asset is secured by a Mortgage, in each case as set forth in the Loan Asset Checklist:

(i) either (i) the original Mortgage, the original assignment of leases and rents, if any, and the originals of all intervening assignments, if any, of the Mortgage and assignments of leases and rents with evidence of recording thereon, (ii) copies thereof certified by the Servicer, by closing counsel or by a title company or escrow company to be true and complete copies thereof where the originals have been transmitted for recording until such time as the originals are returned by the public recording office; provided that, solely for purposes of the Review Criteria, the Collateral Custodian shall have no duty to ascertain whether any certification set forth in this subsection (c)(ii) has been received, other than a certification which has been clearly delineated as being provided by the Servicer or (iii) copies certified by the public recording offices where such documents were recorded to be true and complete copies thereof in those instances where the public recording offices retain the original or where the original recorded documents are lost; and

(ii) other than with respect to any Agented Note, to the extent the Borrower is the sole lender under the Loan Agreement, an Assignment of Mortgage and of any other material recorded security documents (including any assignment of leases and rents) in recordable form, executed by the Borrower or the prior holder of record, in blank or to the Trustee (and evidencing an unbroken chain of assignments from the prior holder of record to the Trustee), with any assignment to the Trustee to be in the following form: "U.S. Bank National Association, as Trustee for the Secured Parties";

(d) with respect to any Loan Asset originated by the Transferor and with respect to which the Transferor acts as administrative agent (or in a comparable capacity), either (i) copies of the UCC-1 Financing Statements, if any, and any related continuation statements, each showing the Obligor as debtor and the Trustee as total assignee or showing the Obligor, as debtor and the Transferor as secured party and each with evidence of filing thereon, or (ii) copies of any such financing statements certified by the Servicer to be true and complete copies thereof in instances where the original financing statements have been sent to the appropriate public filing office for filing, in each case as set forth in the Loan Asset Checklist; and

(e) with respect to any Acquisition Participation Interest, prior to the elevation thereof by assignment, the participation interest documentation.

"Required Reports" means, collectively, the Servicing Report required pursuant to Section 6.08(b), the Servicer's Certificate required pursuant to Section 6.08(c), the financial statements of the Servicer required pursuant to Section 6.08(d), the tax returns of the Borrower and the Servicer required pursuant to Section 6.08(e), the financial statements and valuation reports of each Obligor required pursuant to Section 6.08(f), the annual statements as to

compliance required pursuant to [Section 6.09](#), and the annual independent public accountant's report required pursuant to [Section 6.10](#).

“[Responsible Officer](#)” means, with respect to any Person, any duly authorized officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other duly authorized officer of such Person to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

“[Restatement Agreement](#)” has the meaning assigned to that term in the preamble hereto.

“[Restatement Date](#)” means January 22, 2010.

“[Restricted Junior Payment](#)” means (i) any dividend or other distribution, direct or indirect, on account of any class of membership interests of the Borrower now or hereafter outstanding, except a dividend paid solely in interests of that class of membership interests or in any junior class of membership interests of the Borrower; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any class of membership interests of the Borrower now or hereafter outstanding, (iii) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire membership interests of the Borrower now or hereafter outstanding, and (iv) any payment of management fees by the Borrower (except for reasonable management fees to the Transferor or its Affiliates in reimbursement of actual management services performed). For the avoidance of doubt, (x) payments and reimbursements due to the Servicer in accordance with this Agreement or any other Transaction Document do not constitute Restricted Junior Payments, and (y) distributions by the Borrower to holders of its membership interests of Loan Assets or of cash or other proceeds relating thereto which have been substituted by the Borrower in accordance with this Agreement shall not constitute Restricted Junior Payments.

“[Retained Interest](#)” means, with respect to any Agented Note that is transferred to the Borrower, (i) all of the obligations, if any, of the agent(s) under the documentation evidencing such Agented Note and (ii) the applicable portion of the interests, rights and obligations under the documentation evidencing such Agented Note that relate to such portion(s) of the indebtedness that is owned by another lender.

“[Revenue Recognition Implementation](#)” means the implementation by an Obligor of IFRS 15/ASC 606.

“[Review Criteria](#)” has the meaning assigned to that term in [Section 12.02\(b\)\(i\)](#).

“[Revolving Loan Asset](#)” means a Loan Asset that is a line of credit or contains an unfunded commitment arising from an extension of credit by the Transferor to an Obligor, pursuant to the terms of which amounts borrowed may be repaid and subsequently reborrowed.

“[SBIC Subsidiary](#)” means any direct or indirect wholly-owned Subsidiary (including such Subsidiary's general partner or managing entity to the extent that the only material asset of such general partner or managing entity is its equity interests in the SBIC Subsidiary) of the Borrower licensed as a small business investment company under the Small Business Investment Act of 1958, as amended (or that has applied for such a license and is actively pursuing the granting thereof by appropriate proceedings promptly instituted and diligently conducted), and which is designated by the Borrower (pursuant to a certificate of a financial officer delivered to the Agent) as an SBIC Subsidiary.

“S&P” means S&P Global Ratings and any successor thereto.

“Sanction” or “Sanctions” means, individually and collectively, respectively, any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order; (b) the United Nations Security Council; (c) the European Union; (d) the United Kingdom; or (e) any other Governmental Authorities with jurisdiction over the Borrower, the Servicer, the Equityholder or any of their respective Subsidiaries.

“Sanctioned Person” means any Person that is a target of Sanctions, including without limitation, a Person that is: (a) listed on OFAC’s Specially Designated Nationals (SDN) and Blocked Persons List; (b) listed on OFAC’s Consolidated Non-SDN List; (c) a legal entity that is deemed by OFAC to be a Sanctions target based on the direct or indirect ownership or control of such legal entity by Sanctioned Person(s); or (d) a Person that is a Sanctions target pursuant to any territorial or country-based Sanctions program.

“Scheduled Payment” means each scheduled payment of principal and/or interest required to be made by an Obligor on the related Loan Asset, as adjusted pursuant to the terms of the related Loan Agreement.

“Second Amendment Effective Date” means January 18, 2011.

“Second Lien Loan Asset” means any Loan Asset that (i) is secured by a valid and perfected second priority security interest on all of the Obligor’s assets constituting Underlying Collateral for the Loan Asset (whether or not there is also a security interest of a higher or lower priority in additional collateral), subject to any expressly permitted liens under the applicable covenants in the Loan Agreement for such Loan Asset, including those set forth in “permitted liens” as defined in the applicable Loan Agreement for such Loan Asset or such comparable definition if “permitted liens” is not defined therein, so long as such definition is reasonable and customary, (ii) with respect to priority of payment obligations is *pari passu* with the indebtedness of the holder with the first priority security interest except after an event of default thereunder, (iii) pursuant to an intercreditor agreement between the Borrower and the holder of such first priority security interest, the amount of the indebtedness covered by such first priority security interest is limited (in terms of aggregate dollar amount or percent of outstanding principal or both), and (iv) has a Loan-to-Value Ratio of not greater than 70%.

“Second Tier Loan Assignment” has the meaning set forth in the Second Tier Purchase and Sale Agreement.

“Second Tier Purchase and Sale Agreement” means that certain Second Tier Purchase and Sale Agreement, dated as of the Restatement Date, between the Equityholder, as the seller, and the Borrower, as the purchaser, as amended, modified, waived, supplemented, restated or replaced from time to time.

“Secured Party” means each of the Agent, each Lender (together with its successors and assigns), the Trustee, the Collateral Custodian, the Bank and each Hedge Counterparty.

“Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Seller Parties” has the meaning assigned to that term in the definition of “Acquisition Agreement”.

“Senior Net Leverage Ratio” means, with respect to any Loan Asset for any Relevant Test Period, the meaning of “Senior Net Leverage Ratio” or any comparable definition relating to first lien senior secured (or such applicable lien or applicable level within the capital structure) Indebtedness in the Loan Agreement for each such Loan Asset, and in any case that “Senior Net Leverage Ratio” or such comparable definition is not defined in such Loan Agreement, the ratio of (a) first lien senior secured (or such applicable lien or applicable level within the capital structure) Indebtedness (including First Lien Last Out Loan Assets) *minus* Unrestricted Cash, as of the applicable test date, to (b) EBITDA, for the applicable test period, as calculated by the Servicer in good faith using information from and calculations consistent with the relevant compliance statements and financial reporting packages provided by the relevant Obligor as per the requirements of the related Loan Agreement.

“Servicer” means at any time the Person then authorized, pursuant to Section 6.01 to service, administer, and collect on the Loan Assets and exercise rights and remedies in respect of the same.

“Servicer Pension Plan” has the meaning assigned to that term in Section 4.03(p).

“Servicer Termination Event” means the occurrence of any one or more of the following events:

(f) any failure by the Servicer to make any payment, transfer or deposit into the Collection Account (including, without limitation, with respect to bifurcation and remittance of Interest Collections and Principal Collections) or the Unfunded Exposure Account, as required by this Agreement or any Transaction Document which continues unremedied for a period of two Business Days;

(g) any failure on the part of the Servicer duly to (i) observe or perform in any material respect any other covenants or agreements of the Servicer set forth in this Agreement or the other Transaction Documents to which the Servicer is a party (including, without limitation, any material delegation of the Servicer’s duties that is not permitted by Section 6.01 of this Agreement) or (ii) comply in any material respect with the Servicing Standard regarding the servicing of the Collateral Portfolio and in each case the same continues unremedied for a period of 30 days (if such failure can be remedied) after the earlier to occur of (x) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Servicer by the Agent or the Trustee and (y) the date on which a Responsible Officer of the Servicer acquires knowledge thereof;

(h) the failure of the Servicer to make any payment when due (after giving effect to any related grace period) under one or more agreements for borrowed money to which it is a party in an aggregate amount in excess of United States \$100,000,000, individually or in the aggregate, or the occurrence of any event or condition that has resulted in the acceleration of such amount of recourse debt whether or not waived;

(i) a Bankruptcy Event shall occur with respect to the Servicer;

(j) [Reserved];

(k) Ares or an Affiliate thereof shall cease to be the Servicer including by resignation otherwise permitted hereunder;

- (l) at any time, Ares fails to maintain the Asset Coverage Ratio at greater than or equal to 1.50:1.00;
- (m) Ares permits Shareholders' Equity at the last day of any of its fiscal quarters to be less than \$3,900,000,000 plus 25% of the net proceeds of the sale of equity interests by the Servicer and its Subsidiaries after March 30, 2018;
- (n) [Reserved];
- (o) any failure by the Servicer to deliver (i) any required Servicing Report on or before the date occurring two Business Days after the date such report is required to be made or given, as the case may be or (ii) any other Required Reports hereunder on or before the date occurring five Business Days after the date such report is required to be made or given, as the case may be, in each case under the terms of this Agreement;
- (p) any representation, warranty or certification made by the Servicer in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made, which has a Material Adverse Effect on the Agent or any of the Secured Parties and continues to be unremedied for a period of 30 days after the earlier to occur of (i) the date on which written notice of such incorrectness requiring the same to be remedied shall have been given to the Servicer by the Agent or the Trustee and (ii) the date on which a Responsible Officer of the Servicer acquires knowledge thereof;
- (q) any financial or other information reasonably requested by the Agent or the Trustee is not provided as requested within a reasonable amount of time following such request;
- (r) the rendering against the Servicer of one or more final judgments, decrees or orders for the payment of money in excess of United States \$100,000,000, individually or in the aggregate (excluding, in each case, any amounts covered by insurance), and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than 60 consecutive days after the later of (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished, without such judgment, decree or order being vacated, stayed or discharged during such 60 day period;
- (s) any change in the control of the Servicer that takes the form of either a merger or consolidation that does not comply with the provisions of Section 5.04(a) of this Agreement;
- (t) the occurrence of the Facility Maturity Date;
- (u) an Affiliate of the Servicer fails to be the Equityholder; or
- (v) any other event (i) which has caused, or which may cause, a Material Adverse Effect on the assets, liabilities, financial condition, business or operations of the Servicer or (ii) which has caused, or which would reasonably be expected to cause, a Material Adverse Effect on the ability of the Servicer to meet its obligations under the Transaction Documents to which it is a party.

“Servicer Termination Notice” has the meaning assigned to that term in Section 6.01(b).

“Servicer’s Certificate” has the meaning assigned to that term in Section 6.08(c).

“Servicing Fees” means the fee payable to the Servicer on each Payment Date in arrears in respect of each Remittance Period, which fee shall be equal to the product of (i) 0.50%, (ii) the arithmetic mean of the aggregate outstanding principal balance of the Collateral Portfolio on the first day and on the last day of the related Remittance Period and (iii) the actual number of days in such Remittance Period *divided by* 360.

“Servicing File” means, for each Loan Asset, (a) copies of each of the Required Loan Documents and (b) any other portion of the Loan Asset File which is not part of the Required Loan Documents.

“Servicing Report” has the meaning assigned to that term in Section 6.08(b).

“Servicing Standard” means, with respect to any Loan Assets included in the Collateral Portfolio, to service and administer such Loan Assets on behalf of the Secured Parties in accordance with Applicable Law, the terms of this Agreement, the Loan Agreements, all customary and usual servicing practices for loans like the Loan Assets and, to the extent consistent with the foregoing, (i) if the Servicer is the originator or an Affiliate thereof, the higher of: (A) in a manner which the Servicer believes to be consistent with the practices and procedures followed by institutional servicers of national standing relating to assets of the nature and character of the Loan Assets, and (B) the same care, skill, prudence and diligence with which the Servicer services and administers loans for its own account or for the account of others, and (ii) if the Servicer is not the originator or an Affiliate thereof, the same care, skill, prudence and diligence with which the Servicer services and administers loans for its own account or for the account of others.

“Seventh Amendment Effective Date” means May 14, 2014.

“Shareholders’ Equity” means, at any date, the amount determined on a consolidated basis, without duplication, in accordance with GAAP, of shareholders equity for the Servicer and its Subsidiaries at such date.

[“SOFR” means with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, \(or a successor administrator\) on the Federal Reserve Bank of New York’s Website.](#)

[“SOFR-Based Rate” means SOFR or Term SOFR.](#)

“Spread Differential” means, for any date of determination, (a) the weighted average interest rate of the Loan Assets included in the Collateral Portfolio (and for the avoidance of doubt, with respect to Floating Rate Loan Assets, including LIBOR) on such date *minus* (b) the Yield Rate for such date.

“Spread Excess” means, as of any date of determination, a fraction (expressed as a percentage) the numerator of which is the product of (i) the greater of zero and the excess of the Weighted Average Spread for such date of determination over the Minimum Weighted Average Spread on such date of determination and (ii) the Adjusted Borrowing Value of all Floating Rate Loan Assets (excluding any defaulted Loan Assets) held by the Borrower as of such date of determination, and the denominator of which is the Adjusted Borrowing Value of all Fixed Rate Loan Assets (excluding any defaulted Loan Assets) held by the Borrower as of such date of determination.

“State” means one of the fifty states of the United States or the District of Columbia.

“Stated Maturity Date” means January 31, 2025 or such later date as is agreed to in writing by the Borrower, the Servicer, the Agent and the Lenders pursuant to Section 2.19.

“Subsidiary” means with respect to a person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such person.

“Substitute Eligible Loan Asset” means each Eligible Loan Asset Pledged by the Borrower to the Trustee, on behalf of the Secured Parties, pursuant to Section 2.07(a) or Section 2.07(e)(ii).

“Supermajority” means a combination of Lenders representing an aggregate of more than 66-2/3% of the aggregate Commitments of the Lenders then in effect; provided that, if there are two or more unaffiliated Lenders party to this Agreement as of the applicable date of determination, then at least two such Lenders shall be required to constitute a Supermajority; provided further that the Commitment of, and the portion of any outstanding Advances, as applicable, held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of a Supermajority.

“Swingline Advance” means any swingline loan made by the Swingline Lender to the Borrower pursuant to Section 2.01, and all such swingline loans collectively as the context requires.

“Swingline Commitment” means the commitment of the Swingline Lender to fund Swingline Advances, subject to the terms and conditions herein, in an amount not greater than \$175,000,000 (without regard to any future reimbursement of Swingline Advances by the Lenders), as such amount may be reduced, increased or assigned from time to time pursuant to the provisions of this Agreement. The Swingline Commitment is a sub-limit of the Commitment of the Swingline Lender, in its capacity as a Lender hereunder, and is not in addition thereto.

“Swingline Lender” means Wells Fargo in its capacity as swingline lender hereunder or any successor thereto.

“Swingline Refund Date” has the meaning assigned to that term in Section 2.25(a).

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which TARGET2 is open for the settlement of payments in EUR.

“Taxes” means any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including interest, penalties, and additions thereto) that are imposed by any Governmental Authority.

“Term Loan Asset” means a Loan Asset that is a term loan that has been fully funded and does not contain any unfunded commitment on the part of the Transferor arising from an extension of credit by the Transferor to an Obligor.

“Term SOFR” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice” means a notification by the Agent to the Lenders of (i) the occurrence of a Term SOFR Transition Event and (ii) the determination of the proposed Benchmark Replacement Adjustment related to Term SOFR, if any.

“Term SOFR Transition Event” means the determination by the Agent, in consultation with the Borrower, that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Agent and (c) this Agreement was previously amended to provide for a Benchmark Replacement that is not Term SOFR.

“Third Party Acquired Loan Asset” means any Loan Asset purchased by the Transferor from third parties not Affiliated with the Transferor and then sold from the Transferor to the Equityholder pursuant to the First Tier Purchase and Sale Agreement and from the Equityholder to the Borrower pursuant to the Second Tier Purchase and Sale Agreement.

“Thirteenth Amendment Effective Date” means January 31, 2020.

“Transaction Documents” means this Agreement, any Hedging Agreement, any Joinder Supplement, the Purchase and Sale Agreements, the Participation Agreement, the Collection Account Agreement, the Unfunded Exposure Account Agreement, the Trustee and Collateral Custodian Fee Letter, any Lender Fee Letter, the Pledge Agreement and each document, instrument or agreement related to any of the foregoing.

“Transferee Letter” has the meaning assigned to that term in Section 2.22.

“Transferor” means Ares, in its capacity as the transferor hereunder and as the seller under the First Tier Purchase and Sale Agreement, together with its successors and assigns in such capacity.

“Trustee” has the meaning assigned to that term in the preamble hereto.

“Trustee Expenses” means the trustee expenses set forth in the Trustee and Collateral Custodian Fee Letter and any other accrued and unpaid fees, expenses (including reasonable attorneys’ fees, costs and expenses) and indemnity amounts payable by the Borrower or the Servicer to the Trustee under the Transaction Documents.

“Trustee and Collateral Custodian Fee Letter” means the Trustee and Collateral Custodian Fee Letter, dated as of the Restatement Date and amended and restated on the Fifth Amendment Effective Date, between the Trustee, the Collateral Custodian, the Borrower, the Servicer and the Agent, as such letter may be amended, modified, supplemented, restated or replaced from time to time.

“Trustee Fees” means the trustee fees set forth in the Trustee and Collateral Custodian Fee Letter, as such fee letter may be amended, restated, supplemented and/or otherwise modified from time to time.

“Trustee Termination Notice” has the meaning assigned to that term in Section 10.05.

“U.S. Bank” has the meaning assigned to that term in the preamble hereto.

“U.S. Person” has the meaning assigned to that term in Section 2.11(d)(ii)(A).

“U.S. Tax Compliance Certificate” has the meaning assigned to that term in Section 2.11(d)(ii)(B)(3).

“UCC” means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“Underlying Collateral” means, with respect to a Loan Asset, any property or other assets designated and pledged or mortgaged as collateral to secure repayment of such Loan Asset, as applicable, including, without limitation, mortgaged property and/or a pledge of the stock, membership or other ownership interests in the related Obligor and all proceeds from any sale or other disposition of such property or other assets.

“Unfunded Exposure Account” means a special trust account (account number 787456-702 at the Bank) in the name of the Borrower subject to the Lien of the Trustee for the benefit of the Secured Parties; provided that the funds deposited therein (including any interest and earnings thereon) from time to time shall constitute the property and assets of the Borrower and the Borrower shall be solely liable for any Taxes payable with respect to the Unfunded Exposure Account.

“Unfunded Exposure Account Agreement” means that certain controlled account agreement (unfunded exposure account), dated as of the Second Amendment Effective Date, among the Borrower, the Servicer, the Bank, the Agent, and the Trustee, which agreement relates to the Unfunded Exposure Account, as such agreement may from time to time be amended, supplemented or otherwise modified in accordance with the terms thereof.

“Unfunded Exposure Amount” means, as of any date of determination, the amount, if any, by which (i) the aggregate of all Exposure Amounts exceeds (ii) the amount on deposit in the Unfunded Exposure Account.

“Unfunded Exposure Equity Amount” means, as of any date of determination, with respect to any Revolving Loan Asset or Delayed Draw Loan Asset, an amount equal to (a) the Exposure Amount for such Revolving Loan Asset or Delayed Draw Loan Asset *multiplied by* (b) the difference of 100% *minus* the product of (i) the Applicable Percentage for such Revolving Loan Asset or Delayed Draw Loan Asset and (ii) the Assigned Value for such Revolving Loan Asset or Delayed Draw Loan Asset.

“Unfunded Exposure Equity Shortfall” means, as of any date of determination, an amount equal to the excess, if any, of (i) the aggregate of all Unfunded Exposure Equity Amounts over (ii) the amount on deposit in the Unfunded Exposure Account.

“United States” means the United States of America.

“Unmatured Event of Default” means any event that, if it continues uncured, will, with lapse of time, notice or lapse of time and notice, constitute an Event of Default.

“Unrestricted Cash” the meaning of “Unrestricted Cash” or any comparable definition in the Loan Agreements for each Loan Asset, and in any case that “Unrestricted Cash” or such comparable definition is not defined in such Loan Agreement, all cash available for use for general corporate purposes and not held in any reserve account or legally or contractually restricted for any particular purposes or subject to any lien (other than blanket liens permitted under or granted in accordance with such Loan Agreement).

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“Value Adjustment Event” means, with respect to any Loan Asset, the occurrence of any one or more of the following events after the related Cut-Off Date:

(i) (x) The Interest Coverage Ratio for any Relevant Test Period with respect to such Loan Asset is (A) less than 90% of the Interest Coverage Ratio with respect to such Loan Asset as calculated on the applicable Cut-Off Date and (B) less than 1.50:1.00, or (y) the Senior Net Leverage Ratio (or, with respect to any Second Lien Loan Asset or Designated Loan Asset, the Net Leverage Ratio) for any Relevant Test Period of the related Obligor with respect to such Loan Asset is (A) more than 0.50x higher than such ratio as calculated on the applicable Cut-Off Date and (B) greater than 3.50:1.00; provided that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Agent (with the consent of the Servicer (such consent not to be unreasonably withheld, delayed or conditioned)) may retroactively adjust the Interest Coverage Ratio, the Senior Net Leverage Ratio, or the Net Leverage Ratio for any Loan Asset as determined on the applicable Cut-Off Date;

(ii) an Obligor payment default under any Loan Asset (after giving effect to any applicable grace or cure periods, but in any case not to exceed five Business Days, in accordance with the Loan Agreement);

(iii) (x) the failure to deliver a “loan level” financial reporting package no later than 45 days after the end of each month (to the extent required by the underlying loan documents), 60 days after the end of each quarter or 130 days after the end of each fiscal year, or such greater number of days as allowed in the Loan Agreement, including any grace and/or cure periods set forth in the Loan Agreement, but which shall in no case exceed 150 days after the end of each fiscal year (unless waived or otherwise agreed to by the Agent in its sole discretion) or (y) any other Obligor default under any Loan Asset (after giving effect to any applicable grace or cure periods in accordance with the Loan Agreement) that could reasonably be expected to have a material and adverse effect on the creditworthiness of such Obligor or on the collectability of any amount required to be paid under the related Loan Agreement for such Loan Asset;

(iv) a Bankruptcy Event with respect to the related Obligor;

(v) the occurrence of a Material Modification (in accordance with clauses (b)-(c) or clauses (e)-(g) of the definition thereof) with respect to such Loan Asset; or

(vi) the occurrence of a Material Modification (in accordance with clauses (a) or (d) of the definition thereof) with respect to such Loan Asset.

“Volcker Rule” means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

“Warranty Event” means, as to any Loan Asset, the discovery that as of the related Cut-Off Date for such Loan Asset there existed a breach of any representation or warranty relating to such Loan Asset, whether pursuant to this Agreement (as amended and restated) or pursuant to the Restatement Agreement or to the Original Agreement, as applicable (other than any representation or warranty that the Loan Asset satisfies the criteria of the definition of Eligible Loan Asset) and the failure of Borrower to cure such breach, or cause the same to be cured, within 30 days after the earlier to occur of the Borrower’s receipt of notice thereof from the Agent or the Borrower becoming aware thereof.

“Warranty Loan Asset” means any Loan Asset that fails to satisfy any criteria of the definition of Eligible Loan Asset as of the Cut-Off Date for such Loan Asset (or any Loan Asset that failed to satisfy any criteria of the definition of “Eligible Loan” as defined in the Restatement Agreement or the Original Agreement, as applicable, as of the Cut-Off Date for such Loan Asset) or a Loan Asset with respect to which a Warranty Event has occurred; provided that any Loan Asset approved by the Agent in accordance with Section 11 of Schedule III on the applicable Cut-Off Date shall not be a Warranty Loan Asset due to the failure of such Loan Asset to satisfy the requirements of Section 11 of Schedule III on any date thereafter.

“Weighted Average Applicable Percentage” means, on any date of determination, the number (expressed as a percentage) equal to a fraction (i) the numerator of which is the sum of the products of (a) the Applicable Percentage of each Eligible Loan Asset included in the Collateral Portfolio on such date *multiplied by* (b) the Adjusted Borrowing Value of the applicable Eligible Loan Asset on such date, and (ii) the denominator of which is the aggregate Adjusted Borrowing Value of all Eligible Loan Assets forming a part of the Collateral Portfolio on such date.

“Weighted Average Coupon” means, as of any date of determination, the number (expressed as a percentage) equal to (i) the Aggregate Funded Coupon *divided by* (ii) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets included in the Collateral Portfolio that are Fixed Rate Loan Assets; provided that, if the foregoing amount is less than the Minimum Weighted Average Coupon, the amount of the Spread Excess, if any, as of such date of determination, shall be added to such amount.

“Weighted Average Spread” means, as of any date of determination, the number (expressed as a percentage) equal to (i) the Aggregate Funded Spread *divided by* (ii) the aggregate Adjusted Borrowing Value of all Eligible Loan Assets included in the Collateral Portfolio that are Floating Rate Loan Assets; provided that, if the foregoing amount is less than the Minimum Weighted Average Spread, the amount of the Fixed Rate Excess, if any, as of such date of determination, added to such amount.

“Wells Fargo” has the meaning assigned to that term in the preamble hereto.

“Wells Fargo Fee Letter” means the Lender Fee Letter, dated the Closing Date and amended and restated on the Eleventh Amendment Effective Date, among the Borrower, Ares, the Agent and Wells Fargo (as further amended, modified, supplemented or restated from time to time).

“Write-Down and Conversion Powers” has the meaning assigned to that term in Section 11.14.

“WFS” has the meaning assigned to that term in the Preliminary Statement.

“Yield” means with respect to any Remittance Period, the sum for each day in such Remittance Period determined in accordance with the following formula:

$$\frac{YR \times L}{D}$$

where:

YR	=	the Yield Rate applicable on such day;
L	=	the Advances Outstanding on such day; and
D	=	360 or, to the extent the Yield Rate is the Base Rate, 365 or 366 days, as applicable;

provided that (i) no provision of this Agreement shall require the payment or permit the collection of Yield in excess of the maximum permitted by Applicable Law and (ii) Yield shall not be considered paid by any distribution if at any time such distribution is later required to be rescinded by any Lender to the Borrower or any other Person for any reason including, without limitation, such distribution becoming void or otherwise avoidable under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code.

“Yield Rate” means, as of any date of determination, an interest rate *per annum* equal to LIBOR for such date (not less than zero) *plus* the Applicable Spread; provided that (i) if any Lender shall have notified the Agent that a Eurodollar Disruption Event has occurred, the Yield Rate with respect to Advances of such Lender shall be equal to the Base Rate *plus* the Applicable Spread until such Lender shall have notified the Agent that such Eurodollar Disruption Event has ceased, at which time the Yield Rate with respect to Advances of such Lender shall again be equal to LIBOR for such date *plus* the Applicable Spread and (ii) if any Event of Default has occurred, the Yield Rate shall be increased to the Default Funding Rate, effective as of the date of the occurrence of such Event of Default, and shall remain at the Default Funding Rate following the occurrence of such Event of Default.

Section 1.02 Other Terms. All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.03 Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.04 Interpretation.

In each Transaction Document, unless a contrary intention appears:

(a) the singular number includes the plural number and vice versa;

- (b) reference to any Person includes such Person's successors and assigns but only if such successors and assigns are not prohibited by the Transaction Documents;
- (c) reference to any gender includes each other gender;
- (d) reference to day or days without further qualification means calendar days;
- (e) reference to any time means Charlotte, North Carolina time;
- (f) reference to the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";
- (g) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, modified, waived, supplemented, restated or replaced and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor;
- (h) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any Section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such Section or other provision;
- (i) reference to the "occurrence" of an Event of Default or a Servicer Termination Event means after any grace period applicable to such Event of Default or Servicer Termination Event and shall not include any Event of Default or Servicer Termination Event that has been expressly waived in writing in accordance with the terms of this Agreement; and
- (j) reference to the par or principal amount of any Loan Asset shall, unless otherwise expressly set forth herein, be calculated exclusive of accrued and Accreted Interest.
- (k) unless otherwise expressly stated in this Agreement, if at any time any change in generally accepted accounting principles (including the adoption of IFRS) would affect the computation of any covenant (including the computation of any financial covenant) set forth in this Agreement or any other Transaction Document, Borrower and Agent shall negotiate in good faith to amend such covenant to preserve the original intent in light of such change; provided, that, until so amended, (i) such covenant shall continue to be computed in accordance with the application of generally accepted accounting principles prior to such change and (ii) Borrower shall provide to Agent a written reconciliation in form and substance reasonably satisfactory to Agent, between calculations of such covenant made before and after giving effect to such change in generally accepted accounting principles.

ARTICLE II.

THE FACILITY

Section 1.01 Advances.

- (a) Advances. On the terms and conditions hereinafter set forth, from time to time from the Closing Date until the end of the Reinvestment Period, the Borrower may request

that the Lenders make Advances to the Borrower secured by the Collateral Portfolio, in an aggregate amount up to the Availability as of such date, (x) to the Borrower for the purpose of purchasing Eligible Loan Assets or as otherwise permitted in accordance with Section 5.02(i) or (y) to the Unfunded Exposure Account in an amount up to, prior to the end of the Reinvestment Period, the aggregate of all Unfunded Exposure Equity Amounts and, on the last day of the Reinvestment Period, the Exposure Amount Shortfall; provided that, other than pursuant to Section 2.02(f), no Lender shall be obligated to make any Advance on or after the earlier to occur of the last day of the Reinvestment Period or the date that is two Business Days prior to the Stated Maturity Date. Other than pursuant to Section 2.02(f), under no circumstances shall any Lender be required to make any Advance if after giving effect to such Advance and the addition to the Collateral Portfolio of the Eligible Loan Assets being acquired by the Borrower using the proceeds of such Advance, (i) an Event of Default has occurred or would result therefrom or an Unmatured Event of Default exists or would result therefrom or (ii) the aggregate Advances Outstanding would exceed the Borrowing Base. Notwithstanding anything to the contrary herein (other than pursuant to Section 2.02(f)), no Lender shall be obligated to provide the Borrower (or to the Unfunded Exposure Account, if applicable) with aggregate funds in connection with an Advance that would exceed the lesser of (x) such Lender's unused Commitment then in effect and (y) the aggregate unused Commitments then in effect.

(b) Swingline Advances. On the terms and conditions hereinafter set forth, from time to time from the Eighth Amendment Effective Date until the end of the Reinvestment Period, the Borrower may, at its option, request the Swingline Lender make Swingline Advances to the Borrower by delivering a Borrowing Notice with respect to such requested Swingline Advance to the Agent, which shall forward such Borrowing Notice to the Swingline Lender and provide notification to the Lenders with respect thereto. Following the receipt of a Borrowing Notice during the Reinvestment Period and subject to the terms and conditions hereinafter set forth, the Swingline Lender shall make the requested Swingline Advances to the Borrower; provided that the Swingline Lender shall not fund any Swingline Advance if, after giving effect to the amount of the Swingline Advance requested, in the sole discretion of the Swingline Lender, an Event of Default has occurred or would result therefrom or an Unmatured Event of Default exists or would result therefrom. Notwithstanding anything to the contrary herein, the Swingline Lender shall not be obligated to provide the Borrower with aggregate funds in connection with a Swingline Advance that would exceed the least of (x) the amount requested by the Borrower for such Swingline Advance, (y) the positive difference between (A) the Swingline Commitment then in effect and (B) the aggregate outstanding Swingline Advances as of such date and (z) the maximum amount that, after taking into account the proposed use of the proceeds of such Swingline Advance, could be advanced to the Borrower hereunder without causing the Advances Outstanding to exceed the Borrowing Base.

(c) Evidence of Advances. Each Advance and all repayments thereof shall be evidenced by the applicable Lender's loan accounts and records. Such loan accounts and records shall be conclusive absent manifest error of the amount of the Advances and repayments thereof. Any failure to record any Advance or repayment thereof or any error in doing so shall not limit or otherwise affect the obligation of the Borrower to pay any amount owing with respect to the Advances.

(d) Intent of Parties. Notwithstanding any provision herein to the contrary, the parties hereto intend that the Advances made hereunder and all other Obligations of the Borrower to the Lenders and the Agent incurred through the Advances shall constitute "loans" and not "securities" for all purposes, including, without limitation for purposes of Section 8-102(15) of the UCC.

Advances to be made for the purpose of refunding Swingline Advances shall be made by the Lenders as provided in Section 2.25.

Section 1.02 Procedure for Advances.

(a) During the Reinvestment Period, the Lenders will make Advances and the Swingline Lender will make Swingline Advances on any Business Day at the request of the Borrower, subject to and in accordance with the terms and conditions of Sections 2.01 and 2.02 and subject to the provisions of Article III hereof.

(b) Each Advance shall be made on at least two Business Days' irrevocable written notice from the Borrower to the Agent (who will provide each Lender with a copy promptly upon receipt thereof), with a copy to the Trustee and the Collateral Custodian, in the form of a Notice of Borrowing; provided that such Notice of Borrowing shall be deemed to have been received by the Agent on a Business Day if delivered no later than 3:00 p.m. (New York City time) on such Business Day and if not delivered by such time, shall be deemed to have been received on the following Business Day. Each Swingline Advance shall be made on any Business Day on which written notice is received from the Borrower by the Agent (who will provide the Swingline Lender and each other Lender with a copy promptly upon receipt thereof), with a copy to the Trustee and the Collateral Custodian, in the form of a Notice of Borrowing; provided that such Notice of Borrowing shall be deemed to have been received by the Agent on a Business Day if delivered no later than 5:00 p.m. (New York City time) on such Business Day and if not delivered by such time, shall be deemed to have been received on the following Business Day. The Borrower or Servicer shall post all Loan Agreements and other loan documents and information with respect to each proposed Eligible Loan Asset, if any, to an IntraLinks (or other replacement) website to which the Agent has access. Each Notice of Borrowing shall include a duly completed Borrowing Base Certificate (updated to the date such Advance is requested and giving pro forma effect to the Advance requested and the use of the proceeds thereof), and shall specify:

(i) the aggregate amount of such Advance which amount shall not cause the Advances Outstanding to exceed the Borrowing Base; provided that, except with respect to an Advance pursuant to Section 2.02(f), the amount of such Advance must be at least equal to \$500,000;

(ii) the proposed date of such Advance;

(iii) a representation that all conditions precedent for an Advance described in Article III hereof have been satisfied; and

(iv) the amount of cash that will be funded into the Unfunded Exposure Account in connection with the Advance, if applicable.

On the date of each Advance (other than a Swingline Advance), upon satisfaction of the applicable conditions set forth in Article III, each Lender shall make available to the Agent on the applicable Advance Date in same day funds by no later than 12:00 noon, an amount equal to such Lender's Pro Rata Share of such Advance and upon receipt of such amounts with respect to such Advance, the Agent shall promptly fund such amounts by wire transfer to the account which the Borrower has designated in writing; provided that, with respect to an Advance funded pursuant to Section 2.02(f), each Lender shall remit the Advance equal to such Lender's Pro Rata Share of the Exposure Amount Shortfall in same day funds by no later than 12:00 noon to the Agent and upon receipt of such amounts with respect to such Advance, the Agent shall promptly fund such amounts to the Unfunded Exposure Account. On the date of any Swingline Advance, the Swingline Lender shall make available to the Agent in same day funds, an amount equal to the amount of such Swingline Advance and upon receipt of such amount with respect to such Swingline Advance, the Agent shall promptly fund such amounts by wire transfer to the account which the Borrower has designated in writing.

(c) The Advances shall bear interest at the Yield Rate.

(d) Subject to Section 2.18 and the other terms, conditions, provisions and limitations set forth herein (including, without limitation, the payment of the Commitment Termination Premium, if any, as applicable), the Borrower may (i) borrow and reborrow Advances without any penalty, on and after the Restatement Date and prior to the end of the Reinvestment Period and (ii) repay or prepay Advances without any penalty, on and after the Restatement Date and prior to the Facility Maturity Date.

(e) Determinations by any Lender of the existence of any Eurodollar Disruption Event with respect to such Lender (any such determination to be communicated to the Borrower by written notice from the Agent promptly after the Agent learns of such event), or of the effect of any Eurodollar Disruption Event on its making or maintaining Advances at LIBOR, shall be conclusive absent manifest error.

(f) Notwithstanding anything to the contrary herein (including, without limitation, the occurrence of an Event of Default or the existence of an Unmatured Event of Default or a Borrowing Base Deficiency), if, on the last day of the Reinvestment Period, the amount on deposit in the Unfunded Exposure Account is less than the aggregate of all Exposure Amounts, the Borrower shall request an Advance in the amount of such shortfall (the "Exposure Amount Shortfall"). Following receipt of a Notice of Borrowing (which shall specify the account details of the Unfunded Exposure Account where the funds will be made available), each Lender shall fund such Exposure Amount Shortfall in accordance with Section 2.02(b), notwithstanding anything to the contrary herein (including, without limitation, the Borrower's failure to satisfy any of the conditions precedent set forth in Section 3.02).

(g) The obligation of each Lender to remit its Pro Rata Share of any Advance shall be several from that of each other Lender and the failure of any Lender to so make such amount available to the Borrower shall not relieve any other Lender of its obligation hereunder. For the avoidance of doubt no Lender shall be responsible for the failure of any other Lender to remit its Pro Rata Share of any Advance requested hereunder.

Section 1.03 Determination of Yield. The Agent shall determine the Yield for the Advances (including unpaid Yield related thereto, if any, due and payable on a prior Payment Date) to be paid by the Borrower on each Payment Date for the related Remittance Period and shall advise the Servicer thereof on the Determination Date prior to such Payment Date.

Section 1.04 Remittance Procedures. The Servicer, as agent for the Agent and the Lenders, shall instruct the Trustee and, if the Servicer fails to do so, the Agent may instruct the Trustee, to apply funds on deposit in the Controlled Accounts as described in this Section 2.04; provided that, at any time after delivery of Notice of Exclusive Control (as defined in the Collection Account Agreement), the Agent shall instruct the Trustee to apply funds on deposit in the Controlled Accounts as described in this Section 2.04.

(a) Interest Payments Absent an Event of Default. On each Payment Date, so long as no Event of Default has occurred, and in any case prior to the Facility Maturity Date, the Servicer shall (as directed pursuant to the first paragraph of this Section 2.04) transfer Interest Collections held by the Bank in the Collection Account, in accordance with the Servicing Report, to the following Persons in the following amounts, calculated as of the Determination Date immediately preceding any Payment Date, and priority:

(i) *pari passu* to (a) the Trustee, in payment in full of all accrued Trustee Fees and all Trustee Expenses, and (b) the Collateral Custodian, in payment in full of all accrued Collateral Custodian Fees and Collateral Custodian Expenses; provided that

amounts payable to the Trustee for Trustee Expenses and Collateral Custodian for Collateral Custodian Expenses pursuant to the foregoing clauses (a) and (b) shall not exceed \$15,000 for any Payment Date;

(ii) to the Servicer, in payment in full of all accrued Servicing Fees;

(iii) *pro rata* in accordance with the amounts due under this clause, to each Hedge Counterparty, any amounts (other than any Hedge Breakage Costs) owing to that Hedge Counterparty under its respective Hedging Agreement in respect of any Hedge Transaction(s);

(iv) to the Agent, in an amount equal to any accrued and unpaid Agent Fee;

(v) to the Agent to be distributed *pro rata* to each Lender, in accordance with the amounts due under this clause, all Yield and the Non-Usage Fee that is accrued and unpaid as of the last day of the related Remittance Period;

(vi) *pro rata* to the Agent (for the account of each Lender), the Agent (for its own account) or the Collateral Custodian, as applicable, all accrued and unpaid fees, expenses (including reasonable attorneys' fees, costs and expenses) and indemnity amounts payable by the Borrower to any Lender, the Agent or the Collateral Custodian under the Transaction Documents;

(vii) (a) prior to the end of the Reinvestment Period, if any Borrowing Base Deficiency is a result of a shortfall in the Unfunded Exposure Amount, at the discretion and direction of the Servicer, to fund the Unfunded Exposure Account (in an amount up to the aggregate of all Unfunded Exposure Equity Amounts), and (b) after the end of the Reinvestment Period but prior to the Facility Maturity Date, to fund the Unfunded Exposure Account (in an amount up to the aggregate of all Exposure Amounts);

(viii) to the Agent to be distributed *pro rata* to each Lender, an amount necessary to satisfy any outstanding Borrowing Base Deficiency not paid in Section 2.04(a)(vii), *pro rata* in accordance with the amount of Advances Outstanding;

(ix) to the Agent to be distributed *pro rata* to each Lender, to pay the Advances Outstanding, including any Commitment Termination Premium, in connection with any complete refinancing or termination of this Agreement in accordance with Section 2.18(b);

(x) *pro rata* in accordance with the amounts due under this clause, to each Hedge Counterparty, any Hedge Breakage Costs owing to that Hedge Counterparty under its respective Hedging Agreement;

(xi) to pay any other amounts due (other than with respect to the repayment of Advances) under this Agreement and the other Transaction Documents (including any indemnity amounts due from the Borrower hereunder and thereunder);

(xii) to the Servicer, in respect of all reasonable expenses (except allocated overhead) incurred during the immediately ended Remittance Period in connection with the performance of its duties hereunder or paid on behalf of the Borrower, *plus* any outstanding deferred reimbursement amount *plus* interest thereon as further set forth in Section 6.07; and

(xiii) (A) during an Unmatured Event of Default, to remain in the Collection Account or (B) otherwise, at the Borrower's election and with prior written notice to the Trustee (which notice may be set forth in the applicable Servicing Report), to the Borrower, any remaining amounts.

(b) Principal Payments Absent an Event of Default. On each Payment Date, so long as no Event of Default has occurred and, in any case, prior to the Facility Maturity Date, the Servicer shall (as directed pursuant to the first paragraph of this Section 2.04) transfer Principal Collections held by the Bank in the Collection Account, in accordance with the Servicing Report, to the following Persons in the following amounts, calculated as of the Determination Date immediately preceding any Payment Date, and priority:

(i) to pay amounts due under Section 2.04(a)(i) through (vi), to the extent not paid thereunder;

(ii) (a) prior to the end of the Reinvestment Period, at the discretion and direction of the Servicer, to fund the Unfunded Exposure Account (in an amount up to the aggregate of all Unfunded Exposure Equity Amounts) and (b) after the end of the Reinvestment Period but prior to the Facility Maturity Date, to fund the Unfunded Exposure Account (in an amount up to the aggregate of all Exposure Amounts);

(iii) (a) prior to the end of the Reinvestment Period, to the Agent to be distributed *pro rata* to each Lender, an amount necessary to satisfy any outstanding Borrowing Base Deficiency, *pro rata* in accordance with the amount of Advances Outstanding and (b) after the end of the Reinvestment Period but prior to the Facility Maturity Date, to the Agent to be distributed *pro rata* to each Lender, an amount necessary to pay the Advances Outstanding, including any Commitment Termination Premium, until paid in full, *pro rata* in accordance with the amount of Advances Outstanding;

(iv) *pro rata* in accordance with the amounts due under this clause, to each Hedge Counterparty, any Hedge Breakage Costs owing to that Hedge Counterparty under its respective Hedging Agreement;

(v) to pay any other amounts due under this Agreement and the other Transaction Documents (including any indemnity amounts due from the Borrower hereunder and thereunder);

(vi) to the Servicer, in respect of all reasonable expenses (except allocated overhead) incurred during the immediately ended Remittance Period in connection with the performance of its duties hereunder or paid on behalf of the Borrower, *plus* any outstanding deferred reimbursement amount *plus* interest thereon as further set forth in Section 6.07; and

(vii) (A) during an Unmatured Event of Default, to remain in the Collection Account or (B) otherwise, at the Borrower's election and with prior written notice to the Trustee (which notice may be set forth in the applicable Servicing Report), to the Borrower, any remaining amounts.

(c) Payment Date Transfers Upon the Occurrence of an Event of Default. On each Payment Date, if an Event of Default has occurred, or in any case on and after the Facility Maturity Date, the Servicer shall (as directed pursuant to the first paragraph of this Section 2.04) transfer collected funds held by the Bank in the Collection Account, in accordance with the

Servicing Report, to the following Persons in the following amounts, calculated as of the Determination Date immediately preceding any Payment Date, and priority:

(i) *pari passu* to (a) the Trustee, in payment in full of all accrued Trustee Fees and all Trustee Expenses, and (b) the Collateral Custodian, in payment in full of all accrued Collateral Custodian Fees and Collateral Custodian Expenses; provided that amounts payable to the Trustee for Trustee Expenses and Collateral Custodian for Collateral Custodian Expenses pursuant to the foregoing clauses (a) and (b) shall not exceed \$15,000 for any Payment Date;

(ii) to the Servicer, in payment in full of all accrued Servicing Fees;

(iii) *pro rata* in accordance with the amounts due under this clause, to each Hedge Counterparty, any amounts (other than any Hedge Breakage Costs) owing to that Hedge Counterparty under its respective Hedging Agreement in respect of any Hedge Transaction(s);

(iv) to the Agent, in an amount equal to any accrued and unpaid Agent Fee;

(v) to the Agent to be distributed *pro rata* to each Lender, in accordance with the amounts due under this clause, all Yield and the Non-Usage Fee that is accrued and unpaid as of the last day of the related Remittance Period;

(vi) to the Unfunded Exposure Account in an amount necessary to cause the amount on deposit in the Unfunded Exposure Account to equal the aggregate of all Exposure Amounts;

(vii) *pro rata* to the Agent (for the account of each Lender), the Agent (for its own account) or the Collateral Custodian, as applicable, all accrued and unpaid fees, expenses (including reasonable attorneys' fees, costs and expenses) and indemnity amounts payable by the Borrower to any Lender, the Agent or the Collateral Custodian under the Transaction Documents;

(viii) to the Agent to be distributed *pro rata* to each Lender, to pay the Advances, and any applicable Commitment Termination Premium, until paid in full;

(ix) *pro rata* in accordance with the amounts due under this clause, to each Hedge Counterparty, any Hedge Breakage Costs owing to that Hedge Counterparty under its respective Hedging Agreement;

(x) to pay any other amounts due under this Agreement and the other Transaction Documents (including any indemnity amounts due from the Borrower hereunder and thereunder);

(xi) to the Servicer, in respect of all reasonable expenses (except allocated overhead) incurred during the immediately ended Remittance Period in connection with the performance of its duties hereunder or paid on behalf of the Borrower, *plus* any outstanding deferred reimbursement amount *plus* interest thereon as further set forth in Section 6.07; and

(xii) to the Borrower, any remaining amounts.

(d) Unfunded Exposure Account. Funds on deposit in the Unfunded Exposure Account as of any date of determination may be withdrawn to fund draw requests of

the relevant Obligor under any Revolving Loan Asset or Delayed Draw Loan Asset; provided that, prior to the end of the Reinvestment Period, the amount withdrawn to fund such draw request shall not create any Borrowing Base Deficiency. Any such draw request made by an Obligor, along with wiring instructions for the applicable Obligor, shall be forwarded by the Borrower or the Servicer to the Trustee (with a copy to the Agent) in the form of a Disbursement Request, and the Trustee shall instruct the Bank to fund such draw request in accordance with such Disbursement Request. As of any date of determination, any amounts on deposit in the Unfunded Exposure Account that exceed (i) the aggregate of all Unfunded Exposure Equity Amounts prior to the end of the Reinvestment Period and (ii) the aggregate of all Exposure Amounts after the end of the Reinvestment Period, in each case shall be transferred into the Principal Collection Account as Principal Collections.

(e) Insufficiency of Funds. For the sake of clarity, the parties hereby agree that if the funds on deposit in the Collection Account are insufficient to pay any amounts due and payable on a Payment Date or otherwise, the Borrower shall nevertheless remain responsible for, and shall pay when due, all amounts payable under this Agreement and the other Transaction Documents in accordance with the terms of this Agreement and the other Transaction Documents.

Section 1.05 Instructions to the Trustee and the Bank. All instructions and directions given to the Trustee or the Bank by the Servicer, the Borrower or the Agent pursuant to Section 2.04 shall be in writing (including instructions and directions transmitted to the Trustee or the Bank by telecopy or e-mail), and such written instructions and directions shall be delivered with a written certification that such instructions and directions are in compliance with the provisions of Section 2.04. The Servicer and the Borrower shall promptly transmit to the Agent by telecopy or e-mail a copy of all instructions and directions given to the Trustee or the Bank by such party pursuant to Section 2.04. The Agent shall promptly transmit to the Servicer and the Borrower by telecopy or e-mail a copy of all instructions and directions given to the Trustee or the Bank by the Agent, pursuant to Section 2.04. In the event the Trustee or the Bank receives instructions from the Servicer or the Borrower which conflict with any instructions received by the Agent, the Trustee or the Bank, as applicable, shall rely on and follow the instructions given by the Agent; provided that the Trustee or Bank, as applicable, shall promptly provide notification to the Servicer or the Borrower of such conflicting instructions; provided, further, that any such failure on the part of the Trustee to deliver such notice shall not render such action by the Trustee invalid.

Section 1.06 Borrowing Base Deficiency Payments.

(a) In addition to any other obligation of the Borrower to cure any Borrowing Base Deficiency pursuant to the terms of this Agreement, if, on any day prior to the Collection Date, any Borrowing Base Deficiency exists, then the Borrower shall, within five Business Days from the date of such Borrowing Base Deficiency, eliminate such Borrowing Base Deficiency in its entirety by effecting one or more (or any combination thereof) of the following actions in order to eliminate such Borrowing Base Deficiency as of such date of determination: (i) deposit cash in United States dollars into the Principal Collection Account, (ii) repay Advances (together with any Breakage Fees, any Hedge Breakage Costs and all accrued and unpaid costs and expenses of the Agent and the Lenders, in each case in respect of the amount so prepaid), and/or (iii) subject to the approval of the Agent, in its sole discretion (and the Agent shall use reasonable efforts to give such approval in a timely fashion), Pledge additional Eligible Loan Assets.

(b) No later than 2:00 p.m. on the Business Day prior to the proposed repayment of Advances or Pledge of additional Eligible Loan Assets pursuant to Section 2.06(a), the Borrower (or the Servicer on its behalf) shall deliver (i) to the Agent (with a copy to the

Trustee and the Collateral Custodian), notice of such repayment or Pledge and a duly completed Borrowing Base Certificate, updated to the date such repayment or Pledge is being made and giving pro forma effect to such repayment or Pledge, and (ii) to the Agent, if applicable, a description of any Eligible Loan Asset and each Obligor of such Eligible Loan Asset to be Pledged and added to the updated Loan Asset Schedule. Any notice pertaining to any repayment or any Pledge pursuant to this Section 2.06 shall be irrevocable.

Section 1.07 Substitution and Sale of Loan Assets; Affiliate Transactions.

(a) Substitutions. The Borrower may, with the consent of the Agent in its sole discretion, replace any Loan Asset as a Loan Asset so long as (i) no event has occurred, or would result from such substitution, which constitutes an Event of Default and no event has occurred and is continuing, or would result from such substitution, which constitutes an Unmatured Event of Default or a Borrowing Base Deficiency; provided that the Borrower may effect a substitution as necessary to facilitate a cure of a Borrowing Base Deficiency (and any Unmatured Event of Default arising therefrom) so long as immediately after giving effect to such substitution and any other sale or transfer substantially contemporaneous therewith, such Borrowing Base Deficiency shall be cured or closer to being cured and (ii) simultaneously therewith, the Borrower Pledges (in accordance with all of the terms and provisions contained herein) a Substitute Eligible Loan Asset.

(b) Discretionary Sales. The Borrower shall be permitted to sell Loan Assets to Persons other than the Transferor or its Affiliates from time to time; provided that (i) the proceeds of such sale shall be deposited into the Collection Account to be disbursed in accordance with Section 2.04 hereof or reinvested, prior to the end of the Reinvestment Period, in additional Eligible Loan Assets in accordance with Section 2.21 hereof, (ii) no event has occurred, or would result from such sale, which constitutes an Event of Default and no event has occurred and is continuing, or would result from such sale, which constitutes an Unmatured Event of Default or a Borrowing Base Deficiency; provided that the Borrower may sell Loan Assets as necessary to facilitate a cure of a Borrowing Base Deficiency (and any Unmatured Event of Default arising therefrom) so long as the Agent shall approve of such sale and, immediately after giving effect to such sale and any other substitution or transfer substantially contemporaneous therewith, the Borrowing Base Deficiency shall be cured or closer to being cured and (iii) the prior written consent of the Agent shall be required if any Loan Asset with an Outstanding Balance greater than 2% of the aggregate Outstanding Balance of all Loan Assets is sold for an amount which is less than the Adjusted Borrowing Value.

(c) Optional Sales. On any Optional Sale Date the Borrower shall have the right to prepay all or a portion of the Advances Outstanding in connection with the sale and assignment by the Borrower of all or a portion of the Loan Assets, as the case may be in connection with a Permitted Securitization or a Permitted Refinancing (each, an "Optional Sale"), subject to the following terms and conditions:

(i) The Borrower shall have given the Agent (with a copy to the Trustee and the Collateral Custodian) at least 45 days' prior written notice of its intent to effect an Optional Sale in connection with a Permitted Securitization or a Permitted Refinancing, and the Agent shall have delivered to the Borrower its prior written consent (in its sole discretion) to such Optional Sale, unless such 45 days' notice requirement is waived or reduced by the Agent; provided that no such consent will be required for any Optional Sale of any Loan Asset at a price equal to or greater than the Adjusted Borrowing Value of such Loan Asset as of the date of the Optional Sale to the extent that the aggregate Outstanding Balance of all Loan Assets sold pursuant to this proviso (taking into account the proposed sale) during the 12-month period immediately preceding and including the

proposed date of such sale does not exceed 15% of the highest aggregate Outstanding Balance of any month during such 12-month period;

(ii) Unless an Optional Sale is to be effected on a Payment Date (in which case the relevant calculations with respect to such Optional Sale shall be reflected on the applicable Servicing Report), the Servicer shall deliver to the Agent (with a copy to the Trustee and the Collateral Custodian) a certificate and evidence to the reasonable satisfaction of the Agent (which evidence may consist solely of a certificate from the Servicer) that the Borrower shall have sufficient funds on the related Optional Sale Date to effect the contemplated Optional Sale in accordance with this Agreement. In effecting an Optional Sale, the Borrower may use the Proceeds of sales of the Loan Assets to repay all or a portion of the Obligations;

(iii) no Event of Default has occurred, or would result from such Optional Sale, and no Unmatured Event of Default or Borrowing Base Deficiency exists or would result from such Optional Sale; and

(iv) on the related Optional Sale Date, the Borrower shall have deposited into the Collection Account, in immediately available funds, the proceeds of such Optional Sale, which shall at least equal the aggregate Adjusted Borrowing Value of the Loan Assets being sold.

(d) Lien Release Dividend. Notwithstanding any provision contained in this Agreement to the contrary, provided no Event of Default has occurred and no Unmatured Event of Default exists, on a Lien Release Dividend Date, the Borrower may dividend to the Equityholder and the Equityholder may dividend to the Transferor a portion of those Loan Assets that were sold by the Transferor to the Equityholder and by the Equityholder to the Borrower, or portions thereof (each, a "Lien Release Dividend"), subject to the following terms and conditions, as certified by the Borrower and the Transferor to the Agent (with a copy to the Trustee and the Collateral Custodian):

(i) The Borrower and the Transferor shall have given the Agent, with a copy to the Trustee and the Collateral Custodian, at least five Business Days prior written notice of its intent to effect a Lien Release Dividend, in the form of Exhibit I hereto (a "Notice and Request for Consent"), and the Agent shall have delivered to the Borrower prior written consent, which consent shall be given in the sole and absolute discretion of the Agent; provided that, if the Agent shall not have responded to the Notice and Request for Consent by 11:00 a.m. on the day that is one Business Day prior to the proposed Lien Release Dividend Date, the Agent shall be deemed not to have given its consent;

(ii) The proposed Lien Release Dividend Date shall take place during the Reinvestment Period and on any such Lien Release Dividend Date, no more than four Lien Release Dividends shall have been made during the 12-month period immediately preceding the proposed Lien Release Dividend Date;

(iii) After giving effect to the Lien Release Dividend on the Lien Release Dividend Date, (A) no Borrowing Base Deficiency, Event of Default or Unmatured Event of Default shall exist, (B) the representations and warranties contained in Sections 4.01 and 4.02 hereof shall continue to be correct in all material respects, except to the extent relating to an earlier date, (C) the eligibility of any Loan Asset remaining as part of the Collateral Portfolio after the Lien Release Dividend will be redetermined as of the Lien Release Dividend Date, (D) no claim shall have been asserted or proceeding commenced challenging the enforceability or validity of any of the Required Loan Documents and (E) there shall have been no material adverse change as to the Servicer or the Borrower;

(iv) Such Lien Release Dividend must be in compliance with Applicable Law and may not (A) be made with the intent to hinder, delay or defraud any creditor of the Borrower or (B) leave the Borrower, immediately after giving effect to the Lien Release Dividend, (x) insolvent, (y) with insufficient funds to pay its obligations as and when they become due or (z) with inadequate capital for its present and anticipated business and transactions;

(v) On or prior to the Lien Release Dividend Date, the Borrower shall have (A) delivered to the Agent, with a copy to the Trustee and the Collateral Custodian, a list specifying all Loan Assets or portions thereof to be transferred pursuant to such Lien Release Dividend and the Agent shall have approved same in its sole discretion and (B) obtained all authorizations, consents and approvals required to effectuate the Lien Release Dividend;

(vi) A portion of a Loan Asset may be transferred pursuant to a Lien Release Dividend provided that (A) such transfer does not have an adverse effect on the portion of such Loan Asset remaining as a part of the Collateral Portfolio, any other aspect of the Collateral Portfolio, the Lenders, the Agent or any other Secured Party and (B) a new promissory note (other than with respect to a Noteless Loan Asset) for the portion of the Loan Asset remaining as a part of the Collateral Portfolio has been executed, and the original thereof has been endorsed to the Trustee and delivered to the Collateral Custodian;

(vii) Each Loan Asset, or portion thereof, as applicable, shall be transferred at a value equal to the Outstanding Balance thereof, exclusive of any accrued and unpaid interest or Accreted Interest thereon;

(viii) The Borrower shall deliver a Borrowing Base Certificate (including a calculation of the Borrowing Base after giving effect to such Lien Release Dividend) to the Agent;

(ix) The Borrower shall have paid in full an aggregate amount equal to the sum of all amounts due and owing to the Agent, the Lenders, each Hedge Counterparty, the Trustee or the Collateral Custodian, as applicable, under this Agreement and the other Transaction Documents, to the extent accrued to such date (including, without limitation, Hedge Breakage Costs and Breakage Fees) with respect to the Loan Assets to be transferred pursuant to such Lien Release Dividend and incurred in connection with the transfer of such Loan Assets pursuant to such Lien Release Dividend; and

(x) The Borrower and the Servicer (on behalf of the Borrower) shall pay the reasonable legal fees and expenses of the Agent, the Lenders, the Trustee and the Collateral Custodian in connection with any Lien Release Dividend (including, but not limited to, expenses incurred in connection with the release of the Lien of the Trustee, on behalf of the Secured Parties, and any other party having an interest in the Loan Assets in connection with such Lien Release Dividend).

(e) Repurchase or Substitution of Warranty Loan Assets. If on any day a Loan Asset is (or becomes) a Warranty Loan Asset, no later than 10 Business Days following the earlier of knowledge by the Borrower of such Loan Asset becoming a Warranty Loan Asset or receipt by the Borrower from the Agent or the Servicer of written notice thereof, the Borrower shall either:

(i) make a deposit to the Collection Account (for allocation pursuant to Section 2.04) in immediately available funds in an amount equal to (x) the Assigned

Value of such Loan Asset on the applicable Cut-Off Date *multiplied by* the principal balance of such Loan Asset (exclusive of Accreted Interest), (y) all Hedge Breakage Costs arising as a result thereof and owed to the relevant Hedge Counterparty for any termination of one or more Hedge Transactions, in whole or in part, as required by the terms of any Hedging Agreement and (z) any expenses or fees with respect to such Loan Asset and costs and damages incurred by the Agent or by any Lender in connection with any violation by such Loan Asset of any predatory or abusive lending law which is an Applicable Law (a notification regarding the amount of such expenses or fees to be provided by the Agent to the Borrower); provided that the Agent shall have the right to determine whether the amount so deposited is sufficient to satisfy the foregoing requirements; or

(ii) with the prior written consent of the Agent, in its sole discretion, substitute for such Warranty Loan Asset a Substitute Eligible Loan Asset.

Upon confirmation of the deposit of the amounts set forth in Section 2.07(e)(i) into the Collection Account or the delivery by the Borrower of a Substitute Eligible Loan Asset for each Warranty Loan Asset (the date of such confirmation or delivery, the “Release Date”), such Warranty Loan Asset and related Portfolio Assets shall be removed from the Collateral Portfolio and, as applicable, the Substitute Eligible Loan Asset and related Portfolio Assets shall be included in the Collateral Portfolio. On the Release Date of each Warranty Loan Asset, the Trustee, for the benefit of the Secured Parties, shall automatically and without further action be deemed to release to the Borrower, without recourse, representation or warranty, all the right, title and interest and any Lien of the Trustee, for the benefit of the Secured Parties in, to and under the Warranty Loan Asset and any related Portfolio Assets and all future monies due or to become due with respect thereto.

(f) Conditions to Sales, Substitutions and Repurchases. Any sales, substitutions or repurchases effected pursuant to Sections 2.07(a), (b), (c) or (e) shall be subject to the satisfaction of the following conditions (as certified in writing to the Agent and Trustee by the Borrower):

(i) the Borrower shall deliver a Borrowing Base Certificate to the Agent in connection with such sale, substitution or repurchase;

(ii) the Borrower shall deliver a list of all Loan Assets to be sold, substituted, repurchased;

(iii) no selection procedures adverse to the interests of the Agent, the Lenders or the other Secured Parties were utilized by the Borrower in the selection of the Loan Assets to be sold, repurchased or substituted;

(iv) the Borrower shall give one Business Day’s notice of such sale (other than in the case of an Optional Sale), substitution or repurchase;

(v) the Borrower shall notify the Agent of any amount to be deposited into the Collection Account in connection with any sale, substitution or repurchase;

(vi) the representations and warranties contained in Sections 4.01, 4.02 and 4.03 hereof shall continue to be correct in all material respects, except to the extent relating to an earlier date;

(vii) any repayment of Advances Outstanding in connection with any sale, substitution or repurchase of Loan Assets hereunder shall comply with the requirements set forth in Section 2.18;

(viii) the Borrower and the Servicer (on behalf of the Borrower) shall agree to pay the reasonable legal fees and expenses of the Agent the Trustee and the Collateral Custodian in connection with any such sale, substitution or repurchase (including, but not limited to, expenses incurred in connection with the release of the Lien of the Trustee on behalf of the Secured Parties and any other party having an interest in the Loan Asset in connection with such sale, substitution or repurchase);

(ix) the Borrower shall pay any Hedge Breakage Costs arising as a result of such sale, substitution or repurchase owed to the relevant Hedge Counterparty for any termination of one or more Hedge Transactions, in whole or in part, if applicable, as required by the terms of any Hedging Agreement; and

(x) other than in the case of Section 2.07(e) and solely in the event that Ares or an Affiliate is no longer the Servicer and the Facility Maturity Date has not yet occurred (or, in the case of the declaration of the Facility Maturity Date that arises solely pursuant to Section 7.01(d) due solely to the occurrence of an event described in clauses (g) or (h) of the definition of "Servicer Termination Event" or clause (o) of the definition of "Servicer Termination Event" (to the extent arising solely due to the occurrence of an event described in clauses (g) or (h) of the definition thereof), until on or after the earlier of (x) the date that is twelve months after the occurrence of such Facility Maturity Date or (y) the occurrence of a Facility Maturity Date for any other reason other than an event described in clauses (g) or (h) of the definition of "Servicer Termination Event" or clause (o) of the definition of "Servicer Termination Event" (to the extent arising solely due to the occurrence of an event described in clauses (g) or (h) of the definition thereof), the Borrower shall have consented to such sale or substitution.

(g) Affiliate Transactions. Notwithstanding anything to the contrary set forth herein or in any other Transaction Document, neither the Equityholder nor the Transferor (nor any Affiliate thereof) shall reacquire from the Borrower and the Borrower shall not transfer to the Equityholder, the Transferor or to Affiliates of the Transferor or the Equityholder, and none of the Transferor, the Equityholder nor any Affiliates thereof will have a right or ability to purchase, the Loan Assets other than (i) as not prohibited by Section 2.07(h) and (ii) in sales on an arms' length basis and for fair market value or at a price specified herein; provided that (x) the proceeds of such sale shall be deposited into the Principal Collection Account to be disbursed in accordance with Section 2.04, (y) no event has occurred, or would result from such sale, which constitutes an Event of Default and no event has occurred and is continuing, or would result from such sale, which constitutes an Unmatured Event of Default or a Borrowing Base Deficiency; and (z) the Agent shall provide prior written consent to such sale. For the avoidance of doubt, nothing in this clause (g) shall prohibit the Borrower or the Equityholder, respectively, from transferring or distributing its Loan Assets to the holders of its equity or Affiliates, as applicable, in accordance with Section 2.07(a), 2.07(c), 2.07(d) or 2.07(e) herein and subject to the limitations, if applicable, of Section 2.07(h).

(h) Limitations on Sales, Substitutions and Repurchases.

(i) The Outstanding Balance of all Loan Assets subject to clauses (ii), (iv) or (vi) of the definition of "Value Adjustment Event" which were included in all Lien Release Dividends or substituted by the Borrower pursuant to Section 2.07(a), in each case during the 12-month period immediately preceding the proposed Lien Release Dividend Date or date of substitution, as applicable, does not exceed 10% of the highest

aggregate Outstanding Balance of any month during such 12-month period (or such lesser number of months as shall have elapsed as of such date).

(ii) The Outstanding Balance of all Loan Assets (other than Warranty Loan Assets) sold pursuant to Section 2.07(b), sold without the consent of the Agent in accordance with Section 2.07(c) (other than any Loan Asset sold without such consent due to the fact that the Outstanding Balance of such Loan Asset is less than or equal to 2% of the aggregate Outstanding Balance of all Loans Assets pursuant to Section 2.07(b)) (in each case, other than Loan Assets subject to clauses (ii), (iv) or (vi) of the definition of “Value Adjustment Event”), substituted pursuant to Section 2.07(a) or released pursuant to Section 2.07(d), during the 12-month period immediately preceding the proposed date of sale, substitution or Lien Release Dividend (or such lesser number of months as shall have elapsed as of such date) does not exceed 20% of the highest aggregate Outstanding Balance of any month during such 12-month period (or such lesser number of months as shall have elapsed as of such date).

(i) Notices to Lenders. The Agent will provide the Lenders with copies of any notices promptly upon receipt thereof and, if requested by the Lenders, other materials received by the Agent pursuant to this Section 2.07 in connection with any sale, substitution or repurchase of Loan Assets.

Section 1.08 Payments and Computations, Etc.

(a) All amounts to be paid or deposited by the Borrower or the Servicer hereunder shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. (New York City time) on the day when due in lawful money of the United States in immediately available funds to the Collection Account or such other account as is designated by the Agent. The Borrower or the Servicer, as applicable, shall, to the extent permitted by Applicable Law, pay to the Secured Parties interest on all amounts not paid or deposited when due (taking into account any grace period provided for herein) to any of the Secured Parties hereunder at the Default Funding Rate, payable on demand, from the date of such nonpayment until such amount is paid in full (as well after as before judgment); provided that such interest rate shall not at any time exceed the maximum rate permitted by Applicable Law. Any Obligation hereunder shall not be reduced by any distribution of any portion of Available Collections if at any time such distribution is rescinded or required to be returned by any Lender to the Borrower or any other Person for any reason. All computations of interest and all computations of Yield and other fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed, other than calculations with respect to the Base Rate, which shall be based on a year consisting of 365 or 366 days, as applicable.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of Yield or any fee payable hereunder, as the case may be.

(c) If any Advance requested by the Borrower and approved by the Lenders and the Agent pursuant to Section 2.02 is not for any reason whatsoever, except as a result of the gross negligence or willful misconduct of, or failure to fund such Advance on the part of, the Lenders, the Agent or an Affiliate thereof, made or effectuated, as the case may be, on the date specified therefor, the Borrower shall indemnify such Lender against any loss, cost or expense incurred by such Lender related thereto (other than any such loss, cost or expense solely due to the gross negligence or willful misconduct or failure to fund such Advance on the part of the Lenders, the Agent or an Affiliate thereof), including, without limitation, any loss (including cost of funds and reasonable out-of-pocket expenses), cost or expense incurred by reason of the

liquidation or reemployment of deposits or other funds acquired by such Lender to fund Advances or maintain the Advances. Any such Lender shall provide to the Borrower documentation setting forth the amounts of any loss, cost or expense referred to in the previous sentence, such documentation to be conclusive absent manifest error.

(d) If at any time after the Fifth Amendment Effective Date, the Advances Outstanding hereunder are not allocated among the Lenders in accordance with their respective Pro Rata Shares, the Lenders agree to make such purchases and sales of interests in the Advances Outstanding between themselves so that each Lender is then holding its relevant Pro Rata Share of outstanding Advances based on the Lenders' Commitments at such time (such purchases and sales shall be arranged through the Agent and each Lender hereby agrees to execute such further instruments and documents, if any, as the Agent may reasonably request in connection therewith), with all subsequent extensions of credit under this Agreement to be made in accordance with the respective Pro Rata Shares of the Lenders from time to time party to this Agreement as provided herein; provided that, for the avoidance of doubt, no such purchases and sales shall be made in connection with any deemed adjustment to the Pro Rata Shares of the Lenders pursuant to Section 2.23(a)(iii). For the avoidance of doubt, no Breakage Fees shall be payable to any Lender under this Section 2.08(d).

Section 1.09 Fees. The Borrower shall pay to the Agent to be distributed *pro rata* to each Lender (a) certain Fees in the amounts and on the dates set forth in each applicable Lender Fee Letter and (b) the Non-Usage Fee in the amounts and on the dates set forth in the Non-Usage Fee Letter.

Section 1.10 Increased Costs; Capital Adequacy.

(a) If, due to either (i) the introduction of or any change following the Fifth Amendment Effective Date (or, with respect to the Agent (so long as Wells Fargo is the Agent) and Wells Fargo, the Restatement Date) (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation, administration or application following the Fifth Amendment Effective Date (or, with respect to the Agent (so long as Wells Fargo is the Agent) and Wells Fargo, the Restatement Date) of any Applicable Law (including, without limitation, any law or regulation resulting in any interest payments paid to any Lender under this Agreement being subject to any Tax, except for Taxes on the overall net income of such Lender), in each case whether foreign or domestic or (ii) the compliance with any guideline or request following the Fifth Amendment Effective Date (or, with respect to the Agent (so long as Wells Fargo is the Agent) and Wells Fargo, the Restatement Date) from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to the Agent, any Lender, or any Affiliate, participant (provided that a participant shall not be entitled to receive any greater payment under this Section 2.10 than the Lender would have been entitled to receive with respect to the participation sold to such participant), successor or assign thereof (each of which shall be an "Affected Party,") of agreeing to make or making, funding or maintaining any Advance (or any reduction of the amount of any payment (whether of principal, interest, fee, compensation or otherwise) to any Affected Party hereunder), as the case may be, the Borrower shall, from time to time, after written demand by the Agent (which demand shall be accompanied by a statement setting forth in reasonable detail the basis for such demand), on behalf of such Affected Party, pay to the Agent, on behalf of such Affected Party, additional amounts sufficient to compensate such Affected Party for such increased costs or reduced payments within 10 days after such demand; provided that the amounts payable under this Section 2.10 shall be without duplication of amounts payable under Section 2.11 and shall not include any Indemnified Taxes or Excluded Taxes.

(b) If either (i) the introduction of or any change following the Fifth Amendment Effective Date (or, with respect to the Agent (so long as Wells Fargo is the Agent)

and Wells Fargo, the Restatement Date) in or in the interpretation, administration or application following the Fifth Amendment Effective Date (or, with respect to the Agent (so long as Wells Fargo is the Agent) and Wells Fargo, the Restatement Date) of any law, guideline, rule or regulation, directive or request or (ii) the compliance by any Affected Party with any law, guideline, rule, regulation, directive or request following the Fifth Amendment Effective Date (or, with respect to the Agent (so long as Wells Fargo is the Agent) and Wells Fargo, the Restatement Date), from any central bank, any Governmental Authority or agency, including, without limitation, compliance by an Affected Party with any request or directive regarding capital adequacy, has or would have the effect of reducing the rate of return on the capital of any Affected Party, as a consequence of its obligations hereunder or any related document or arising in connection herewith or therewith to a level below that which any such Affected Party could have achieved but for such introduction, change or compliance (taking into consideration the policies of such Affected Party with respect to capital adequacy), by an amount deemed by such Affected Party to be material, then, from time to time, after demand by such Affected Party (which demand shall be accompanied by a statement setting forth in reasonable detail the basis for such demand), the Borrower shall pay the Agent on behalf of such Affected Party such additional amounts as will compensate such Affected Party for such reduction; provided that, notwithstanding anything in this Section 2.10(b) to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “change in law” for the purposes of clause (i) above, regardless of the date enacted, adopted or issued. For the avoidance of doubt, if the issuance of any amendment or supplement to Interpretation No. 46 or to Statement of Financial Accounting Standards No. 140 by the Financial Accounting Standards Board, or the issuance of any other pronouncement, release or interpretation, causes or requires the consolidation of all or a portion of the assets and liabilities of the Transferor, the Borrower or any Secured Party with the assets and liabilities of the Agent or any Lender and, as a result, imposes any loss, cost, expense, reduction of return on capital or other loss, such event shall constitute a circumstance on which such Indemnified Party may base a claim for reimbursement under this Section 2.10. For the further avoidance of doubt, any increase in cost and/or reduction in Yield with respect to any Affected Party caused by regulatory capital allocation adjustments due to Financial Accounting Standards Nos. 166, 167 and subsequent statements and interpretations shall constitute a circumstance on which such Affected Party may base a claim for reimbursement under this Section 2.10.

(c) In determining any amount provided for in this Section 2.10, the Affected Party may use any reasonable averaging and attribution methods. The Agent, on behalf of any Affected Party making a claim under this Section 2.10, shall submit to the Borrower a certificate setting forth in reasonable detail the basis for and the computations of such additional or increased costs, which certificate shall be conclusive absent manifest error.

(d) The payment of amounts under this Section 2.10 shall be on an after Tax basis.

(e) Notwithstanding anything to the contrary herein, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a change in Applicable Law for purposes of clause (a) above, regardless of the date enacted, adopted or issued.

Section 1.11 Taxes.

(a) All payments made by an Obligor in respect of a Loan Asset and all payments made by the Borrower or made by the Servicer on behalf of the Borrower under this Agreement will be made free and clear of and without deduction or withholding for or on account of any Taxes, unless required by Applicable Law. If any Indemnified Taxes are required to be withheld from any amounts payable to any Indemnified Party, then the amount payable to such Person will be increased (the amount of such increase, the “Additional Amount”) such that every net payment made under this Agreement after withholding for or on account of any Indemnified Taxes (including, without limitation, any Taxes on such increase) is not less than the amount that would have been paid had no such deduction or withholding been made.

(b) The Borrower shall indemnify each Indemnified Party, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Indemnified Party or required to be withheld or deducted from a payment to such Indemnified Party and any reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(c) Within 30 days after the date of any payment by the Borrower or by the Servicer on behalf of the Borrower of any Indemnified Taxes pursuant to this Section 2.11, the Borrower or the Servicer, as applicable, will furnish to the Agent at the applicable address set forth on this Agreement, appropriate evidence of payment thereof.

(d) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.11(d)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender’s reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a United States Person as defined in Section 7701(a)(30) of the Code (a “U.S. Person”) shall deliver to the Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Lender that is not a U.S. Person (a “Foreign Lender”) shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in

such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit R-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit R-2 or Exhibit R-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit R-4 on behalf of each such direct and indirect partner,

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under this Agreement would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including

those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(e) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(f) Without prejudice to the survival of any other agreement of the Borrower and the Servicer hereunder, the agreements and obligations of the Borrower and the Servicer contained in this Section 2.11 shall survive the termination of this Agreement.

Section 1.12 Collateral Assignment of Agreements. The Borrower hereby collaterally assigns to the Trustee, for the benefit of the Secured Parties, all of the Borrower's right and title to and interest in, to and under (but not any obligations under) the Purchase and Sale Agreements and the Participation Agreement (and, in each case, any UCC financing statements filed under or in connection therewith), any Hedging Agreement, the Loan Agreements related to each Loan Asset, all other agreements, documents and instruments evidencing, securing or guarantying any Loan Asset and all other agreements, documents and instruments related to any of the foregoing but excluding any Excluded Amounts, Retained Interest or Attached Equity (the "Assigned Documents"). In furtherance and not in limitation of the foregoing, the Borrower hereby collaterally assigns to the Trustee, for the benefit of the Secured Parties, its right to indemnification under Article IX of each Purchase and Sale Agreement. The Borrower confirms that until the Collection Date the Trustee on behalf of the Secured Parties shall have the sole right to enforce the Borrower's rights and remedies under the Purchase and Sale Agreements and the Participation Agreement and any UCC financing statements filed under or in connection therewith for the benefit of the Secured Parties. The parties hereto agree that such collateral assignment to the Trustee, for the benefit of the Secured Parties, shall terminate upon the Collection Date.

Section 1.13 Grant of a Security Interest. To secure the prompt, complete and indefeasible payment in full when due, whether by lapse of time, acceleration or otherwise, of the Obligations and the performance by the Borrower of all of the covenants and obligations to be performed by it pursuant to this Agreement and each other Transaction Document, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Borrower hereby (a) collaterally assigns and pledges to the Trustee, on behalf of the Secured Parties, and (b) grants a security interest to the Trustee, on behalf of the Secured Parties, in all of the Borrower's right, title and interest in, to and under (but none of the obligations under) all of the Collateral Portfolio (including any Hedging Agreements), whether now existing or hereafter arising or acquired by the Borrower, and wherever the same may be located. For the avoidance of doubt, the Collateral Portfolio shall not include any Excluded Amounts, and the Borrower does not hereby assign, pledge or grant a security interest in any such amounts. Anything herein to the contrary notwithstanding, (a) the Borrower shall remain liable under the Collateral Portfolio to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Trustee, for

the benefit of the Secured Parties, of any of its rights in the Collateral Portfolio shall not release the Borrower from any of its duties or obligations under the Collateral Portfolio, and (c) none of the Agent, the Trustee, any Lender (nor its successors and assigns) nor any Secured Party shall have any obligations or liability under the Collateral Portfolio by reason of this Agreement, nor shall the Agent, the Trustee, any Lender (nor its successors and assigns) nor any Secured Party be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 1.14 Evidence of Debt. The Agent shall maintain, solely for this purpose as the agent of the Borrower, at its address referred to in Section 11.02 a copy of each assignment and acceptance agreement and participation agreement delivered to and accepted by it and a register for the recordation of the names and addresses and interests of the Lenders (the “Register”). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and each Lender shall treat each person whose name is recorded in the Register as a Lender under this Agreement for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

Section 1.15 Survival of Representations and Warranties. It is understood and agreed that the representations and warranties set forth in Sections 4.01, 4.02 and 4.03 are made and are true and correct on the date of this Agreement and on each Cut-Off Date unless such representations and warranties are made as of a specific date.

Section 1.16 Release of Loan Assets.

(a) The Borrower may obtain the release of (i) any Loan Asset (and the related Portfolio Assets pertaining thereto) released pursuant to a Lien Release Dividend, sold or substituted in accordance with the applicable provisions of Section 2.07 or liquidated in accordance with Sections 6.05 and 12.08(a) and any Portfolio Assets pertaining to such Loan Asset and (ii) any Collateral Portfolio that expires by its terms and all amounts in respect thereof have been paid in full by the related Obligor and deposited in the Collection Account. The Trustee, for the benefit of the Secured Parties, shall at the sole expense of the Servicer, execute such documents and instruments of release as may be prepared by the Servicer on behalf of the Borrower, give notice of such release to the Collateral Custodian (in the form of Exhibit M) and take other such actions as shall reasonably be requested by the Borrower to effect such release of the Lien created pursuant to this Agreement. Upon receiving such notification by the Trustee as described in the immediately preceding sentence, the Collateral Custodian shall deliver the Required Loan Documents to the Borrower.

(b) Promptly after the Collection Date has occurred, each Lender and the Agent, in accordance with their respective interests, shall release to the Borrower, for no consideration but at the sole expense of the Borrower, their respective remaining interests in the Portfolio Assets, free and clear of any Lien resulting solely from an act by the Trustee, any Lender or the Agent but without any other representation or warranty, express or implied, by or recourse against any Lender or the Agent.

Section 1.17 Treatment of Amounts Paid by the Borrower. Amounts paid by the Borrower pursuant to Section 2.07 on account of Loan Assets shall be treated as payments of Principal Collections or Interest Collections, as applicable, on Loan Assets hereunder.

Section 1.18 Prepayment; Termination.

(a) Except as expressly permitted or required herein, including, without limitation, any repayment necessary to cure a Borrowing Base Deficiency, Advances may only

be prepaid in whole or in part at the option of the Borrower at any time by delivering a Notice of Reduction (which notice shall include a Borrowing Base Certificate) to the Agent (who will provide each Lender with a copy promptly upon receipt thereof), the Trustee and the Hedge Counterparty at least one Business Day prior to such reduction. Upon any prepayment (x) in part, the Borrower shall also pay any Hedge Breakage Costs, any Breakage Fees and all accrued and unpaid costs and expenses of Agent and Lenders related to such prepayment and (y) in whole, the Borrower shall also pay in full all accrued and unpaid Yield, any Hedge Breakage Costs, any Breakage Fees and other accrued and unpaid costs and expenses of the Agent and the Lenders related to such prepayment; provided that no such reduction shall be given effect unless (i) sufficient funds have been remitted to pay all such amounts in full, as determined by the Agent, in its sole discretion, (ii) the Borrower has complied with the terms of any Hedging Agreement requiring that one or more Hedge Transactions be terminated in whole or in part as the result of any such reduction of the Advances Outstanding, and has paid in full all Hedge Breakage Costs owing to the relevant Hedge Counterparty for any such termination and (iii) no event would result from such prepayment which would constitute an Event of Default or an Unmatured Event of Default. The Agent shall apply amounts received from the Borrower pursuant to this Section 2.18(a) to the payment of any Hedge Breakage Costs, to the payment of any Breakage Fees and to the *pro rata* reduction of the Advances Outstanding. Any notice relating to any repayment pursuant to this Section 2.18(a) shall be irrevocable.

(b) Notwithstanding any other provision hereof, the Borrower shall not terminate this Agreement or any other Transaction Document or permanently reduce the aggregate Commitments prior to the date which is five Business Days prior to the Stated Maturity Date without the Agent's prior written consent, which consent may be withheld in the Agent's sole discretion; provided that (i) upon three Business Days' prior written notice to the Agent (who will provide each Lender with a copy promptly upon receipt thereof), the Trustee and the Hedge Counterparty and only so long as no Event of Default has occurred and no Unmatured Event of Default exists, the Borrower may terminate this Agreement upon payment in full of all outstanding Advances, all accrued and unpaid Yield, any Breakage Fees, any Hedge Breakage Costs, the Commitment Termination Premium, if any, all accrued and unpaid costs and expenses of the Agent and the Lenders and payment of all other Obligations (other than contingent indemnification obligations in respect of which no claim has been, or in the Agent's reasonable determination, will be asserted) and (ii) upon delivery of a Notice of Reduction to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) at least one Business Day prior to such reduction and with the prior written consent of the Agent, the Borrower may permanently reduce in part the portion of the aggregate Commitments that exceeds the sum of all Advances Outstanding upon payment in full of all accrued and unpaid Yield (*pro rata* with respect to the portion of the aggregate Commitments so reduced), any Breakage Fees, any Hedge Breakage Costs, the Commitment Termination Premium, if any, and all accrued and unpaid costs and expenses of the Agent and the Lenders relating to such partial termination, *pro rata* to each Lender; provided, further, that no Event of Default or Unmatured Event of Default would result from such partial reduction in the aggregate Commitments. Any termination of this Agreement shall be subject to Section 11.05.

(c) The Borrower hereby acknowledges and agrees that the Commitment Termination Premium constitutes additional consideration for the Lenders to enter into this Agreement.

Section 1.19 Extension of Stated Maturity Date and Reinvestment Period.

(a) The Borrower may make a request to the Lenders to extend the date set forth in the definition of "Stated Maturity Date" or the date set forth in clause (i) of the definition of "Reinvestment Period" and such dates may be extended by mutual agreement among the Agent, each of the Lenders, the Borrower and the Servicer. The Borrower confirms that any of

the Lenders or the Agent, in their sole and absolute discretion, without regard to the value or performance of the Loan Assets or any other factor, may elect not to extend the Stated Maturity Date or the date set forth in clause (i) of the definition of "Reinvestment Period".

Section 1.20 Collections and Allocations.

(a) The Servicer shall promptly identify all Available Collections received in the Collection Account as being on account of Interest Collections or Principal Collections and shall segregate all Principal Collections and Interest Collections and transfer the same to the Principal Collection Account and the Interest Collection Account, respectively. If, notwithstanding compliance with Section 5.03(g), the Servicer receives any collections directly, the Servicer shall transfer, or cause to be transferred, any such collections received directly by it (if any) to the Collection Account by the close of business within two Business Days after such Collections are received; provided that the Servicer shall identify to the Collateral Agent any collections received directly by the Servicer as being on account of Interest Collections or Principal Collections. The Servicer shall further include a statement as to the amount of Principal Collections and Interest Collections on deposit in the Principal Collection Account and the Interest Collection Account, as well as the amount on deposit in the Unfunded Exposure Account, on each Reporting Date in the Servicing Report delivered pursuant to Section 6.08(b).

(b) On the Cut-Off Date with respect to any Loan Asset, the Servicer will deposit into the Collection Account all Available Collections received in respect of Eligible Loan Assets being transferred to and included as part of the Collateral Portfolio on such date.

(c) With the prior written consent of the Agent (a copy of which will be provided by the Servicer to the Trustee), the Servicer may withdraw from the Collection Account any deposits thereto constituting Excluded Amounts if the Servicer has, prior to such withdrawal and consent, delivered to the Agent a report setting forth the calculation of such Excluded Amounts in form and substance satisfactory to the Agent in its sole discretion.

(d) Prior to notice of exclusive control, the Servicer shall, pursuant to written instruction (which may be in the form of standing instructions), direct the Trustee to invest, or cause the investment of, funds on deposit in the Controlled Accounts in Permitted Investments, from the date of this Agreement until the Collection Date. Absent any such written instruction, such funds shall not be invested. A Permitted Investment acquired with funds deposited in any Controlled Account shall mature not later than the Business Day immediately preceding any Payment Date, and shall not be sold or disposed of prior to its maturity unless the Servicer determines there is a substantial risk of material deterioration of such Permitted Investment, in its commercially reasonable discretion. All such Permitted Investments shall be registered in the name of the Bank or its nominee for the benefit of the Agent or Trustee, and otherwise comply with assumptions of the legal opinions of Latham & Watkins LLP dated the Restatement Date and delivered in connection with this Agreement (and any subsequent bringdown opinions of Latham & Watkins LLP delivered thereafter). All income and gain realized from any such investment, as well as any interest earned on deposits in any Controlled Account shall be distributed in accordance with the provisions of Article II hereof. In the event the Borrower or Servicer direct the funds to be invested in investments which are not Permitted Investments, the Borrower shall deposit in the Collection Account or the Unfunded Exposure Account, as the case may be (with respect to investments made hereunder of funds held therein), an amount equal to the amount of any actual loss incurred, in respect of any such investment, immediately upon realization of such loss. None of the Bank, the Trustee, the Agent or any Lender shall be liable for the amount of any loss incurred, in respect of any investment, or lack of investment, of funds held in any Controlled Account.

(e) Until the Collection Date, the Borrower shall have no rights of direction or withdrawal, with respect to amounts held in any Controlled Account, except to the extent explicitly set forth in Section 2.04 or Section 2.21.

Section 1.21 Reinvestment of Principal Collections.

On the terms and conditions hereinafter set forth as certified in writing to the Trustee and the Agent, the Servicer may, to the extent of any Principal Collections on deposit in the Principal Collection Account:

(a) prior to the end of the Reinvestment Period, withdraw such funds for the purpose of reinvesting in additional Eligible Loan Assets to be Pledged hereunder; provided that the following conditions are satisfied:

(i) all conditions precedent set forth in Section 3.04 have been satisfied;

(ii) no Event of Default has occurred, or would result from such withdrawal and reinvestment, and no Unmatured Event of Default or Borrowing Base Deficiency exists or would result from such withdrawal and reinvestment;

(iii) the representations and warranties contained in Sections 4.01, 4.02 and 4.03 hereof shall continue to be correct in all material respects, except to the extent relating to an earlier date;

(iv) the Servicer provides same day written notice to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) and the Trustee by facsimile or email (to be received no later than 1:00 p.m. on such day) of the request to withdraw Principal Collections and the amount of such request;

(v) the notice required in clause (iv) above shall be accompanied by a Disbursement Request and a Borrowing Base Certificate, each executed by the Borrower and a Responsible Officer of the Servicer; and

(vi) the Trustee provides to the Agent by facsimile or e-mail (to be received no later than 1:30 p.m. on that same day) a statement reflecting the total amount on deposit as of the opening of business on such day in the Principal Collection Account; or

(b) prior to the Facility Maturity Date, withdraw such funds for the purpose of making payments in respect of the Advances Outstanding at such time in accordance with and subject to the terms of Section 2.18(a).

Upon the satisfaction of the applicable conditions set forth in this Section 2.21 (as certified by the Borrower to the Trustee and the Agent), the Trustee will release funds from the Principal Collection Account to the Servicer in an amount not to exceed the lesser of (A) the amount requested by the Servicer and (B) the amount on deposit in the Principal Collection Account on such day.

Section 1.22 Additional Lenders; Increase of Commitment.

The Borrower may, with the written consent of the Agent (not to be unreasonably withheld or delayed), add additional Persons as Lenders and/or increase the Commitments hereunder; provided that the Commitment of any Lender may only be increased with the prior written consent of such Lender and the Agent. Each additional Lender shall become a party hereto by executing and delivering to the Agent and the Borrower a Joinder Supplement. On the

date of the joinder of any additional Lender(s) to this Agreement, the existing Lenders and the additional Lender(s) shall make such purchases and sales of interest in the Advances Outstanding as of such date so that each Lender is then holding its Pro Rata Share of Advances Outstanding based on their respective Commitments after giving effect to any related Joinder Supplement(s) with respect to such additional Lender(s).

Section 1.23 Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 11.01.

(ii) Any payment of principal, interest, fees or other amounts received by the Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise), shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Agent hereunder; *second*, to the payment of any amounts owing by that Defaulting Lender to the Swingline Lender hereunder; *third*, if so determined by the Agent or requested by the Swingline Lender, to be held as cash collateral for future funding obligations of that Defaulting Lender of any participation in any Swingline Advance; *fourth*, as the Borrower may request (so long as no Unmatured Event of Default or Event of Default exists), to the funding of any Advance in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; *fifth*, if so determined by the Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Advances under this Agreement; *sixth*, to the payment of any amounts owing to the other Lenders or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the Swingline Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Unmatured Event of Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is a payment of the principal amount of any Advances or funded participations in Swingline Advances in respect of which that Defaulting Lender has not fully funded its appropriate share, such payment shall be applied solely to pay the Advances of, and funded participations in Swingline Advances owed to, all non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Advances of, or funded participations in Swingline Advances owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.23 shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Swingline Advances pursuant to Section 2.25, the "Pro Rata Share" of each non-Defaulting Lender shall be computed without giving effect to

the Commitment of that Defaulting Lender; provided that (x) each such reallocation shall be given effect only if the aggregate obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Swingline Advances shall not exceed the positive difference, if any, of (A) the Commitment of that non-Defaulting Lender *minus* (B) the aggregate outstanding principal amount of the Advances of that Lender.

(iv) Promptly on demand by the Agent from time to time, the Borrower shall deliver to the Agent cash collateral in an amount sufficient to cover all Fronting Exposure with respect to the Swingline Lender (after giving effect to clause (iii) above) on terms reasonably satisfactory to the Agent and the Swingline Lender (and such cash collateral shall be in dollars). Any such cash collateral shall be deposited in a separate account with the Agent, subject to the exclusive dominion and control of the Agent, as collateral (solely for the benefit of the Swingline Lender) for the payment and performance of each Defaulting Lender's Pro Rata Share of outstanding Swingline Advances.

(v) Promptly on demand by the Swingline Lender or the Agent from time to time, the Borrower shall prepay Swingline Advances in an amount of all Fronting Exposure with respect to the Swingline Lender (after giving effect to clause (iii) above).

(vi) For any period during which that Lender is a Defaulting Lender, that Defaulting Lender shall not be entitled to receive any Non-Usage Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(b) If the Agent and the Swingline Lender agree in writing in their sole good faith discretion (other than in the case of any agreement with respect to a Lender that is a Defaulting Lender specified in the parenthetical in clause (iv) of the definition thereof, subject to the consent of the Borrower, not to be unreasonably withheld, delayed or conditioned) that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Advances of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Advances to be held on a *pro rata* basis by the Lenders in accordance with their Pro Rata Shares (without giving effect to Section 2.23(a)(iii) above), whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. For the avoidance of doubt, no Breakage Fees shall be payable to any Lender under this Section 2.23(b).

Section 1.24 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.10, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11, the Borrower may request such Lender provide an estimate of the costs and expenses that would be incurred by such Lender in connection with designating a different lending office for funding or booking its Advances hereunder or assigning its rights and obligations hereunder to another of its offices, branches or affiliates, in each case, which designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.10 or Section 2.11, as the case may

be, in the future and (ii) would not otherwise be disadvantageous to such Lender. Upon receipt of such estimate, the Borrower may approve the proposed designation or assignment, in which case the Lender shall use reasonable efforts to effect the same. The Borrower hereby agrees to pay all reasonable invoiced costs and expenses incurred by any Lender in connection with any such approved designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.10, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.11, or if any Lender is a Defaulting Lender hereunder, or if any Lender does not consent to any amendment or modification (including in the form of a consent or waiver) pursuant to Section 11.01 and such Lender's consent is required for such amendment or modification (so long as at the time of such replacement, (i) the Required Lenders have consented to such amendment or modification and (ii) each such replacement Lender consents to such amendment or modification), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender (other than the Designated Lender as to which the terms of this Section 2.24(b) which relate to such Lender not consenting to any amendment or modification shall not apply) to (x) assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04), all of its interests, rights and obligations under this Agreement and the Transaction Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) or (y) terminate all of its interests, rights and obligations under this Agreement and the Loan Documents and reduce the aggregate Commitments outstanding; provided that:

(i) (A) if such Lender's Commitments have been assigned pursuant to clause (x) above, such Lender shall have received payment of an amount equal to the outstanding principal of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) or (B) if such Lender's Commitments have been terminated pursuant to clause (y) above, such Lender shall have received payment of all such amounts payable to it hereunder from the Borrower;

(ii) in the case of any such assignment, delegation or termination resulting from a claim for compensation under Section 2.10 or payments required to be made pursuant to Section 2.11, such assignment, delegation or termination will result in a reduction in such compensation or payments thereafter; and

(iii) such assignment, delegation or termination does not conflict with Applicable Law.

(c) A Lender shall not be required to make any such assignment, delegation or termination if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment, delegation or termination cease to apply.

Section 1.25 Refunding of Swingline Advances.

(a) Each Swingline Advance shall be refunded by the Lenders on the second Business Day following the date of such Swingline Advance (each such date, a "Swingline Refund Date"). Such refundings shall be made by the Lenders in accordance with their respective Pro Rata Shares and shall thereafter be reflected as Advances of the Lenders on the books and records of the Agent. Each Lender shall fund its respective Pro Rata Share of

Advances as required to repay Swingline Advances outstanding to the Swingline Lender no later than 12:00 noon on the applicable Swingline Refund Date.

(b) The Borrower shall pay to the Swingline Lender, within fourteen (14) days of demand, the amount of such Swingline Advances to the extent amounts received from the Lenders are not sufficient to repay in full the outstanding Swingline Advances requested or required to be refunded. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Lenders in accordance with their respective Pro Rata Shares.

(c) Each Lender acknowledges and agrees that its obligation to refund Swingline Advances in accordance with the terms of this Section 2.25 is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in Section 3.02. Further, each Lender agrees and acknowledges that if prior to the refunding of any outstanding Swingline Advances pursuant to this Section 2.25, a Bankruptcy Event relating to the Borrower, the Equityholder or the Transferor shall have occurred, each Lender will, on the date the applicable Advance would have been made, purchase an undivided participating interest in the Swingline Advance to be refunded in an amount equal to its Pro Rata Share of the aggregate amount of such Swingline Advance. Each Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its participation and upon receipt thereof the Swingline Lender will deliver to such Lender a certificate evidencing such participation dated the date of receipt of such funds and for such amount. Whenever, at any time after the Swingline Lender has received from any Lender such Lender's participating interest in a Swingline Advance, the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded).

(d) Notwithstanding anything to the contrary contained in this Section 2.25, the Swingline Lender shall not be obligated to make any Swingline Advance at a time when any other Lender is a Defaulting Lender, unless the Swingline Lender has entered into arrangements (which may include the delivery of cash collateral) with the Borrower or such Defaulting Lender which are satisfactory to the Swingline Lender to eliminate the Swingline Lender's Fronting Exposure (after giving effect to Section 2.23(a)(iii)) with respect to any such Defaulting Lender.

ARTICLE III.

CONDITIONS PRECEDENT

Section 1.01 Conditions Precedent to Effectiveness.

(a) This Agreement shall be effective upon satisfaction of the conditions precedent that:

(i) all reasonable up-front expenses and fees (including legal fees and any fees required under any Lender Fee Letter and the Trustee and Collateral Custodian Fee Letter) that are invoiced at or prior to the Restatement Date shall have been paid in full;

(ii) any and all information submitted to each Lender and the Agent by the Borrower, the Transferor, the Equityholder or the Servicer or any of their Affiliates is

true, accurate, complete in all material respects and not misleading in any material respect;

(iii) each Lender shall have received all documentation and other information requested by such Lender in its sole discretion and/or required by regulatory authorities with respect to the Borrower, the Transferor and the Servicer under applicable “know your customer” and Anti-Money Laundering Laws, including, without limitation, the USA PATRIOT Act, all in form and substance reasonably satisfactory to each Lender;

(iv) the Agent shall have received on or before the date of such effectiveness the items listed in Schedule I hereto, each in form and substance satisfactory to the Agent and each Lender; and

(v) no material adverse effect on the business, assets, financial conditions or performance of the Servicer and its subsidiaries, including the Borrower, on a consolidated basis, has occurred.

(b) By its execution and delivery of this Agreement, each of the Borrower and the Servicer hereby certifies that, and the Agent hereby acknowledges that, each of the conditions precedent to the effectiveness of this Agreement set forth in this Section 3.01 have been satisfied.

Section 1.02 Conditions Precedent to All Advances. Each Advance (including the Initial Advance, except as explicitly set forth below) and each Swingline Advance to the Borrower from the Lenders shall be subject to the further conditions precedent that:

(a) On the Advance Date of such Advance, the following statements shall be true and correct, and the Borrower by accepting any amount of such Advance shall be deemed to have certified that:

(i) the Servicer (on behalf of the Borrower) shall have delivered to the Agent (with a copy to the Collateral Custodian and copies of the Notice of Borrowing and Borrowing Base Certificate to the Trustee only) no later than 3:00 p.m. on the date that is one Business Day prior to the related Advance Date (and with respect to Swingline Advances no later than 5:00 p.m. on the related Advance Date): (A) a Notice of Borrowing, (B) a Borrowing Base Certificate, (C) a Loan Asset Schedule and (D) except with respect to an Advance under Section 2.02(f), Loan Assignments in the form of Exhibit A to the Purchase and Sale Agreements (including Schedule I thereto) and containing such additional information as may be reasonably requested by the Agent (who will provide each Lender with a copy promptly upon receipt thereof);

(ii) except with respect to an Advance under Section 2.02(f), the Borrower shall have delivered to the Collateral Custodian (with a copy to the Agent (who will provide each Lender with a copy promptly upon receipt thereof)), no later than 2:00 p.m. one Business Day prior to the related Advance Date, a faxed or e-mailed copy of the duly executed original promissory notes of the Loan Assets (and, in the case of any Noteless Loan Asset, a fully executed assignment agreement) and if any Loan Assets are closed in escrow, a certificate (in the form of Exhibit J) from the closing attorneys of such Loan Assets certifying the possession of the Required Loan Documents; provided that, notwithstanding the foregoing, the Borrower shall cause the Loan Asset Checklist and the Required Loan Documents to be in the possession of the Collateral Custodian within five Business Days of any related Advance Date as to any Loan Assets;

(iii) the representations and warranties contained in Sections 4.01, 4.02 and 4.03 are true and correct in all material respects and (except with respect to an Advance required by Section 2.02(f)) there exists no breach of any covenant contained in Sections 5.01, 5.02, 5.03 and 5.04, in each case, immediately before and immediately after giving effect to the Advance to take place on such Advance Date and to the application of proceeds therefrom, on and as of such day as though made on and as of such date (other than any representation and warranty that is made as of a specific date);

(iv) on and as of such Advance Date, after giving effect to such Advance and the addition to the Collateral Portfolio of the Eligible Loan Assets being acquired by the Borrower using the proceeds of such Advance (except with respect to an Advance required by Section 2.02(f)), the Advances Outstanding does not exceed the Borrowing Base;

(v) no Event of Default has occurred, or would result from such Advance, and no Unmatured Event of Default or Borrowing Base Deficiency exists or would result from such Advance;

(vi) no event has occurred and is continuing, or would result from such Advance, which constitutes a Servicer Termination Event or any event which, if it continues uncured, will, with notice or lapse of time, constitute a Servicer Termination Event;

(vii) since the Closing Date, no material adverse change has occurred in the ability of the Servicer, Transferor, the Equityholder or the Borrower to perform its obligations under any Transaction Document;

(viii) no Liens exist in respect of Taxes which are prior to the lien of the Trustee on the Eligible Loan Assets to be Pledged on such Advance Date;

(ix) with respect to any Pledge of Eligible Loan Assets in connection with such Advance, immediately after giving effect to such Pledge, each Collateral Quality Test shall be satisfied, or, if any Collateral Quality Test shall not be satisfied, the Borrower's level of compliance with such Collateral Quality Test shall be improved or maintained; and

(x) all terms and conditions of each Purchase and Sale Agreement required to be satisfied in connection with the assignment of each Eligible Loan Asset being Pledged hereunder on such Advance Date (and the Portfolio Assets related thereto), including, without limitation, the perfection of the Borrower's interests therein, shall have been satisfied in full, and all filings (including, without limitation, UCC filings) required to be made by any Person and all actions required to be taken or performed by any Person in any jurisdiction to give the Trustee, for the benefit of the Secured Parties, a first priority perfected security interest (subject only to Permitted Liens) in such Eligible Loan Assets and the Portfolio Assets related thereto and the proceeds thereof shall have been made, taken or performed, and with respect to each Eligible Loan Asset so assigned pursuant to each Purchase and Sale Agreement, the Transferor and the Equityholder shall not have been subject to any Change of Control since the Eighth Amendment Effective Date, other than a Change of Control previously approved by the Agent in writing.

(b) The Agent shall have approved in its sole and absolute discretion each of the Eligible Loan Assets identified in the applicable Loan Asset Schedule for inclusion in the Collateral Portfolio on the applicable Advance Date.

(c) No Applicable Law shall prohibit, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of such Advances by any Lender or the proposed Pledge of Eligible Loan Assets in accordance with the provisions hereof.

(d) With respect to any Advance or Swingline Advance (except with respect to an Advance required by Section 2.02(f)), the proposed Advance Date shall take place during the Reinvestment Period and the Facility Maturity Date has not yet occurred.

(e) The Borrower shall have paid all fees then required to be paid, in accordance with the provisions of the Transaction Documents, including all fees required hereunder and under any Lender Fee Letter and the Trustee and Collateral Custodian Fee Letter and shall have, in accordance with the provisions of the Transaction Documents, reimbursed the Lenders, the Agent, the Collateral Custodian, the Bank and the Trustee for all fees, costs and expenses of closing the transactions contemplated hereunder and under the other Transaction Documents, including (i) the reasonable attorney fees and (ii) any other invoiced legal and document preparation costs incurred by the Agent, the Lenders and the Trustee.

The failure of the Borrower to satisfy any of the foregoing conditions precedent in respect of any Advance or Swingline Advance shall give rise to a right of the Agent and the applicable Lender, which right may be exercised at any time on the demand of the applicable Lender, to rescind the related Advance and direct the Borrower to pay to the applicable Lender an amount equal to the Advances made during any such time that any of the foregoing conditions precedent were not satisfied.

Section 1.03 Advances Do Not Constitute a Waiver. No Advance made hereunder shall constitute a waiver of any condition to any Lender's obligation to make such an advance unless such waiver is in writing and executed by such Lender.

Section 1.04 Conditions to Pledges of Loan Assets. Each Pledge of an additional Eligible Loan Asset pursuant to Section 2.06, a Substitute Eligible Loan Asset pursuant to Section 2.07(a) or (e), an additional Eligible Loan Asset pursuant to Section 2.21 or any other Pledge of a Loan Asset hereunder shall be subject to the further conditions precedent that (as certified to the Trustee by the Borrower):

(a) the Servicer (on behalf of the Borrower) shall have delivered to the Agent (with a copy to the Collateral Custodian and copies of the Notice of Borrowing and Borrowing Base Certificate to the Trustee only) no later than 3:00 p.m. on the date that is one Business Day prior to the related Cut-Off Date: (A) a Borrowing Base Certificate, (B) a Loan Asset Schedule and (C) Loan Assignments in the form of Exhibit A to the Purchase and Sale Agreements (including Schedule I thereto) and containing such additional information as may be reasonably requested by the Agent (who will provide each Lender with a copy promptly upon receipt thereof);

(b) the Borrower shall have delivered to the Collateral Custodian (with a copy to the Agent (who will provide each Lender with a copy promptly upon receipt thereof)), no later than 2:00 p.m. one Business Day prior to the related Cut-Off Date, a faxed or e-mailed copy of the duly executed original promissory notes of the Loan Assets (and, in the case of any Noteless Loan Asset, a fully executed assignment agreement) and if any Loan Assets are closed in escrow, a certificate (in the form of Exhibit J) from the closing attorneys of such Loan Assets certifying the possession of the Required Loan Documents; provided that, notwithstanding the foregoing, the Borrower shall cause the Loan Asset Checklist and the Required Loan Documents to be in the possession of the Collateral Custodian within five Business Days of any related Cut-Off Date as to any Loan Assets;

(c) no Liens exist in respect of Taxes which are prior to the lien of the Trustee on the Eligible Loan Assets to be Pledged on such Cut-Off Date;

(d) all terms and conditions of each Purchase and Sale Agreement required to be satisfied in connection with the assignment of each Eligible Loan Asset being Pledged hereunder on such Cut-Off Date (and the Portfolio Assets related thereto), including, without limitation, the perfection of the Borrower's interests therein, shall have been satisfied in full, and all filings (including, without limitation, UCC filings) required to be made by any Person and all actions required to be taken or performed by any Person in any jurisdiction to give the Trustee, for the benefit of the Secured Parties, a first priority perfected security interest (subject only to Permitted Liens) in such Eligible Loan Assets and the Portfolio Assets related thereto and the proceeds thereof shall have been made, taken or performed;

(e) the Agent shall have approved in its sole and absolute discretion each of the Eligible Loan Assets identified in the applicable Loan Asset Schedule for inclusion in the Collateral Portfolio on the applicable Cut-Off Date;

(f) no Event of Default has occurred, or would result from such Pledge, and no Unmatured Event of Default exists, or would result from such Pledge (other than, with respect to any Pledge of an Eligible Loan Asset necessary to cure a Borrowing Base Deficiency in accordance with Section 2.06 or 2.07, an Unmatured Event of Default arising solely pursuant to such Borrowing Base Deficiency);

(g) on and as of such day, immediately after giving effect to such Pledge, each Collateral Quality Test shall be satisfied, or, if any Collateral Quality Test shall not be satisfied, the Borrower's level of compliance with such Collateral Quality Test shall be improved or maintained; and

(h) the representations and warranties contained in Sections 4.01, 4.02 and 4.03 are true and correct in all material respects, and there exists no breach of any covenant contained in Sections 5.01, 5.02, 5.03 and 5.04 before and after giving effect to the Pledge to take place on such Cut-Off Date, on and as of such day as though made on and as of such date (other than any representation and warranty that is made as of a specific date).

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Section 1.01 Representations and Warranties of the Borrower. The Borrower hereby represents and warrants, as of the Restatement Date, as of each applicable Cut-Off Date, as of each applicable Advance Date, as of each Payment Date and as of each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made (unless a specific date is specified below):

(a) Organization, Good Standing and Due Qualification. The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware (subject to Section 5.02(r)) and has the power and all licenses necessary to own its assets and to transact the business in which it is engaged and is duly qualified and in good standing under the laws of each jurisdiction where the transaction of such business or its ownership of the Loan Assets and the Collateral Portfolio requires such qualification.

(b) Power and Authority; Due Authorization; Execution and Delivery. The Borrower has the power, authority and legal right to make, deliver and perform this Agreement

and each of the Transaction Documents to which it is a party and all of the transactions contemplated hereby and thereby, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement and each of the Transaction Documents to which it is a party, and to grant to the Trustee, for the benefit of the Secured Parties, a first priority perfected security interest in the Collateral Portfolio on the terms and conditions of this Agreement, subject only to Permitted Liens.

(c) Binding Obligation. This Agreement and each of the Transaction Documents to which the Borrower is a party constitutes the legal, valid and binding obligation of the Borrower, enforceable against it in accordance with their respective terms, except as the enforceability hereof and thereof may be limited by Bankruptcy Laws and by general principles of equity (whether such enforceability is considered in a proceeding in equity or at law).

(d) All Consents Required. No consent of any other party and no consent, license, approval or authorization of, or registration or declaration with, any Governmental Authority, bureau or agency is required in connection with the execution, delivery or performance by the Borrower of this Agreement or any Transaction Document to which it is a party or the validity or enforceability of this Agreement or any such Transaction Document or the Loan Assets or the transfer of an ownership interest or security interest in such Loan Assets, other than such as have been met or obtained and are in full force and effect.

(e) No Violation. The execution, delivery and performance of this Agreement and all other agreements and instruments executed and delivered or to be executed and delivered pursuant hereto or thereto in connection with the Pledge of the Collateral Portfolio will not (i) create any Lien on the Collateral Portfolio other than Permitted Liens or (ii) violate any Applicable Law or the certificate of formation or limited liability company agreement of the Borrower or (iii) violate any contract or other agreement to which the Borrower is a party or by which the Borrower or any property or assets of the Borrower may be bound.

(f) No Proceedings. There is no litigation or administrative proceeding or investigation pending or, to the knowledge of the Borrower, threatened against the Borrower or any properties of the Borrower, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower is a party or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(g) Selection Procedures. In selecting the Loan Assets to be Pledged pursuant to this Agreement, no selection procedures were employed which are intended to be adverse to the interests of the Lenders.

(h) Bulk Sales. The grant of the security interest in the Collateral Portfolio by the Borrower to the Trustee, for the benefit of the Secured Parties, pursuant to this Agreement, is in the ordinary course of business for the Borrower and is not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

(i) Pledge of Collateral Portfolio. Except as otherwise expressly permitted by the terms of this Agreement, no item of Collateral Portfolio has been sold, transferred, assigned or pledged by the Borrower to any Person, other than as contemplated by Article II and the Pledge of such Collateral Portfolio to the Trustee, for the benefit of the Secured Parties, pursuant to the terms of this Agreement.

(j) Indebtedness. The Borrower has no Indebtedness or other indebtedness, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than

(i) Indebtedness incurred under the terms of the Transaction Documents and (ii) Indebtedness incurred pursuant to certain ordinary business expenses arising pursuant to the transactions contemplated by this Agreement and the other Transaction Documents.

(k) Sole Purpose. The Borrower has been formed solely for the purpose of engaging in transactions of the types contemplated by this Agreement, and has not engaged in any business activity other than the negotiation, execution and to the extent applicable, performance of this Agreement and the transactions contemplated by the Transaction Documents.

(l) No Injunctions. No injunction, writ, restraining order or other order of any nature adversely affects the Borrower's performance of its obligations under this Agreement or any Transaction Document to which the Borrower is a party.

(m) Taxes. The Borrower has filed or caused to be filed (on a consolidated basis or otherwise) on a timely basis all material tax returns (including, without limitation, all foreign, federal, state, local and other tax returns) required to be filed by it, is not liable for Taxes payable by any other Person and has paid or made adequate provisions for the payment of all material Taxes, assessments and other governmental charges due and payable from the Borrower except for those Taxes being contested in good faith by appropriate proceedings and in respect of which it has established proper reserves on its books. No Tax lien or similar adverse claim has been filed, and no claim is being asserted, with respect to any such Tax, assessment or other governmental charge. Any Taxes, fees and other governmental charges due and payable by the Borrower, as applicable, in connection with the execution and delivery of this Agreement and the other Transaction Documents and the transactions contemplated hereby or thereby have been paid or shall have been paid if and when due.

(n) Location. The Borrower's location (within the meaning of Article 9 of the UCC) is Delaware. The chief executive office of the Borrower (and the location of the Borrower's records regarding the Collateral Portfolio (other than those delivered to the Collateral Custodian)) is located at the address set forth under its name in Section 11.02 (or at such other address as shall be designated by such party in a written notice to the other parties hereto).

(o) Tradenames. Except as permitted hereunder, the Borrower's legal name is as set forth in this Agreement. Except as permitted hereunder, the Borrower has not changed its name since its formation; does not have tradenames, fictitious names, assumed names or "doing business as" names other than as disclosed on Schedule II hereto (as such schedule may be updated from time to time by the Agent upon receipt of a notice delivered to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) pursuant to Section 5.02(r)); the Borrower's only jurisdiction of formation is Delaware, and, except as permitted hereunder, the Borrower has not changed its jurisdiction of formation.

(p) Solvency. The Borrower is not the subject of any Bankruptcy Proceedings or Bankruptcy Event. The Borrower is solvent, and the transactions under this Agreement and any other Transaction Document to which the Borrower is a party do not and will not render the Borrower insolvent. The Borrower is paying its debts as they become due (subject to any applicable grace period); and the Borrower, after giving effect to the transactions contemplated hereby, will have adequate capital to conduct its business.

(q) No Subsidiaries. The Borrower has no Subsidiaries other than in connection with retaining equity pursuant to Section 6.05.

(r) Value Given. The Borrower has given fair consideration and reasonably equivalent value to the Equityholder in exchange for the purchase of the Loan Assets (or any

number of them) from the Equityholder pursuant to the Second Tier Purchase and Sale Agreement. No such transfer has been made for or on account of an antecedent debt owed by the Borrower to the Equityholder and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(s) Reports Accurate. All Servicer's Certificates, Servicing Reports, Notices of Borrowing, Borrowing Base Certificates and other written or electronic information, exhibits, financial statements, documents, books, records or reports furnished by the Borrower (or the Servicer on its behalf) to the Agent, the Trustee, the Lenders or the Collateral Custodian in connection with this Agreement are, as of their date, accurate, true and correct in all material respects; provided that, solely with respect to written or electronic information furnished by the Borrower (or the Servicer on its behalf) which was provided to the Borrower (or the Servicer on its behalf) from an Obligor with respect to a Loan Asset, such information need only be accurate, true and correct in all material respects to the knowledge of the Borrower (or the Servicer on its behalf); provided, further, that the foregoing proviso shall not apply to any information presented in a Servicer's Certificate, Servicing Report, Notice of Borrowing or Borrowing Base Certificate.

(t) Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein or in the other Transaction Documents (including, without limitation, the use of proceeds from the sale of the Collateral Portfolio) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the Advances will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purpose credit" within the meaning of Regulation U.

(u) No Adverse Agreements. There are no agreements in effect adversely affecting the rights of the Borrower to make, or cause to be made, the grant of the security interest in the Collateral Portfolio contemplated by Section 2.13.

(v) Event of Default/Unmatured Event of Default. No event has occurred which constitutes an Event of Default, and no event has occurred and is continuing which constitutes an Unmatured Event of Default (other than any Event of Default or Unmatured Event of Default which has previously been disclosed to the Agent as such).

(w) Servicing Standard. Each of the Loan Assets was underwritten or acquired and is being serviced in conformance with the standard underwriting, credit, collection, operating and reporting procedures and systems of the Servicer or the Transferor.

(x) ERISA. The present value of all vested benefits under each "employee pension benefit plan", as such term is defined in Section 3(2) of ERISA, other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate of the Borrower, or to which the Borrower or any ERISA Affiliate of the Borrower contributes or has an obligation to contribute, or has any liability (each, a "Pension Plan"), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the last annual valuation date for such Pension Plan) determined in accordance with the assumptions used for funding such Pension Plan pursuant to Sections 412 and 430 of the Code for the applicable plan year. No prohibited transactions (within the meaning of Section 406(a) or (b) of ERISA or Section 4975 of the Code) for which an exemption is not available or has not previously been obtained from the United States Department of Labor, failure to meet the minimum funding standard set forth in Section 302(a) of ERISA and Section 412(a) of the Code with respect to any Pension Plan, withdrawal from a Pension Plan subject to Section 4063 of ERISA during a plan year in which the Borrower or any ERISA Affiliate of the Borrower was a "substantial employer" (as defined

in Section 4001(a)(2) of ERISA), or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or Reportable Events have occurred with respect to any Pension Plan that, in the aggregate, could subject the Borrower to any material Tax penalty or other liability. No notice of intent to terminate a Pension Plan has been filed under Section 4041 of ERISA, nor has any Pension Plan been terminated under Section 4041 of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan under Section 4042 of ERISA and no event has occurred or condition exists that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(y) Allocation of Charges. There is not any agreement or understanding between the Servicer and the Borrower (other than as expressly set forth herein or as consented to by the Agent), providing for the allocation or sharing of obligations to make payments or otherwise in respect of any taxes, fees, assessments or other governmental charges; provided that it is understood and acknowledged that the Borrower will be consolidated with the Servicer for tax purposes.

(z) Broker-Dealer. The Borrower is not a broker-dealer or subject to the Securities Investor Protection Act of 1970, as amended.

(aa) Instructions to Obligors. The Collection Account is the only account to which Obligors (or sellers of Acquisition Participation Interests) have been instructed by the Borrower, or the Servicer on the Borrower's behalf, to send Principal Collections and Interest Collections on the Collateral Portfolio. The Borrower has not granted any Person other than the Trustee, for the benefit of the Secured Parties, an interest in the Collection Account.

(ab) Second Tier Purchase and Sale Agreement. The Second Tier Purchase and Sale Agreement and the Second Tier Loan Assignments contemplated therein are the only agreements pursuant to which the Borrower acquires the Collateral Portfolio. The Original Purchase and Sale Agreement was the only agreement pursuant to which the Borrower acquired the Collateral Portfolio prior to the Restatement Date.

(ac) Investment Company Act. The Borrower is not required to register as an "investment company" under the provisions of the 1940 Act.

(ad) Compliance with Law. The Borrower has complied in all material respects with all Applicable Law to which it may be subject, and no item of the Collateral Portfolio contravenes any Applicable Law (including, without limitation, all applicable predatory and abusive lending laws, laws, rules and regulations relating to licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy).

(ae) Collections. The Borrower acknowledges that all Available Collections received by it or its Affiliates with respect to the Collateral Portfolio Pledged hereunder are held and shall be held in trust for the benefit of the Trustee, on behalf of the Secured Parties until deposited into the Collection Account within two Business Days after receipt as required herein.

(af) Set-Off, etc. No Loan Asset has been compromised, adjusted, extended, satisfied, subordinated, rescinded, set-off or modified by the Borrower, the Transferor, the Equityholder or the Obligor thereof, and no Collateral Portfolio is subject to compromise, adjustment, extension, satisfaction, subordination, rescission, set-off, counterclaim, defense, abatement, suspension, deferment, deduction, reduction, termination or modification, whether arising out of transactions concerning the Collateral Portfolio or otherwise, by the Borrower, the Transferor, the Equityholder or the Obligor with respect thereto, except, in each case, for

amendments, extensions and modifications, if any, to such Collateral Portfolio otherwise permitted pursuant to Section 6.04(a) of this Agreement and in accordance with the Servicing Standard.

(ag) Full Payment. As of the applicable Cut-Off Date thereof, the Borrower has no knowledge of any fact which should lead it to expect that any Loan Asset will not be paid in full.

(ah) Environmental. With respect to each item of Underlying Collateral as of the applicable Cut-Off Date for the Loan Asset related to such Underlying Collateral, to the actual knowledge of a Responsible Officer of the Borrower: (a) the related Obligor's operations comply in all material respects with all applicable Environmental Laws; (b) none of the related Obligor's operations is the subject of a federal or state investigation evaluating whether any remedial action, involving expenditures, is needed to respond to a release of any Hazardous Materials into the environment; and (c) the related Obligor does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment. As of the applicable Cut-Off Date for the Loan Asset related to such Underlying Collateral, none of the Borrower, the Transferor, the Equityholder nor the Servicer has received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Underlying Collateral, nor does any such Person have knowledge or reason to believe that any such notice will be received or is being threatened.

(ai) Sanctions. None of the Borrower, any Person directly or (to the knowledge of the Borrower) indirectly Controlling the Borrower nor any Person directly or (to the knowledge of the Borrower) indirectly Controlled by the Borrower (i) is a Sanctioned Person; (ii) is controlled by or is acting on behalf of a Sanctioned Person; (iii) is, to the Borrower's knowledge, under investigation for an alleged breach of Sanction(s) by a governmental authority that enforces Sanctions; or (iv) will fund any repayment of the Obligations with proceeds derived from any transaction that would be prohibited by Sanctions or would otherwise cause any Lender or any other party to this Agreement, or any Related Party, to be in breach of any Sanctions. To each such Person's knowledge, no investor in such Person is a Sanctioned Person. The Borrower will notify each Lender and Agent in writing not more than one (1) Business Day after becoming aware of any breach of this section.

(aj) Confirmation from Transferor and Equityholder. The Borrower has received in writing from the Transferor and the Equityholder confirmation that the Transferor and the Equityholder will not cause the Borrower to file a voluntary bankruptcy petition under the Bankruptcy Code.

(ak) Accuracy of Representations and Warranties. Each representation or warranty by the Borrower contained herein or in any certificate or other document furnished by the Borrower pursuant hereto or in connection herewith is true and correct in all material respects. The Borrower hereby reaffirms each representation and warranty made pursuant to the Original Agreement and represents and warrants that each such representation and warranty was, as of its date, true and correct in all material respects and that, immediately prior to this amendment and restatement of this Agreement, there existed no breach of any covenant or agreement of the Original Agreement. For the avoidance of doubt, the Borrower hereby agrees that any such breach of any representation, warranty, covenant or agreement of the Borrower under the Original Agreement prior to the Restatement Date shall be treated as a breach of a representation or warranty under this Section 4.01.

(al) Reaffirmation of Representations and Warranties. On each day that any Advance is made hereunder, the Borrower shall be deemed to have certified that all representations and warranties described in Section 4.01 and Section 4.02 are correct on and as of such day as though made on and as of such day, except for any such representations or warranties which are made as of a specific date.

(am) Security Interest.

(i) This Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Collateral Portfolio in favor of the Trustee, on behalf of the Secured Parties, which security interest is prior to all other Liens (except for Permitted Liens), and is enforceable as such against creditors of and purchasers from the Borrower;

(ii) the Collateral Portfolio is comprised of “instruments”, “security entitlements”, “general intangibles”, “tangible chattel paper”, “accounts”, “certificated securities”, “uncertificated securities”, “securities accounts”, “deposit accounts”, “supporting obligations” or “insurance” (each as defined in the applicable UCC), real property and/or such other category of collateral under the applicable UCC as to which the Borrower has complied with its obligations under this Section 4.01(mm);

(iii) with respect to Collateral Portfolio that constitute “security entitlements”:

a. all of such security entitlements have been credited to one of the Controlled Accounts and the securities intermediary for each Controlled Account has agreed to treat all assets credited to such Controlled Account as “financial assets” within the meaning of the applicable UCC;

b. the Borrower has taken all steps necessary to cause the securities intermediary to identify in its records the Borrower, subject to the lien of the Trustee, for the benefit of the Secured Parties, as the Person having a security entitlement against the securities intermediary in each of the Controlled Accounts; and

c. the Controlled Accounts are not in the name of any Person other than the Borrower, subject to the lien of the Trustee, for the benefit of the Secured Parties. The securities intermediary of any Controlled Account which is a “securities account” under the UCC has agreed to comply with the entitlement orders and instructions of the Borrower, the Servicer and the Trustee (acting at the direction of the Agent) in accordance with the Transaction Documents, including causing cash to be invested in Permitted Investments; provided that, upon the delivery of a notice of exclusive control under the Collection Account Agreement or Unfunded Exposure Account Agreement by the Trustee (acting at the direction of the Agent), the securities intermediary has agreed to only follow the entitlement orders and instructions of the Trustee, on behalf of the Secured Parties, including with respect to the investment of cash in Permitted Investments.

(iv) all Controlled Accounts constitute “securities accounts” or “deposit accounts” as defined in the applicable UCC;

(v) with respect to any Controlled Account which constitutes a “deposit account” as defined in the applicable UCC, the Borrower, the Bank and the Trustee, on behalf of the Secured Parties, have entered into an account control agreement which permits the Trustee on behalf of the Secured Parties to direct disposition of the funds in such deposit account;

(vi) the Borrower owns and has good and marketable title to (or with respect to assets securing any Loan Assets, a valid security interest in) the Collateral Portfolio free and clear of any Lien (other than Permitted Liens) of any Person;

(vii) the Borrower has received all consents and approvals required by the terms of any Loan Asset to the granting of a security interest in the Loan Assets hereunder to the Trustee, on behalf of the Secured Parties;

(viii) the Borrower has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest of the Trustee in the Collateral Portfolio and that portion of the Loan Assets in which a security interest may be perfected by filing granted to the Trustee, on behalf of the Secured Parties, under this Agreement; provided that filings in respect of real property shall not be required;

(ix) other than as expressly permitted by the terms of this Agreement and the security interest granted to the Trustee, on behalf of the Secured Parties, pursuant to this Agreement, the Borrower has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Collateral Portfolio. The Borrower has not authorized the filing of and is not aware of any financing statements against the Borrower that include a description of collateral covering the Collateral Portfolio other than any financing statement (A) relating to the security interests granted to the Borrower under the Second Tier Purchase and Sale Agreement, or (B) relating to the closing of a Permitted Securitization contemplated by Section 2.07(c), or (C) that has been terminated and/or fully and validly assigned to the Trustee on or prior to the Closing Date. The Borrower is not aware of the filing of any judgment or Tax lien filings against the Borrower;

(x) all original executed copies of each underlying promissory note or copies of each Loan Asset Register, as applicable, that constitute or evidence each Loan Asset has been, or subject to the delivery requirements contained herein, will be delivered to the Collateral Custodian;

(xi) other than in the case of Noteless Loan Assets, the Borrower has received, or subject to the delivery requirements contained herein will receive, a written acknowledgment from the Collateral Custodian that the Collateral Custodian, as the bailee of the Trustee, is holding the underlying promissory notes that constitute or evidence the Loan Assets solely on behalf of and for the Trustee, for the benefit of the Secured Parties; provided that the acknowledgement of the Collateral Custodian set forth in Section 12.11 may serve as such acknowledgment;

(xii) none of the underlying promissory notes, or Loan Asset Registers, as applicable, that constitute or evidence the Loan Assets has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Trustee, on behalf of the Secured Parties;

(xiii) with respect to any Collateral Portfolio that constitutes a “certificated security,” such certificated security has been delivered to the Collateral Custodian, on behalf of the Secured Parties and, if in registered form, has been specially Indorsed to the Trustee, for the benefit of the Secured Parties, or in blank by an effective Indorsement or has been registered in the name of the Trustee, for the benefit of the Secured Parties, upon original issue or registration of transfer by the Borrower of such certificated security; and

(xiv) with respect to any Collateral Portfolio that constitutes an “uncertificated security”, that the Borrower shall cause the issuer of such uncertificated security to register the Trustee, on behalf of the Secured Parties, as the registered owner of such uncertificated security.

(an) Benefit Plan Investor. The Borrower is not a Benefit Plan Investor and will not be a Benefit Plan Investor at any time during the term of this Agreement.

(ao) Beneficial Ownership Certification. The information included in the Beneficial Ownership Certification is true and correct in all respects.

Section 1.02 Representations and Warranties of the Borrower Relating to the Agreement and the Collateral Portfolio. The Borrower hereby represents and warrants, as of the Restatement Date, as of each applicable Cut-Off Date, as of each applicable Advance Date, as of each Payment Date and any date which Loan Assets are Pledged hereunder and as of each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made (unless a specific date is specified below):

(a) Valid Transfer and Security Interest. This Agreement constitutes a grant of a security interest in all of the Collateral Portfolio to the Trustee, for the benefit of the Secured Parties, which upon the delivery of the Required Loan Documents to the Collateral Custodian, the crediting of Loan Assets to the Controlled Accounts and the filing of the financing statements, shall be a valid and first priority perfected security interest in the Loan Assets forming a part of the Collateral Portfolio and in that portion of the Loan Assets in which a security interest may be perfected by filing subject only to Permitted Liens. Neither the Borrower nor any Person claiming through or under Borrower shall have any claim to or interest in the Controlled Accounts and, if this Agreement constitutes the grant of a security interest in such property, except for the interest of the Borrower in such property as a debtor for purposes of the UCC.

(b) Eligibility of Collateral Portfolio. As of the Restatement Date, each Cut-Off Date and each Advance Date, (i) the Loan Asset Schedule and the information contained in each Notice of Borrowing, is an accurate and complete listing of all the Loan Assets contained in the Collateral Portfolio as of the related Cut-Off Date and the information contained therein with respect to the identity of such item of Collateral Portfolio and the amounts owing thereunder is true and correct as of the related Cut-Off Date, (ii) each Loan Asset designated on any Borrowing Base Certificate as an Eligible Loan Asset and each Loan Asset included as an Eligible Loan Asset in any calculation of Borrowing Base or Borrowing Base Deficiency is an Eligible Loan Asset and (iii) with respect to each item of Collateral Portfolio, all consents, licenses, approvals or authorizations of or registrations or declarations of any Governmental Authority or any Person required to be obtained, effected or given by the Borrower in connection with the transfer of a security interest in each item of Collateral Portfolio to the Trustee, for the benefit of the Secured Parties, have been duly obtained, effected or given and are in full force and effect. For the avoidance of doubt, any inaccurate representation that a Loan Asset is an Eligible Loan Asset hereunder or under the Purchase and Sale Agreements shall not constitute an Event of Default if the Borrower complies with Section 2.07(e) hereunder, the Equityholder complies with Section 6.1 of the Second Tier Purchase and Sale Agreement and the Transferor complies with Section 6.1 of the First Tier Purchase and Sale Agreement.

(c) No Fraud. Each Loan Asset was originated without any fraud or material misrepresentation by the Transferor or, to the best of the Borrower’s knowledge, on the part of the Obligor.

(d) Reaffirmation of Representations and Warranties. The Borrower hereby reaffirms that each representation and warranty made pursuant to Section 4.02 of the Original Agreement and represents and warrants that each such representation and warranty was, as of its date, true and correct in all material respects. For the avoidance of doubt, the Borrower hereby agrees that any such breach of any representation or warranty made by the Borrower under Section 4.02 of the Original Agreement prior to the Restatement Date shall be treated as a breach of a representation or warranty under this Section 4.02, including, without limitation, for purposes of the Borrower's obligation to repurchase Warranty Loan Assets.

Section 1.03 Representations and Warranties of the Servicer. The Servicer hereby represents and warrants, as of the Restatement Date, as of each applicable Cut-Off Date, as of each applicable Advance Date, as of each Payment Date and as of each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made (unless a specific date is specified below):

(a) Organization and Good Standing. The Servicer has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Maryland (except as such jurisdiction is changed as permitted hereunder), with all requisite corporate power and authority to own or lease its properties and to conduct its business as such business is presently conducted and to enter into and perform its obligations pursuant to this Agreement.

(b) Due Qualification. The Servicer is duly qualified to do business as a corporation and is in good standing as a corporation, and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of its property and or the conduct of its business requires such qualification, licenses or approvals, except where the failure to be so qualified or obtain such qualifications, licenses or approvals would not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Servicer (i) has all necessary power, authority and legal right to (a) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (b) carry out the terms of the Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. This Agreement and each other Transaction Document to which the Servicer is a party have been duly executed and delivered by the Servicer.

(d) Binding Obligation. This Agreement and each other Transaction Document to which the Servicer is a party constitutes a legal, valid and binding obligation of the Servicer enforceable against the Servicer in accordance with its respective terms, except as such enforceability may be limited by Bankruptcy Laws and general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party and the fulfillment of the terms hereof and thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Servicer's articles of incorporation or by-laws or any contractual obligation of the Servicer, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Servicer's properties pursuant to the terms of any such contractual obligation, other than this Agreement, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Servicer, threatened against the Servicer, before any

Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Servicer is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Servicer is a party or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

(g) All Consents Required. All approvals, authorizations, consents, orders, licenses or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Servicer of this Agreement and any other Transaction Document to which the Servicer is a party have been obtained.

(h) Reports Accurate. All Borrowing Base Certificates, information, exhibits, financial statements, documents, books, records or reports furnished by the Servicer to the Agent, the Trustee, the Lenders or the Collateral Custodian in connection with this Agreement are, as of their date, accurate, true and correct in all material respects; provided that, solely with respect to written or electronic information furnished by the Servicer which was provided to the Servicer from an Obligor with respect to a Loan Asset, such information need only be accurate, true and correct in all material respects to the knowledge of the Servicer; provided, further, that the foregoing proviso shall not apply to any information presented in a Servicer's Certificate, Servicing Report, Notice of Borrowing or Borrowing Base Certificate.

(i) Servicing Standard. The Servicer has complied in all material respects with the Servicing Standard with regard to the servicing of the Loan Assets.

(j) Collections. The Servicer acknowledges that all Available Collections received by it or its Affiliates with respect to the Collateral Portfolio transferred or Pledged hereunder are held and shall be held in trust for the benefit of the Secured Parties until deposited into the Collection Account within two Business Days from receipt as required herein.

(k) Bulk Sales. The execution, delivery and performance of this Agreement do not require compliance with any "bulk sales" act or similar law by the Servicer.

(l) Solvency. The Servicer is not the subject of any Bankruptcy Proceedings or Bankruptcy Event. The transactions under this Agreement and any other Transaction Document to which the Servicer is a party do not and will not render the Servicer not solvent.

(m) Taxes. The Servicer has filed or caused to be filed all tax returns that are required to be filed by it. The Servicer has paid or made adequate provisions for the payment of all Taxes and all assessments and other governmental charges due and payable from the Servicer except for those Taxes being contested in good faith by appropriate proceedings and in respect of which it has established proper reserves on its books. No Tax lien or similar adverse claim has been filed, and no claim is being asserted, with respect to any such Tax, assessment or other governmental charge. Any Taxes, fees and other governmental charges due and payable by the Servicer, as applicable, in connection with the execution and delivery of this Agreement and the other Transaction Documents and the transactions contemplated hereby or thereby have been paid or shall have been paid if and when due, in each case with respect to this clause (m) where except where the failure to do would not reasonably be expected to have a Material Adverse Effect.

(n) Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein or the other Transaction Documents (including, without limitation, the use of the Proceeds from the sale of the Collateral Portfolio) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto,

including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II.

(o) Security Interest. The Servicer will take all steps necessary to ensure that the Borrower has granted a security interest (as defined in the UCC) to the Trustee, for the benefit of the Secured Parties, in the Collateral Portfolio, which is enforceable in accordance with Applicable Law upon execution and delivery of this Agreement. Upon the filing of UCC-1 financing statements naming the Trustee as secured party and the Borrower as debtor, the Trustee, for the benefit of the Secured Parties, shall have a valid and first priority perfected security interest in the Loan Assets and that portion of the Collateral Portfolio in which a security interest may be perfected by filing (except for any Permitted Liens). All filings (including, without limitation, such UCC filings) as are necessary for the perfection of the Secured Parties' security interest in the Loan Assets and that portion of the Collateral Portfolio in which a security interest may be perfected by filing have been (or prior to the applicable Advance will be) made; provided that filings in respect of real property shall not be required.

(p) ERISA. The present value of all vested benefits under each "employee pension benefit plan", as such term is defined in Section 3(2) of ERISA, other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Servicer or any ERISA Affiliate of the Servicer or to which the Servicer or any ERISA Affiliate of the Servicer contributes or has an obligation to contribute, or has any liability (each, a "Servicer Pension Plan") does not exceed the value of the assets of the Servicer Pension Plan allocable to such vested benefits (based on the value of such assets as of the last annual valuation date for such Servicer Pension Plan) determined in accordance with the assumptions used for funding such Servicer Pension Plan pursuant to Sections 412 and 430 of the Code for the applicable plan year. No prohibited transactions (within the meaning of Section 406(a) or (b) of ERISA or Section 4975 of the Code) for which an exemption is not available or has not previously been obtained from the United States Department of Labor, failure to meet the minimum funding standard set forth in Section 302(a) of ERISA and Section 412(a) of the Code with respect to any Servicer Pension Plan, withdrawal from a Servicer Pension Plan subject to Section 4063 of ERISA during a plan year in which the Servicer or any ERISA Affiliate of the Servicer was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA), or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or Reportable Events have occurred with respect to any Servicer Pension Plan that, in the aggregate, could subject the Servicer to any material Tax penalty or other liability. No notice of intent to terminate a Servicer Pension Plan has been filed under Section 4041 of ERISA, nor has any Servicer Pension Plan been terminated under Section 4041 of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer, a Servicer Pension Plan under Section 4042 of ERISA and no event has occurred or condition exists that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Servicer Pension Plan.

(q) Sanctions. None of the Servicer, any Person directly or (to the knowledge of the Servicer) indirectly Controlling the Servicer nor any Person directly or (to the knowledge of the Servicer) indirectly Controlled by the Servicer (i) is a Sanctioned Person; (ii) is controlled by or is acting on behalf of a Sanctioned Person; (iii) is, to the Servicer's knowledge, under investigation for an alleged breach of Sanction(s) by a governmental authority that enforces Sanctions; or (iv) will fund any repayment of the Obligations with proceeds derived from any transaction that would be prohibited by Sanctions or would otherwise cause any Lender or any other party to this Agreement, or any Related Party, to be in breach of any Sanctions. To each Person's knowledge, no investor in such Person is a Sanctioned Person. The Servicer will notify each Lender and Agent in writing not more than one (1) Business Day after becoming aware of any breach of this section.

(r) Environmental. With respect to each item of Underlying Collateral, to the actual knowledge of a Responsible Officer of the Servicer: (a) the related Obligor's operations comply in all material respects with all applicable Environmental Laws; (b) none of the related Obligor's operations is the subject of a Federal or state investigation evaluating whether any remedial action, involving expenditures, is needed to respond to a release of any Hazardous Materials into the environment; and (c) the related Obligor does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment. The Servicer has not received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Underlying Collateral, nor does the Servicer, have knowledge or reason to believe that any such notice will be received or is being threatened.

(s) No Injunctions. No injunction, writ, restraining order or other order of any nature adversely affects the Servicer's performance of its obligations under this Agreement or any Transaction Document to which the Servicer is a party.

(t) Instructions to Obligors. The Collection Account is the only account to which Obligors (or sellers of Acquisition Participation Interests) have been instructed by the Servicer on the Borrower's behalf to send Available Collections on the Collateral Portfolio.

(u) Allocation of Charges. There is not any agreement or understanding between the Servicer and the Borrower (other than as expressly set forth herein or as consented to by the Agent), providing for the allocation or sharing of obligations to make payments or otherwise in respect of any taxes, fees, assessments or other governmental charges; provided that it is understood and acknowledged that the Borrower will be consolidated with the Servicer for tax purposes.

(v) Servicer Termination Event. No event has occurred which constitutes a Servicer Termination Event (other than any Servicer Termination Event which has previously been disclosed to the Agent as such).

(w) Broker-Dealer. The Servicer is not a broker-dealer or subject to the Securities Investor Protection Act of 1970, as amended.

(x) Compliance with Applicable Law. The Servicer has complied in all material respects with all Applicable Law to which it may be subject, and no Loan Asset in the Collateral Portfolio contravenes in any respect any Applicable Law.

(y) Reaffirmation of Representations and Warranties. The Servicer hereby reaffirms that each representation and warranty made pursuant to the Original Agreement and represents and warrants that each such representation and warranty was, as of its date, true and correct in all material respects and that, immediately prior to this amendment and restatement of this Agreement, there existed no breach of any covenant or agreement of the Servicer under the Original Agreement prior to the Restatement Date. For the avoidance of doubt, the Servicer hereby agrees that any such breach of any representation, warranty, covenant or agreement under the Original Agreement shall be treated as a breach of a representation or warranty under this Section 4.03.

Section 1.04 Representations and Warranties of the Trustee. The Trustee in its individual capacity and as Trustee represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has

full corporate power, authority and legal right to execute, deliver and perform its obligations as Trustee under this Agreement.

(b) Due Authorization. The execution and delivery of this Agreement and the consummation of the transactions provided for herein have been duly authorized by all necessary association action on its part, either in its individual capacity or as Trustee, as the case may be.

(c) No Conflict. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Trustee is a party or by which it or any of its property is bound.

(d) No Violation. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with or violate, in any material respect, any Applicable Law.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or Governmental Authority applicable to the Trustee, required in connection with the execution and delivery of this Agreement, the performance by the Trustee of the transactions contemplated hereby and the fulfillment by the Trustee of the terms hereof have been obtained.

(f) Validity, Etc. The Agreement constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, except as such enforceability may be limited by applicable Bankruptcy Laws and general principles of equity (whether considered in a suit at law or in equity).

Section 1.05 Representations and Warranties of each Lender. Each Lender hereby individually represents and warrants, as to itself, that it is an Approved Lender.

Section 1.06 Representations and Warranties of the Collateral Custodian. The Collateral Custodian in its individual capacity and as Collateral Custodian represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full corporate power, authority and legal right to execute, deliver and perform its obligations as Collateral Custodian under this Agreement.

(b) Due Authorization. The execution and delivery of this Agreement and the consummation of the transactions provided for herein have been duly authorized by all necessary association action on its part, either in its individual capacity or as Collateral Custodian, as the case may be.

(c) No Conflict. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Collateral Custodian is a party or by which it or any of its property is bound.

(d) No Violation. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with or violate, in any material respect, any Applicable Law.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or Governmental Authority applicable to the Collateral Custodian, required in connection with the execution and delivery of this Agreement, the performance by the Collateral Custodian of the transactions contemplated hereby and the fulfillment by the Collateral Custodian of the terms hereof have been obtained.

(f) Validity, Etc. The Agreement constitutes the legal, valid and binding obligation of the Collateral Custodian, enforceable against the Collateral Custodian in accordance with its terms, except as such enforceability may be limited by applicable Bankruptcy Laws and general principles of equity (whether considered in a suit at law or in equity).

ARTICLE V.

GENERAL COVENANTS

Section 1.01 Affirmative Covenants of the Borrower.

From the Closing Date until the Collection Date:

(a) Organizational Procedures and Scope of Business. The Borrower will observe all organizational procedures required by its certificate of formation, limited liability company agreement and the laws of its jurisdiction of formation. Without limiting the foregoing, the Borrower will limit the scope of its business to: (i) the acquisition of Eligible Loan Assets and the ownership and management of the Portfolio Assets and the related assets in the Collateral Portfolio; (ii) the sale, transfer or other disposition of Loan Assets as and when permitted under the Transaction Documents; (iii) entering into and performing under the Transaction Documents; (iv) consenting or withholding consent as to proposed amendments, waivers and other modifications of the Loan Agreements to the extent not in conflict with the terms of this Agreement or any other Transaction Document; (v) exercising any rights (including but not limited to voting rights and rights arising in connection with a Bankruptcy Event with respect to an Obligor or the consensual or non-judicial restructuring of the debt or equity of an Obligor) or remedies in connection with the Loan Assets and participating in the committees (official or otherwise) or other groups formed by creditors of an Obligor to the extent not in conflict with the terms of this Agreement or any other Transaction Document; and (vi) engaging in any activity and to exercise any powers permitted to limited liability companies under the laws of the State of Delaware that are related to the foregoing and necessary, convenient or advisable to accomplish the foregoing.

(b) Special Purpose Entity Requirements. The Borrower will at all times: (i) maintain at least one Independent Director; (ii) maintain its own separate books and records and bank accounts; (iii) hold itself out to the public and all other Persons as a legal entity separate from the Equityholder and any other Person (although, in connection with certain advertising and marketing, the Borrower may be identified as a Subsidiary of Ares); (iv) have a Board of Directors separate from that of the Equityholder and any other Person; (v) file its own tax returns, if any, as may be required under Applicable Law, to the extent (1) not part of a consolidated group filing a consolidated return or returns or (2) not treated as a division or a disregarded entity for tax purposes of another taxpayer, and pay any Taxes so required to be paid under Applicable Law in accordance with the terms of this Agreement; (vi) except as

contemplated by the Transaction Documents, not commingle its assets with assets of any other Person; (vii) conduct its business in its own name and strictly comply with all organizational formalities to maintain its separate existence (although, in connection with certain advertising and marketing, the Borrower may be identified as a Subsidiary of Ares); (viii) maintain separate financial statements, except to the extent that the Borrower's financial and operating results are consolidated with those of Ares in consolidated financial statements; (ix) pay its own liabilities only out of its own funds; (x) maintain an arm's-length relationship with its Affiliates and the Equityholder; (xi) pay the salaries of its own employees, if any; (xii) not hold out its credit or assets as being available to satisfy the obligations of others; (xiii) maintain separate office space (which may be a separately identified area in office space shared with one or more Affiliates of the Borrower) and allocate fairly and reasonably any overhead for shared office space; (xiv) to the extent used, use separate stationery, invoices and checks (although, in connection with certain advertising and marketing, the Borrower may be identified as a Subsidiary of Ares); (xv) except as expressly permitted by this Agreement, not pledge its assets as security for the obligations of any other Person; (xvi) correct any known misunderstanding regarding its separate identity; (xvii) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities and pay its operating expenses and liabilities from its own assets; (xviii) cause its Board of Directors to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe in all material respects all other Delaware limited liability company formalities; (xix) not acquire the obligations or any securities of its Affiliates; and (xx) cause the directors, officers, agents and other representatives of the Borrower to act at all times with respect to the Borrower consistently and in furtherance of the foregoing and in the best interests of the Borrower. Where necessary, the Borrower will obtain proper authorization from its members for limited liability company action.

(c) Preservation of Company Existence. The Borrower will maintain its limited liability company existence in good standing under the laws of its jurisdiction of formation and will promptly obtain and thereafter maintain qualifications to do business as a foreign limited liability company in any other state in which it does business and in which it is required to so qualify under Applicable Law.

(d) Compliance with Legal Opinions. The Borrower shall take all other actions necessary to maintain the accuracy of the factual assumptions set forth in the legal opinions of Latham & Watkins LLP, as special counsel to the Borrower, issued in connection with the Purchase and Sale Agreements and relating to the issues of substantive consolidation and true sale of the Loan Assets.

(e) Deposit of Collections. The Borrower shall promptly (but in no event later than two Business Days after receipt) deposit or cause to be deposited into the Collection Account any and all Available Collections received by the Borrower, the Servicer or any of their Affiliates.

(f) Disclosure of Purchase Price. The Borrower shall disclose to the Agent the purchase price for each Loan Asset proposed to be transferred to the Equityholder and then to the Borrower pursuant to the terms of the Purchase and Sale Agreements. The Agent will provide each Lender with a copy of any such disclosure promptly upon receipt thereof.

(g) Obligor Defaults. The Borrower shall give, or shall cause the Servicer to give, notice to the Agent within two Business Days of the Borrower's, the Transferor's or the Servicer's actual knowledge of the occurrence of any default by an Obligor under any Loan Asset. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(h) Required Loan Documents. The Borrower shall deliver to the Collateral Custodian a hard copy of the Required Loan Documents and the Loan Asset Checklist pertaining to each Loan Asset within five Business Days of the Cut-Off Date pertaining to such Loan Asset.

(i) Taxes. The Borrower will file or cause to be filed its tax returns and pay any and all Taxes imposed on it or its property as required by the Transaction Documents (except as contemplated in Section 4.01(m)).

(j) Notice of Events of Default. The Borrower will provide the Agent (with a copy to the Trustee) with prompt written notice of the occurrence of each Event of Default (and in any event within one Business Day) and each Unmatured Event of Default (and in any event within two Business Days) of which the Servicer has knowledge or has received notice (other than notice received from the Agent). In addition, no later than two Business Days following the Borrower's knowledge or notice of the occurrence of any Event of Default or Unmatured Event of Default, the Borrower will provide to the Trustee and the Agent a written statement of a Responsible Officer of the Borrower setting forth the details of such event and the action that the Borrower proposes to take with respect thereto. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(k) Notice of Material Events. The Borrower shall, promptly upon becoming aware thereof, notify the Agent of any event or other circumstance that is reasonably likely to have a Material Adverse Effect. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(l) Notice of Income Tax Liability. The Borrower shall furnish to the Agent telephonic or facsimile notice within 10 Business Days (confirmed in writing within five Business Days thereafter) of the receipt of revenue agent reports or other written proposals, determinations or assessments of the Internal Revenue Service or any other taxing authority which propose, determine or otherwise set forth positive adjustments (i) to the Tax liability of Ares or any "affiliated group" (within the meaning of Section 1504(a)(1) of the Code) of which Ares is a member in an amount equal to or greater than \$100,000,000 in the aggregate, or (ii) to the Tax liability of the Borrower itself in an amount equal to or greater than \$1,000,000 in the aggregate. Any such notice shall specify the nature of the items giving rise to such adjustments and the amounts thereof. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(m) Notice of Auditors' Management Letters. The Borrower shall promptly notify the Agent after the receipt of any auditors' management letters received by the Borrower or by its accountants. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(n) Notice of Breaches of Representations and Warranties under this Agreement. The Borrower shall promptly notify the Agent if any representation or warranty set forth in Section 4.01 or Section 4.02 was incorrect at the time it was given or deemed to have been given and at the same time deliver to the Trustee and the Agent a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, the Borrower shall notify the Agent in the manner set forth in the preceding sentence before any Cut-Off Date of any facts or circumstances within the knowledge of the Borrower which would render any of the said representations and warranties untrue at the date when such representations and warranties were made or deemed to have been made. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(o) Notice of Breaches of Representations and Warranties under the Purchase and Sale Agreements and Participation Agreement. The Borrower confirms and agrees that the

Borrower will, upon receipt of notice or discovery thereof, promptly send to the Agent and the Trustee a notice of (i) any breach of any representation, warranty, agreement or covenant under either of the Purchase and Sale Agreements or the Participation Agreement or (ii) any event or occurrence that, upon notice, or upon the passage of time or both, would constitute such a breach, in each case, promptly upon learning thereof. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(p) Notice of Proceedings. The Borrower shall notify the Agent, as soon as possible and in any event within three Business Days, after the Borrower receives notice or obtains knowledge thereof, of any settlement of, judgment (including a judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy, litigation, action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that could reasonably be expected to have a Material Adverse Effect on the Collateral Portfolio, the Transaction Documents, the Trustee's interest in the Collateral Portfolio, for the benefit of the Secured Parties, or the Borrower, the Servicer, the Equityholder or the Transferor or any of their Affiliates. For purposes of this Section 5.01(p), (i) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral Portfolio, the Transaction Documents, the Trustee's interest in the Collateral Portfolio, for the benefit of the Secured Parties, or the Borrower or the Equityholder that could reasonably be expected to result in liability to such Person or reduce the value of the Collateral Portfolio, in each case, in excess of \$1,000,000 (after any expected insurance proceeds) shall be deemed to be reasonably expected to have such a Material Adverse Effect and (ii) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Servicer or the Transferor or any of their Affiliates (other than the Borrower or the Equityholder) that could reasonably be expected to result in liability to such Person in excess of \$100,000,000 (after any expected insurance proceeds) shall be deemed to be reasonably expected to have such a Material Adverse Effect. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(q) Notice of ERISA Reportable Events. The Borrower shall promptly notify the Agent after receiving notice of the occurrence of any Reportable Event with respect to any Pension Plan, and promptly provide the Agent with a copy of such notice. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(r) Notice of Accounting Changes. As soon as possible and in any event within three Business Days after the effective date thereof, the Borrower will provide to the Agent notice of any material change in the accounting policies of the Borrower. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(s) Additional Documents. The Borrower shall provide the Agent with copies of such documents as the Agent may reasonably request evidencing the truthfulness of the representations set forth in this Agreement.

(t) Protection of Security Interest. With respect to the Collateral Portfolio acquired by the Borrower, the Borrower will (i) with respect to the Collateral Portfolio acquired on and after the Restatement Date, acquire such Collateral Portfolio pursuant to and in accordance with the terms of the Second Tier Purchase and Sale Agreement, (ii) (at the expense of the Servicer, on behalf of the Borrower) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Collateral Portfolio free and clear of any Lien other than the Lien created hereunder and Permitted Liens, including, without limitation, (a) with respect to the Loan Assets and that portion of the Collateral Portfolio in which a security interest may be perfected by filing, filing and maintaining (at the expense of the Servicer, on behalf of the Borrower), effective financing statements against the Equityholder in all necessary or appropriate filing offices, (including any amendments thereto or assignments thereof) and filing

continuation statements, amendments or assignments with respect thereto in such filing offices, (including any amendments thereto or assignments thereof) and (b) executing or causing to be executed such other instruments or notices as may be necessary or appropriate, (iii) (at the expense of the Servicer, on behalf of the Borrower) take all action necessary to cause a valid, subsisting and enforceable first priority perfected security interest, subject only to Permitted Liens, to exist in favor of the Trustee (for the benefit of the Secured Parties) in the Borrower's interests in all of the Collateral Portfolio being Pledged hereunder including the filing of a UCC financing statement in the applicable jurisdiction adequately describing the Collateral Portfolio (which may include an "all asset" filing), and naming the Borrower as debtor and the Trustee as the secured party, and filing continuation statements, amendments or assignments with respect thereto in such filing offices, (including any amendments thereto or assignments thereof), (iv) permit the Agent, the Lenders or their respective agents or representatives to visit the offices of the Borrower during normal office hours and upon reasonable advance notice examine and make copies of all documents, books, records and other information concerning the Collateral Portfolio and discuss matters related thereto with any of the officers or employees of the Borrower having knowledge of such matters (provided that, at the Borrower's expense, (i) prior to the occurrence of an Event of Default, the Agent and the Lenders shall be entitled to two (2) such visits in the aggregate during each calendar year and, (ii) after the occurrence of an Event of Default, the Agent and the Lenders shall be entitled to such number of visits *per annum* and at such times as it shall require in its reasonable discretion), and (v) take all additional action that the Agent or the Trustee may reasonably request to perfect, protect and more fully evidence the respective first priority perfected security interests of the parties to this Agreement in the Collateral Portfolio, or to enable the Agent or the Trustee to exercise or enforce any of their respective rights hereunder.

(u) Liens. The Borrower will promptly notify the Agent of the existence of any Lien on the Collateral Portfolio (other than Permitted Liens) and the Borrower shall defend the right, title and interest of the Trustee, for the benefit of the Secured Parties, in, to and under the Collateral Portfolio against all claims of third parties.

(v) Other Documents. At any time from time to time upon prior written request of the Agent, at the sole expense of the Borrower, the Borrower will promptly and duly execute and deliver such further instruments and documents and take such further actions as the Agent may reasonably request for the purposes of obtaining or preserving the full benefits of this Agreement including the first priority security interest (subject only to Permitted Liens) granted hereunder and of the rights and powers herein granted (including, among other things, authorizing the filing of such UCC financing statements as the Agent may request).

(w) Compliance with Law. The Borrower shall at all times comply in all material respects with all Applicable Law applicable to Borrower or any of its assets (including, without limitation, Environmental Laws, and all federal securities laws), and the Borrower shall do or cause to be done all things necessary to preserve and maintain in full force and effect its legal existence, and all licenses material to its business.

(x) Proper Records. The Borrower shall at all times keep proper books of records and accounts in which full, true and correct entries shall be made of its transactions in accordance with GAAP.

(y) Satisfaction of Obligations. The Borrower shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves with respect thereto have been provided on the books of the Borrower.

(z) Performance of Covenants. The Borrower shall observe, perform and satisfy all the material terms, provisions, covenants and conditions required to be observed, performed or satisfied by it, and shall pay when due all costs, fees and expenses required to be paid by it, under the Transaction Documents. The Borrower shall pay and discharge all Taxes, levies, liens and other charges on it or its assets and on the Collateral Portfolio that, in each case, in any manner would create any lien or charge upon the Collateral Portfolio, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided.

(aa) Tax Treatment. The Borrower, the Transferor, the Equityholder and the Lenders shall treat the Advances advanced hereunder as indebtedness of the Borrower (or, so long as the Borrower is treated as a disregarded entity for U.S. federal income tax purposes, as indebtedness of the entity of which it is considered to be a part) for U.S. federal income tax purposes and to file any and all tax forms in a manner consistent therewith.

(ab) Maintenance of Records. The Borrower will maintain records with respect to the Collateral Portfolio and the conduct and operation of its business with no less a degree of prudence than if the Collateral Portfolio were held by the Borrower for its own account and will furnish the Agent, upon the reasonable request by the Agent, information with respect to the Collateral Portfolio and the conduct and operation of its business.

(ac) Obligor Notification Forms. The Borrower shall furnish the Trustee and the Agent with an appropriate power of attorney to send (at the Agent's discretion on the Trustee's behalf, after the occurrence or declaration of the Facility Maturity Date but subject to the proviso in Section 7.02(a)) Obligor notification forms to give notice to the Obligors of the Trustee's interest in the Collateral Portfolio and the obligation to make payments as directed by the Agent on the Trustee's behalf.

(ad) Officer's Certificate. On each anniversary of the date of this Agreement, the Borrower shall deliver an Officer's Certificate, in form and substance acceptable to the Agent, providing (i) a certification, based upon a review and summary of UCC search results, that there is no other interest in the Collateral Portfolio perfected by filing of a UCC financing statement other than in favor of the Trustee and (ii) a certification, based upon a review and summary of tax and judgment lien searches satisfactory to the Agent, that there is no other interest in the Collateral Portfolio based on any tax or judgment lien. The Agent will provide each Lender with a copy of any such Officer's Certificate promptly upon receipt thereof.

(ae) Continuation Statements. The Borrower shall, not earlier than six months and not later than three months prior to the fifth anniversary of the date of filing of the financing statement referred to in Schedule I hereto or any other financing statement filed pursuant to this Agreement or in connection with any Advance hereunder, unless the Collection Date shall have occurred:

(i) authorize and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement and the Trustee hereby authorizes the Borrower to file such continuation statements; and

(ii) deliver or cause to be delivered to the Trustee and the Agent an opinion of the counsel for the Borrower, in form and substance reasonably satisfactory to the Agent, confirming and updating the opinion delivered pursuant to Schedule I with respect to perfection and otherwise to the effect that the security interest hereunder continues to be an enforceable and perfected security interest, subject to no other Liens of record except as specified therein, provided herein or otherwise permitted hereunder, which opinion may contain usual and customary assumptions, limitations and exceptions.

(af) Reserved.

(ag) Acquisition Participation Interests. The Borrower agrees to take all commercially reasonable actions as are necessary to cause each Acquisition Participation Interest (including obtaining all required consents (if any)) to become elevated into an assignment such that the Borrower is the lender of record for the related Loan Asset, as soon as reasonably practicable, and in any event prior to the end of the Acquisition Participation Elevation Period.

(ah) Beneficial Ownership Regulation. Promptly following any request therefor, the Borrower shall deliver to the Agent information and documentation reasonably requested by the Agent or any Lender for purposes of compliance with the Beneficial Ownership Regulation.

(ai) Compliance with Anti-Money Laundering Laws and Anti-Corruption Laws. The Borrower, each Person directly or (to the knowledge of the Borrower) indirectly Controlling the Borrower and each Person directly or (to the knowledge of the Borrower) indirectly Controlled by the Borrower shall: (i) comply with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with the Anti-Money Laundering Laws and Anti-Corruption Laws; (ii) conduct the requisite due diligence in connection with the transactions contemplated herein for purposes of complying with the Anti-Money Laundering Laws, including with respect to the legitimacy of any applicable investor and the origin of the assets used by such investor to purchase the property in question, and will maintain sufficient information to identify any applicable investor for purposes of the Anti-Money Laundering Laws; (iii) ensure it does not use any of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws; and (iv) ensure it does not fund any repayment of the Obligations in violation of any Anti-Corruption Laws or Anti-Money Laundering.

Section 1.02 Negative Covenants of the Borrower.

From the Closing Date until the Collection Date:

(a) Special Purpose Entity Requirements. Except as otherwise permitted by this Agreement, the Borrower shall not (i) guarantee any obligation of any Person, including any Affiliate; (ii) engage, directly or indirectly, in any business, other than the actions required or permitted to be performed under the Transaction Documents; (iii) incur, create or assume any Indebtedness, other than Indebtedness incurred under the Transaction Documents or under any Hedging Agreement pursuant to Section 5.09 and arising in connection with ordinary business expenses arising pursuant to the transactions contemplated by this Agreement, any Hedging Agreement and the other Transaction Documents; (iv) make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities (other than any equity or other securities retained pursuant to Section 6.05) of, any Person, except that the Borrower may invest in those Loan Assets and other investments permitted under the Transaction Documents and may make any advance required or expressly permitted to be made pursuant to any provisions of the Transaction Documents and permit the same to remain outstanding in accordance with such provisions; (v) fail to pay its debts and liabilities from its assets when due; (vi) create, form or otherwise acquire any Subsidiaries; (vii) release, sell, transfer, convey or assign any Loan Asset unless in accordance with the Transaction Documents or (viii) divide or permit any division of the Borrower.

(b) Requirements for Material Actions. The Borrower shall not fail to provide that the unanimous consent of all directors (including the consent of the Independent Director(s)) is required for the Borrower to (i) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (ii) institute or consent to the institution of bankruptcy or

insolvency proceedings against it, (iii) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (v) make any assignment for the benefit of the Borrower's creditors, (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any action in furtherance of any of the foregoing.

(c) Protection of Title. The Borrower shall not take any action which would directly or indirectly impair or adversely affect Borrower's title to the Collateral Portfolio.

(d) Transfer Limitations. The Borrower shall not transfer, assign, convey, grant, bargain, sell, set over, deliver or otherwise dispose of, or pledge or hypothecate, directly or indirectly, any interest in the Collateral Portfolio to any person other than the Trustee for the benefit of the Secured Parties, or engage in financing transactions or similar transactions with respect to the Collateral Portfolio with any person other than the Agent and the Lenders, in each case, except as otherwise expressly permitted by the terms of this Agreement.

(e) Liens. The Borrower shall not create, incur or permit to exist any lien, encumbrance or security interest in or on any of the Collateral Portfolio subject to the security interest granted by the Borrower pursuant to this Agreement, other than Permitted Liens.

(f) Organizational Documents. The Borrower shall not modify or terminate any of the organizational or operational documents of the Borrower without the prior written consent of the Agent.

(g) Compliance with Sanctions. None of the Borrower, any Person directly or (to the knowledge of the Borrower) indirectly Controlling the Borrower nor any Person directly or (to the knowledge of the Borrower) indirectly Controlled by the Borrower will, directly or indirectly, use the proceeds of any Advance hereunder, or lend, contribute, or otherwise make available such proceeds to any subsidiary, joint venture partner, or other Person (i) to fund any activities or business of or with a Sanctioned Person, or (ii) in any manner that would be prohibited by Sanctions or would otherwise cause any Lender to be in breach of any Sanctions. Each Person shall comply with all applicable Sanctions in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with Sanctions. The Borrower will notify each Lender and the Agent in writing not more than one (1) Business Day after becoming aware of any breach of this section.

(h) Merger, Acquisitions, Sales, etc. The Borrower shall not change its organizational structure, enter into any transaction of merger or consolidation or amalgamation, or asset sale (other than pursuant to Section 2.07), or liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution) without the prior written consent of the Agent.

(i) Use of Proceeds. The Borrower shall not use the proceeds of any Advance other than (i) to finance the purchase by the Borrower from the Equityholder on a "true sale" basis, of Collateral Portfolio pursuant to the terms of the Second Tier Purchase and Sale Agreement, (ii) to fund the Unfunded Exposure Account in order to establish reserves for unfunded commitments of Revolving Loan Assets and Delayed Draw Loan Assets included in the Collateral Portfolio or (iii) to distribute such proceeds to the Equityholder (so long as such distribution is permitted pursuant to Section 5.02(n)).

(j) Limited Assets. The Borrower shall not hold or own any assets that are not part of the Collateral Portfolio other than with respect to any assets released from the Lien of the Trustee hereunder following (i) a substitution effected in accordance with Section 2.07(a) (so long as the Borrower has Pledged a Substitute Eligible Loan Asset in connection therewith),

(ii) an Optional Sale in connection with a Permitted Refinancing effected in accordance with Section 2.07(c), (iii) a Lien Release Dividend effected in accordance with Section 2.07(d), (iv) a repurchase or substitution of a Warranty Loan Asset effected in accordance with Section 2.07(e), or (v) a transaction in accordance with Section 2.07(g).

(k) Tax Treatment. The Borrower shall not elect to be treated as a corporation for U.S. federal income tax purposes and shall take all reasonable steps necessary to avoid being treated as a corporation for U. S. federal income tax purposes.

(l) Extension or Amendment of Collateral Portfolio. The Borrower will not, except as otherwise permitted in Section 6.04(a) of this Agreement and in accordance with the Servicing Standard, extend, amend or otherwise modify the terms of any Loan Asset (including the Underlying Collateral).

(m) Second Tier Purchase and Sale Agreement. The Borrower will not amend, modify, waive or terminate any provision of the Second Tier Purchase and Sale Agreement without the prior written consent of the Agent.

(n) Restricted Junior Payments. The Borrower shall not make any Restricted Junior Payment except that, so long as no Event of Default has occurred or Unmatured Event of Default is continuing or would result therefrom, (i) the Borrower may declare and make distributions to its member on its membership interests and (ii) amounts on deposit in the Interest Collection Account that would have been distributed pursuant to Section 2.04(a)(xiii) on the immediately preceding Payment Date but for the existence of an Unmatured Event of Default and amounts on deposit in the Principal Collection Account that would have been distributed pursuant to Section 2.04(b)(vii) on the immediately preceding Payment Date but for the existence of an Unmatured Event of Default.

(o) ERISA. The Borrower will not (a) engage, and will exercise its best efforts not to permit any ERISA Affiliate of the Borrower to engage, in any prohibited transaction (within the meaning of Sections 406(a) or (b) of ERISA or Section 4975 of the Code) for which an exemption is not available or has not previously been obtained from the United States Department of Labor, (b) fail to meet the minimum funding standard set forth in Section 302(a) of ERISA and Section 412(a) of the Code with respect to any Pension Plan, (c) fail to make any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate of the Borrower may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto, (d) terminate any Pension Plan so as to result, directly or indirectly in any liability to the Borrower, or (e) permit to exist any occurrence of any Reportable Event with respect to any Pension Plan.

(p) Instructions to Obligors. The Borrower will not make any change, or permit the Servicer to make any change, in its instructions to Obligors (or sellers of Acquisition Participation Interests) regarding payments to be made with respect to the Collateral Portfolio to the Collection Account, unless the Agent has consented to such change (such consent not to be unreasonably withheld or delayed, it being understood that any such account to which the Obligors (or sellers of Acquisition Participation Interests) may be instructed to make payments shall be subject to an account control agreement which provides the Trustee with a first priority perfected security interest in such account, as evidenced by an Opinion of Counsel reasonably acceptable to the Agent).

(q) Taxable Mortgage Pool Matters. The sum of the Outstanding Balances of all Loan Assets owned by the Borrower and that are principally secured by an interest in real property (within the meaning of Treasury Regulation Section 301.7701(i)-1(d)(3)) shall not at any time exceed 35% of the aggregate Outstanding Balance of all Loan Assets.

(r) Change of Jurisdiction, Location, Names or Location of Loan Asset Files. The Borrower shall not change the jurisdiction of its formation, make any change to its corporate name or use any tradenames, fictitious names, assumed names, "doing business as" names or other names (other than those listed on Schedule II hereto, as such schedule may be revised from time to time to reflect name changes and name usage permitted under the terms of this Section 5.02(r) after compliance with all terms and conditions of this Section 5.02(r) related thereto) unless, prior to the effective date of any such change in the jurisdiction of its formation, name change or use, the Borrower receives prior written consent from the Agent of such change and delivers to the Agent such financing statements as the Agent may request to reflect such name change or use, together with such Opinions of Counsel and other documents and instruments as the Agent may request in connection therewith. The Borrower will not change the location of its chief executive office unless prior to the effective date of any such change of location, the Borrower notifies the Agent of such change of location in writing. The Borrower will not move, or consent to the Collateral Custodian or the Servicer moving, the Loan Asset Files from the location thereof on the Restatement Date, unless 30 days (or such shorter notice period as consented to by the Agent) prior to the effective date of any such move, the Borrower notifies the Agent of such move in writing. The Agent will provide each Lender with a copy of any such financing statements, other documents and instruments, and notices promptly upon receipt thereof.

(s) Allocation of Charges. There will not be any agreement or understanding between the Servicer and the Borrower (other than as expressly set forth herein or as consented to by the Agent), providing for the allocation or sharing of obligations to make payments or otherwise in respect of any Taxes, fees, assessments or other governmental charges; provided that it is understood and acknowledged that the Borrower will be consolidated with the Servicer for tax purposes.

(t) Deposits to Special Accounts. The Borrower will not deposit or otherwise credit, or cause to be so deposited or credited, to the Collection Account cash or cash proceeds other than Available Collections in respect of the Collateral Portfolio.

Section 1.03 Affirmative Covenants of the Servicer.

From the Closing Date until the Collection Date:

(a) Compliance with Law. The Servicer will comply in all material respects with all Applicable Law, including those with respect to servicing the Collateral Portfolio or any part thereof pursuant to the terms hereof.

(b) Preservation of Company Existence. The Servicer will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification could reasonably be expected to have a Material Adverse Effect.

(c) Obligations and Compliance with Collateral Portfolio. The Servicer will duly fulfill and comply in all material respects with all obligations on the part of the Borrower to be fulfilled or complied with under or in connection with the administration of each item of Collateral Portfolio and will do nothing to impair the rights of the Trustee, for the benefit of the Secured Parties, or of the Secured Parties in, to and under the Collateral Portfolio. It is understood and agreed that the Servicer does not hereby assume any obligations of the Borrower in respect of any Advances or assume any responsibility for the performance by the Borrower of any of its obligations hereunder or under any other agreement executed in connection herewith

that would be inconsistent with the limited recourse undertaking of the Servicer, in its capacity as seller, under Section 2.1(e) of the First Tier Purchase and Sale Agreement.

(d) Keeping of Records and Books of Account.

(i) The Servicer will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Collateral Portfolio in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Collateral Portfolio and the identification of the Collateral Portfolio.

(ii) The Servicer shall permit the Agent, the Lenders or their respective agents or representatives, to visit the offices of the Servicer during normal office hours and upon reasonable advance notice and examine and make copies of all documents, books, records and other information concerning the Collateral Portfolio and the Servicer's servicing thereof and discuss matters related thereto with any of the officers or employees of the Servicer having knowledge of such matters (provided that, at the Servicer's expense, (i) prior to the occurrence of an Event of Default, the Agent and the Lenders shall be entitled to two (2) such visits in the aggregate during each calendar year and, (ii) after the occurrence of an Event of Default, the Agent and the Lenders shall be entitled to such number of visits *per annum* and at such times as it shall require in its reasonable discretion).

(iii) The Servicer will on or prior to the Restatement Date, mark its master data processing records and other books and records relating to the Collateral Portfolio with a legend, acceptable to the Agent describing (i) the sale of the Collateral Portfolio (A) from the Transferor to the Equityholder and (B) from the Equityholder to the Borrower and (ii) the Pledge from the Borrower to the Trustee, for the benefit of the Secured Parties.

(e) Preservation of Security Interest. The Servicer (at its own expense, on behalf of the Borrower) will file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the first priority perfected security interest of the Trustee, for the benefit of the Secured Parties, in, to and under the Loan Assets and that portion of the Collateral Portfolio in which a security interest may be perfected by filing.

(f) Servicing Standard. The Servicer will comply in all material respects with the Servicing Standard in regard to the Collateral Portfolio.

(g) Notice of Events of Default. The Servicer will provide the Agent (with a copy to the Trustee) with prompt written notice of the occurrence of each Event of Default (any in any event within one Business Day) and each Unmatured Event of Default (and in any event within two Business Days) of which the Servicer has knowledge or has received notice (other than notice received from the Agent). In addition, no later than two Business Days following the Servicer's knowledge or notice of the occurrence of any Event of Default or Unmatured Event of Default, the Servicer will provide to the Trustee and the Agent a written statement of the chief financial officer or chief accounting officer of the Servicer setting forth the details of such event and the action that the Servicer proposes to take with respect thereto. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(h) Taxes. The Servicer will file its tax returns and pay any and all Taxes imposed on it or its property as required under the Transaction Documents (except as contemplated by Section 4.03(m)).

(i) Other. The Servicer will promptly furnish to the Trustee and the Agent such other information, documents, records or reports respecting the Collateral Portfolio or the condition or operations, financial or otherwise, of the Borrower or the Servicer as the Trustee and the Agent may from time to time reasonably request in order to protect the interests of the Agent, the Trustee or the Secured Parties under or as contemplated by this Agreement. The Agent will provide each Lender with a copy of any such other information, documents, records or reports promptly upon receipt thereof.

(j) Notice of Proceedings Related to the Borrower, the Servicer, the Equityholder, the Transferor and the Transaction Documents. The Servicer shall notify the Agent as soon as possible and in any event within three Business Days after any Responsible Officer of the Servicer receives notice or obtains actual knowledge thereof of any settlement of, judgment (including a judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy, litigation, action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that could reasonably be expected to have a Material Adverse Effect on the Borrower, the Servicer, the Equityholder or the Transferor (or any of their Affiliates) or the Transaction Documents. For purposes of this Section 5.03(j), (i) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Transaction Documents or the Borrower or the Equityholder that could reasonably be expected to result in liability to the Borrower or the Equityholder or reduce the value of the Collateral Portfolio, in each case, in excess of \$1,000,000 (after any expected insurance proceeds) shall be deemed to be reasonably expected to have such a Material Adverse Effect and (ii) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Servicer or the Transferor or any of their Affiliates (other than the Borrower or the Equityholder) that could reasonably be expected to result in liability to such Person in excess of \$100,000,000 (after any expected insurance proceeds) shall be deemed to be reasonably expected to have such a Material Adverse Effect. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(k) Deposit of Collections. The Servicer shall promptly (but in no event later than two Business Days after receipt) deposit or cause to be deposited into the Collection Account any and all Available Collections received by the Borrower, the Servicer or any of their Affiliates.

(l) Loan Asset Register.

(i) The Servicer shall maintain, or cause to be maintained, with respect to each Noteless Loan Asset a register (which may be in physical or electronic form and readily identifiable as the loan asset register) (each, a "Loan Asset Register") in which it will record, or cause to be recorded, (v) the amount of such Noteless Loan Asset, (w) the amount of any principal or interest due and payable or to become due and payable from the Obligor thereunder, (x) the amount of any sum in respect of such Noteless Loan Asset received from the Obligor, (y) the date of origination of such Noteless Loan Asset and (z) the maturity date of such Noteless Loan Asset.

(ii) At any time a Noteless Loan Asset is included as part of the Collateral Portfolio pursuant to this Agreement, the Servicer shall deliver to the Agent, the Trustee and the Collateral Custodian a copy of the related Loan Asset Register, together with a certificate of a Responsible Officer of the Servicer (in the form of Exhibit Q) certifying to the accuracy of such Loan Asset Register as of the applicable Cut-Off Date.

(m) Special Purpose Entity Requirements. The Servicer shall take such actions as are necessary to cause the Borrower to be in compliance with the special purpose entity requirements set forth in Sections 5.01(a) and (b) and 5.02(a) and (b); provided that, for the

avoidance of doubt, the Servicer shall not be required to expend any of its own funds to cause the Borrower to be in compliance with subsection 5.02(a)(v) or subsection 5.01(b)(xvii) (it being understood that this proviso shall in no way affect the obligation of the Servicer to manage the activities and liability of the Borrower such that the Borrower maintains compliance with either of the foregoing subsections).

(n) Reserved.

(o) Notice of Proceedings Related to the Collateral Portfolio. The Servicer shall notify the Agent as soon as possible and in any event within three Business Days after any Responsible Officer of the Servicer receives notice or has actual knowledge of any settlement of, judgment (including a judgment with respect to the liability phase of a bifurcated trial) in or commencement of any labor controversy, litigation, action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that could reasonably be expected to have a Material Adverse Effect on the Collateral Portfolio or the interests of the Trustee or the Secured Parties in, to and under the Collateral Portfolio. Solely, for purposes of this Section 5.03(o), any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral Portfolio or the Trustee's or the Secured Parties' interest in the Collateral Portfolio that could reasonably be expected to reduce the value of the Collateral Portfolio in excess of \$5,000,000 (after any expected insurance proceeds) or more shall be deemed to be expected to have such a Material Adverse Effect. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(p) Compliance with Legal Opinions. The Servicer shall take all other actions necessary to maintain the accuracy of the factual assumptions set forth in the legal opinions of Latham & Watkins LLP, as special counsel to the Servicer, issued in connection with the Transaction Documents and relating to the issues of substantive consolidation and true sale of the Loan Assets.

(q) Instructions to Agents and Obligors. The Servicer shall direct, or shall cause the Transferor or the Equityholder to direct, any agent or administrative agent for any Loan Asset (or any seller of Acquisition Participation Interests) to remit all payments and collections with respect to such Loan Asset, and, if applicable, to direct the Obligor with respect to such Loan Asset to remit all such payments and collections with respect to such Loan Asset directly to the Collection Account. The Borrower and the Servicer shall take commercially reasonable steps to ensure, and shall cause the Transferor or the Equityholder to take commercially reasonable steps to ensure, that only funds constituting payments and collections relating to Loan Assets shall be deposited into the Collection Account.

(r) Capacity as Servicer. The Servicer will ensure that, at all times when it is dealing with or in connection with the Loan Assets in its capacity as Servicer, it holds itself out as Servicer, and not in any other capacity.

(s) Notice of Breaches of Representations and Warranties under the Purchase and Sale Agreements or the Participation Agreement. The Servicer confirms and agrees that the Servicer will, upon receipt of notice or discovery thereof, promptly send to the Agent and the Trustee a notice of (i) any breach of any representation, warranty, agreement or covenant under either of the Purchase and Sale Agreements or the Participation Agreement or (ii) any event or occurrence that, upon notice, or upon the passage of time or both, would constitute such a breach, in each case, promptly upon learning thereof. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(t) Audits. Periodically, at the discretion of the Agent, the Servicer shall allow the Agent and the Lenders (during normal office hours and upon reasonable advance notice) to review the Servicer's collection and administration of the Collateral Portfolio in order to assess compliance by the Servicer with the Servicing Standard, as well as with the Transaction Documents and to conduct an audit of the Collateral Portfolio and Required Loan Documents in conjunction with such a review. Such review shall be reasonable in scope and shall be completed in a reasonable period of time; provided that, at the Servicer's expense, (i) prior to the occurrence of an Event of Default, the Agent and the Lenders shall be entitled to two (2) such audits in the aggregate during each calendar year and, (ii) after the occurrence of an Event of Default, the Agent and the Lenders shall be entitled to such number of audits *per annum* and at such times as it shall require in its reasonable discretion.

(u) Notice of Breaches of Representations and Warranties under this Agreement. The Servicer shall promptly, upon receipt of notice or discovery thereof, notify the Agent if any representation or warranty set forth in Section 4.03 was incorrect at the time it was given or deemed to have been given and at the same time deliver to the Trustee and the Agent a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, the Servicer shall notify the Agent in the manner set forth in the preceding sentence before any Cut-Off Date of any facts or circumstances within the knowledge of the Servicer which would render any of the said representations and warranties untrue at the date when such representations and warranties were made or deemed to have been made. The Agent will provide each Lender with a copy of any such notice promptly upon receipt thereof.

(v) Insurance Policies. The Servicer has caused, and will cause, to be performed any and all acts reasonably required to be performed to preserve the rights and remedies of the Trustee and the Secured Parties in any Insurance Policies applicable to Loan Assets (to the extent the Servicer or an Affiliate of the Servicer is the agent or servicer under the applicable Loan Agreement) including, without limitation, in each case, any necessary notifications of insurers, assignments of policies or interests therein, and establishments of co-insured, joint loss payee and mortgagee rights in favor of the Trustee and the Secured Parties; provided that, unless the Borrower is the sole lender under such Loan Agreement, the Servicer shall only take such actions that are customarily taken by or on behalf of a lender in a syndicated loan facility to preserve the rights of such lender.

(w) Reserved.

(x) Acquisition Participation Interests. The Servicer agrees to take all commercially reasonable actions as are necessary to cause each Acquisition Participation Interest (including obtaining all required consents (if any)) to become elevated into an assignment such that the Borrower is the lender of record for the related Loan Asset, as soon as reasonably practicable, and in any event prior to the end of the Acquisition Participation Elevation Period.

(y) Sanctions. The Servicer shall promptly, but no later than one (1) Business Day after becoming aware thereof, notify the Agent and the Lenders in writing of any breach of any representation, warranty or covenant relating to Sanctions or Sanctioned Persons by itself or by the Borrower.

(z) Compliance with Anti-Money Laundering Laws and Anti-Corruption Laws. The Servicer, each Person directly or (to the knowledge of the Servicer) indirectly Controlling the Servicer and each Person directly or (to the knowledge of the Servicer) indirectly Controlled by the Servicer shall: (i) comply with all applicable Anti-Money-Laundering Laws and Anti-Corruption Laws in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with the Anti-Money Laundering Laws and Anti-

Corruption Laws; (ii) conduct the requisite due diligence in connection with the transactions contemplated herein for purposes of complying with the Anti-Money Laundering Laws, including with respect to the legitimacy of any applicable investor and the origin of the assets used by such investor to purchase the property in question, and will maintain sufficient information to identify any applicable investor for purposes of the Anti-Money Laundering Laws; (iii) ensure it does not use any of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws; and (iv) ensure it does not fund any repayment of the Obligations in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws.

Section 1.04 Negative Covenants of the Servicer.

From the Closing Date until the Collection Date:

(a) Mergers, Acquisition, Sales, etc. Other than the transactions contemplated by the Acquisition Agreement, the Servicer will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless the Servicer is the surviving entity and unless:

(i) the Servicer has delivered to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) an Officer's Certificate and an Opinion of Counsel each stating that any such consolidation, merger, conveyance or transfer and any supplemental agreement executed in connection therewith comply with this Section 5.04 and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to the Servicer and such other matters as the Agent may reasonably request;

(ii) the Servicer shall have delivered notice of such consolidation, merger, conveyance or transfer to the Agent (who will provide each Lender with a copy promptly upon receipt thereof); and

(iii) after giving effect thereto, no Event of Default or Servicer Termination Event or event that with notice or lapse of time would constitute either an Event of Default or a Servicer Termination Event shall have occurred.

(b) Change of Name or Location of Loan Asset Files. The Servicer shall not (x) change its name, move the location of its principal place of business and chief executive office, change the offices where it keeps records concerning the Collateral Portfolio from the address set forth under its name in Section 11.02, or change the jurisdiction of its formation, or (y) subject to Section 2.16 move, or consent to the Collateral Custodian moving, the Required Loan Documents and Loan Asset Files from the location thereof on the initial Advance Date, unless the Servicer has given at least 30 days' (or such shorter notice period as consented to by the Agent) written notice to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Trustee, for the benefit of the Secured Parties, in the Collateral Portfolio.

(c) Change in Payment Instructions to Obligors. The Servicer will not make any change in its instructions to Obligors (or sellers of Acquisition Participation Interests) regarding payments to be made with respect to the Collateral Portfolio to the Collection Account, unless the Agent has consented to such change (such consent not to be unreasonably withheld or delayed, it being understood that any such account to which the Obligors (or sellers of Acquisition Participation Interests) may be instructed to make payments shall be subject to an account control agreement which provides the Trustee with a first priority perfected security

interest in such account, as evidenced by an Opinion of Counsel reasonably acceptable to the Agent).

(d) Extension or Amendment of Loan Assets. The Servicer will not, except as otherwise permitted in Section 6.04(a), extend, amend or otherwise modify the terms of any Loan Asset (including the Underlying Collateral).

(e) Taxable Mortgage Pool Matters. The Servicer will manage the portfolio and advise the Borrower with respect to purchases from the Equityholder so as to not at any time allow the sum of the Outstanding Balances of all Loan Assets owned by the Borrower and that are principally secured by an interest in real property (within the meaning of Treasury Regulation Section 301.7701(i)-1(d)(3)) to exceed 35% of the aggregate Outstanding Balance of all Loan Assets.

(f) Allocation of Charges. There will not be any agreement or understanding between the Servicer and the Borrower (other than as expressly set forth herein or as consented to by the Agent), providing for the allocation or sharing of obligations to make payments or otherwise in respect of any Taxes, fees, assessments or other governmental charges; provided that it is understood and acknowledged that the Borrower will be consolidated with the Servicer for tax purposes.

(g) Compliance with Sanctions. None of the Servicer, any Person directly or (to the knowledge of the Servicer) indirectly Controlling the Servicer nor any Person directly or (to the knowledge of the Servicer) indirectly Controlled by the Servicer will, directly or indirectly, use the proceeds of any Advance hereunder, or lend, contribute, or otherwise make available such proceeds to any subsidiary, joint venture partner, or other Person (i) to fund any activities or business of or with a Sanctioned Person, or (ii) in any manner that would be prohibited by Sanctions or would otherwise cause any Lender to be in breach of any Sanctions. Each Person shall comply with all applicable Sanctions in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with Sanctions. Each Person will notify each Lender and the Agent in writing not more than one (1) Business Day after becoming aware of any breach of this section.

Section 1.05 Affirmative Covenants of the Trustee.

From the Closing Date until the Collection Date:

(a) Compliance with Law. The Trustee will comply in all material respects with all Applicable Law.

(b) Preservation of Existence. The Trustee will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation and qualify and remain qualified in good standing in each jurisdiction where failure to preserve and maintain such existence, rights, franchises, privileges and qualification could reasonably be expected to have a Material Adverse Effect.

Section 1.06 Negative Covenants of the Trustee.

From the Closing Date until the Collection Date, the Trustee will not make any changes to the Trustee Fees without the prior written approval of the Agent and the Borrower.

Section 1.07 Affirmative Covenants of the Collateral Custodian.

From the Closing Date until the Collection Date:

(a) Compliance with Law. The Collateral Custodian will comply in all material respects with all Applicable Law.

(b) Preservation of Existence. The Collateral Custodian will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation and qualify and remain qualified in good standing in each jurisdiction where failure to preserve and maintain such existence, rights, franchises, privileges and qualification could reasonably be expected to have a Material Adverse Effect.

(c) Location of Required Loan Documents. Subject to Article XII of this Agreement, the Required Loan Documents shall remain at all times in the possession of the Collateral Custodian at the address set forth under its name in Section 11.02 unless notice of a different address is given in accordance with the terms hereof or unless the Agent agrees to allow certain Required Loan Documents to be released to the Servicer on a temporary basis in accordance with the terms hereof, except as such Required Loan Documents may be released pursuant to the terms of this Agreement.

Section 1.08 Negative Covenants of the Collateral Custodian.

From the Closing Date until the Collection Date:

(a) Required Loan Documents. The Collateral Custodian will not dispose of any documents constituting the Required Loan Documents in any manner that is inconsistent with the performance of its obligations as the Collateral Custodian pursuant to this Agreement and will not dispose of any Collateral Portfolio except as contemplated by this Agreement.

(b) No Changes in Collateral Custodian Fees. The Collateral Custodian will not make any changes to the Collateral Custodian Fees without the prior written approval of the Agent and the Borrower.

Section 1.09 Covenants of the Borrower Relating to Hedging of Loan Assets.

(a) At any time prior to an Event of Default, the Borrower may enter into Hedge Agreements for certain Fixed Rate Loan Assets with a Hedge Counterparty with the prior consent of the Agent (such consent not to be unreasonably withheld or delayed). After an Event of Default or at any time after the Spread Differential has fallen below 1.50%, the Agent may, at its sole discretion, direct the Borrower to enter into Hedge Transactions for certain Fixed Rate Loan Assets.

(b) From the Closing Date to the Collection Date, as additional security hereunder, the Borrower hereby assigns to the Trustee, for the benefit of the Secured Parties, all right, title and interest of the Borrower (but none of the obligations) in each Hedging Agreement, each Hedge Transaction, and all present and future amounts payable by a Hedge Counterparty to the Borrower under or in connection with the respective Hedging Agreement and Hedge Transaction(s) with that Hedge Counterparty ("Hedge Collateral"), and grants a security interest to the Trustee, for the benefit of the Secured Parties, in the Hedge Collateral; provided that so long as the Hedge Counterparty is the Agent or any Affiliate thereof, the Trustee hereby grants to the Servicer a non-exclusive license (which shall be deemed revoked upon the occurrence of an Event of Default) to exercise any rights under any related Hedging Agreement or Hedge Transaction. The Borrower acknowledges that as a result of such assignment the Borrower may not, except as set forth in the proviso to the immediately preceding sentence, without the prior written consent of the Agent, exercise any rights under any Hedging Agreement or Hedge Transaction, except for the Borrower's right under any Hedging Agreement to enter into Hedge Transactions in order to meet the Borrower's obligations under Section 5.09 hereof. Nothing

herein shall have the effect of releasing the Borrower from any of its obligations under any Hedging Agreement or any Hedge Transaction, nor be construed as requiring the consent of the Agent, the Lenders, the Trustee or any Secured Party for the performance by the Borrower of any such obligations.

(c) From the Closing Date to the Collection Date, the Borrower may enter into Asset Specific Hedges in connection with Fixed Rate Loan Assets and Floating Rate Loan Assets; provided that each such Asset Specific Hedge shall:

(i) be entered into with a Hedge Counterparty and governed by a Hedging Agreement;

(ii) have a notional amount such that the Hedge Notional Amount shall be equal to the Outstanding Balance of such Asset Specific Hedged Loan Asset;

(iii) provide for two series of payments to be netted against each other, one such series being payments to be made by the Borrower to a Hedge Counterparty (solely on a net basis) by reference to the fixed rate or floating rate for such Asset Specific Hedged Loan Asset, as applicable, and the other such series being payments to be made by the Hedge Counterparty to the Trustee (solely on a net basis) at a floating rate or fixed rate, as applicable, the net amount of which shall be paid into the Collection Account (if payable by the Hedge Counterparty) or from the Collection Account to the extent funds are available under Section 2.04(a)(iii), Section 2.04(b)(i) and Section 2.04(c)(iii) of this Agreement (if payable by the Borrower); provided that (i) in connection with any Asset Specific Hedged Loan Asset which provides for monthly interest payments, such swap payments shall be made on a monthly basis, (ii) in connection with any Asset Specific Hedged Loan Asset which provides for quarterly interest payments, such swap payments shall be made on a quarterly basis in connection with the Payment Date following the calendar month in which the Scheduled Payment with respect to such Asset Specific Hedged Loan Asset is due and (iii) in connection with any Asset Specific Hedged Loan Asset which provides for semi-annual interest payments, such swap payments shall be made on a semi-annual basis in connection with the Payment Date following the calendar month in which the Scheduled Payment with respect to such Asset Specific Hedged Loan Asset is due; and

(iv) remain in effect until the earlier of (A) the date of the last Scheduled Payment due to occur under or with respect to such Asset Specific Hedged Loan Asset and (B) the Facility Maturity Date.

(d) The Borrower shall, promptly upon execution thereof, provide to the Agent and the Trustee a copy of any Hedging Agreement entered into in connection with this Agreement.

ARTICLE VI.

ADMINISTRATION AND SERVICING OF CONTRACTS

Section 1.01 Appointment and Designation of the Servicer.

(a) Initial Servicer. The Borrower, each Lender, the Hedge Counterparty and the Agent hereby appoint Ares, pursuant to the terms and conditions of this Agreement, as Servicer, with the authority to service, administer and exercise rights and remedies, on behalf of the Borrower, in respect of the Collateral Portfolio. Until the Agent gives Ares a Servicer

Termination Notice, Ares hereby accepts such appointment and agrees to perform the duties and responsibilities of the Servicer pursuant to the terms hereof. The Servicer and the Borrower hereby acknowledge that the Agent and the Secured Parties are third party beneficiaries of the obligations undertaken by the Servicer hereunder.

(b) Servicer Termination Notice. The Borrower, the Servicer, each Lender, the Hedge Counterparty and the Agent hereby agree that, upon the occurrence of an Event of Default, the Agent, by written notice to the Servicer (with a copy to the Trustee) (a "Servicer Termination Notice"), may, and at the request of a Supermajority of the Lenders will, terminate all of the rights, obligations, power and authority of the Servicer under this Agreement. On and after the receipt by the Servicer of a Servicer Termination Notice pursuant to this Section 6.01(b), the Servicer shall continue to perform all servicing functions under this Agreement until the date specified in the Servicer Termination Notice or otherwise specified by the Agent in writing or, if no such date is specified in such Servicer Termination Notice or otherwise specified by the Agent, until a date mutually agreed upon by the Servicer and the Agent and shall be entitled to receive, to the extent of funds available therefor pursuant to Section 2.04, the Servicing Fees therefor until such date. After such date, the Servicer agrees that it will terminate its activities as Servicer hereunder in a manner that the Agent believes will facilitate the transition of the performance of such activities to a successor Servicer, and the successor Servicer shall assume each and all of the Servicer's obligations to service and administer the Collateral Portfolio, on the terms and subject to the conditions herein set forth, and the Servicer shall use its best efforts to assist the successor Servicer in assuming such obligations.

(c) Appointment of Replacement Servicer. At any time following the delivery of a Servicer Termination Notice, the Agent may, at its discretion, (i) appoint Wells Fargo as Servicer under this Agreement and, in such case, all authority, power, rights and obligations of the Servicer shall pass to and be vested in Wells Fargo or (ii) with the consent of the Required Lenders, appoint a new Servicer (the "Replacement Servicer"), which appointment shall take effect upon the Replacement Servicer accepting such appointment by a written assumption in a form satisfactory to the Agent in its sole discretion. In the event that Wells Fargo or a Replacement Servicer has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Agent shall petition a court of competent jurisdiction to appoint any established financial institution, having a net worth of not less than United States \$50,000,000 and whose regular business includes the servicing of Collateral Portfolio, as the Replacement Servicer hereunder.

(d) Liabilities and Obligations of Replacement Servicer. Upon its appointment, Wells Fargo or the Replacement Servicer, as applicable, shall be the successor in all respects to the Servicer with respect to servicing functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement to the Servicer shall be deemed to refer to Wells Fargo or the Replacement Servicer, as applicable; provided that Wells Fargo or Replacement Servicer, as applicable, shall have (i) no liability with respect to any action performed by the terminated Servicer prior to the date that Wells Fargo or Replacement Servicer, as applicable, becomes the successor to the Servicer or any claim of a third party based on any alleged action or inaction of the terminated Servicer, (ii) no obligation to perform any advancing obligations, if any, of the Servicer unless it elects to in its sole discretion, (iii) no obligation to pay any Taxes required to be paid by the Servicer (provided that Wells Fargo or Replacement Servicer, as applicable, shall pay any income Taxes for which it is liable), (iv) no obligation to pay any of the fees and expenses of any other party to the transactions contemplated hereby, and (v) no liability or obligation with respect to any Servicer indemnification obligations of any prior Servicer, including the original Servicer. The indemnification obligations of Wells Fargo or the Replacement Servicer, as applicable, upon becoming a Replacement Servicer, are expressly

limited to those arising on account of its failure to act in good faith and with reasonable care under the circumstances. In addition, Wells Fargo or Replacement Servicer, as applicable, shall have no liability relating to the representations and warranties of the Servicer contained in Section 4.03.

(e) Authority and Power. All authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon termination of this Agreement and shall pass to and be vested in the Borrower and, without limitation, the Borrower is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer agrees to cooperate with the Borrower in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing of the Collateral Portfolio.

(f) Subcontracts. The Servicer may, with the prior written consent of the Agent, subcontract with any other Person for servicing, administering or collecting the Collateral Portfolio; provided that (i) the Servicer shall select any such Person with reasonable care and shall be solely responsible for the fees and expenses payable to any such Person, (ii) the Servicer shall not be relieved of, and shall remain liable for, the performance of the duties and obligations of the Servicer pursuant to the terms hereof without regard to any subcontracting arrangement and (iii) any such subcontract shall be terminable upon the occurrence of an Event of Default.

(g) Servicing Programs. In the event that the Servicer uses any software program in servicing the Collateral Portfolio that it licenses from a third party, the Servicer shall use its best efforts to obtain, either before the Closing Date or as soon as possible thereafter, whatever licenses or approvals are necessary to allow the Agent or the Servicer to use such program and to allow the Servicer to assign such licenses to Wells Fargo or to any other Replacement Servicer appointed as provided in this Agreement.

(h) Waiver. The Borrower acknowledges that the Agent or any of its Affiliates may act as the Trustee and/or the Servicer, and the Borrower waives any and all claims against the Agent or any of its Affiliates, the Trustee and the Servicer relating in any way to the custodial or collateral administration functions having been performed by the Agent or any of its Affiliates in accordance with the terms and provisions (including the standard of care) set forth in the Transaction Documents.

Section 1.02 Duties of the Servicer.

(a) Duties. The Servicer shall take or cause to be taken all such actions as may be necessary or advisable to collect on the Collateral Portfolio from time to time, all in accordance with Applicable Law and the Servicing Standard. Without limiting the foregoing, the duties of the Servicer shall include the following:

(i) supervising the Collateral Portfolio, including communicating with Obligors, providing consents and waivers, enforcing and collecting on the Collateral Portfolio and otherwise managing the Collateral Portfolio on behalf of the Borrower;

(ii) maintaining all necessary servicing records with respect to the Collateral Portfolio and providing such reports to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) (with a copy to the Trustee and the Collateral Custodian) in respect of the servicing of the Collateral Portfolio (including information relating to its performance under this Agreement) as may be required hereunder or as the Agent may reasonably request;

(iii) maintaining and implementing administrative and operating procedures (including, without limitation, an ability to recreate servicing records evidencing the Collateral Portfolio in the event of the destruction of the originals thereof) and keeping and maintaining all documents, books, records and other information reasonably necessary or advisable for the collection of the Collateral Portfolio;

(iv) promptly delivering to the Agent (who will provide each Lender with a copy promptly upon receipt thereof), the Trustee or the Collateral Custodian, from time to time, such information and servicing records (including information relating to its performance under this Agreement) as the Agent or the Trustee may from time to time reasonably request;

(v) identifying each Loan Asset clearly and unambiguously in its servicing records to reflect that such Loan Asset is owned by the Borrower and that the Borrower is Pledging a security interest therein to the Secured Parties pursuant to this Agreement;

(vi) notifying the Agent of any material action, suit, proceeding, dispute, offset, deduction, defense or counterclaim (1) that is or is threatened to be asserted by an Obligor with respect to any Loan Asset (or portion thereof) of which it has knowledge or has received notice; or (2) that could reasonably be expected to have a Material Adverse Effect;

(vii) using its best efforts to maintain the perfected security interest of the Trustee, for the benefit of the Secured Parties, in the Collateral Portfolio;

(viii) maintaining the Loan Asset File with respect to Loan Assets included as part of the Collateral Portfolio; provided that, so long as the Servicer is in possession of any Required Loan Documents, the Servicer will hold such Required Loan Documents in a fireproof safe or fireproof file cabinet;

(ix) directing the Trustee to make payments pursuant to the terms of the Servicing Report in accordance with Section 2.04;

(x) directing the sale or substitution of Collateral Portfolio in accordance with Section 2.07;

(xi) providing administrative assistance to the Borrower with respect to the purchase and sale of and payment for the Loan Assets;

(xii) instructing the Obligors and the administrative agents on the Loan Assets (or sellers of Acquisition Participation Interests) to make payments directly into the Collection Account established and maintained with the Trustee;

(xiii) delivering the Loan Asset Files and the Loan Asset Schedule to the Collateral Custodian;

(xiv) calculating the Minimum Weighted Average Coupon Test, the Minimum Weighted Average Spread Test and the Concentration Limits with respect to the Loan Assets on the dates and times necessary for the Borrower and Servicer to comply with this Agreement;

(xv) furnishing all reports, certificates, financial statements and other information as required pursuant to Section 6.08;

and

(xvi) complying with such other duties and responsibilities as may be required of the Servicer by this Agreement.

It is acknowledged and agreed that in circumstances in which a Person other than the Borrower, the Transferor (so long as the Transferor is also the Servicer) or the Servicer acts as lead agent with respect to any Loan Asset, the Servicer shall perform its servicing duties hereunder only to the extent a lender under the related loan syndication Loan Agreements has the right to do so. Notwithstanding anything to the contrary contained herein, it is acknowledged and agreed that the performance by the Servicer of its duties hereunder shall be limited insofar as such performance would conflict with or result in a breach of any of the express terms of the related Loan Agreements; provided that the Servicer shall (a) provide prompt written notice to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) upon becoming aware of such conflict or breach, (b) have determined that there is no other commercially reasonable performance that it could render consistent with the express terms of the Loan Agreements which would result in all or a portion of the servicing duties being performed in accordance with this Agreement, and (c) undertake all commercially reasonable efforts to mitigate the effects of such non-performance including performing as much of the servicing duties as possible and performing such other commercially reasonable and/or similar duties consistent with the terms of the Loan Agreements.

(b) Notwithstanding anything to the contrary contained herein, the exercise by the Agent, each Lender, the Trustee and the Secured Parties of their rights hereunder shall not release the Servicer, the Transferor or the Borrower from any of their duties or responsibilities with respect to the Collateral Portfolio. The Secured Parties, the Agent, each Lender and the Trustee shall not have any obligation or liability with respect to any Collateral Portfolio, nor shall any of them be obligated to perform any of the obligations of the Servicer hereunder.

(c) Any payment by an Obligor in respect of any indebtedness owed by it (or by a seller of an Acquisition Participation Interest) to the Transferor or the Borrower shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Agent, be applied as a collection of a payment by such Obligor (or by such seller of such Acquisition Participation Interest) (starting with the oldest such outstanding payment due) to the extent of any amounts then due and payable thereunder before being applied to any other receivable or other obligation of such Obligor (or of such seller of such Acquisition Participation Interest).

Section 1.03 Authorization of the Servicer.

(a) Each of the Borrower, the Agent and each Lender hereby authorizes the Servicer (including any successor thereto) to take any and all reasonable steps in its name and on its behalf necessary or desirable in the determination of the Servicer and not inconsistent with the sale of the Collateral Portfolio by the Transferor to the Equityholder and the Equityholder to the Borrower under the Purchase and Sale Agreements and, thereafter, the Pledge by the Borrower to the Trustee on behalf of the Secured Parties hereunder, to collect all amounts due under any and all Collateral Portfolio, including, without limitation, endorsing any of their names on checks and other instruments representing Interest Collections and Principal Collections, executing and delivering any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Collateral Portfolio and, after the delinquency of any Collateral Portfolio and to the extent permitted under and in compliance with Applicable Law, to commence proceedings with respect to enforcing payment thereof, to the same extent as the Transferor could have done if it had continued to own such Collateral Portfolio. The Transferor, the Borrower and the Trustee on behalf of the Secured Parties shall furnish the Servicer (and any successors thereto) with any powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing and

administrative duties hereunder, and shall cooperate with the Servicer to the fullest extent in order to ensure the collectability of the Collateral Portfolio. In no event shall the Servicer be entitled to make the Secured Parties, the Agent, the Trustee, any Lender or any Hedge Counterparty a party to any litigation without such party's express prior written consent, or to make the Borrower a party to any litigation (other than any routine foreclosure or similar collection procedure) without the Agent's consent.

(b) After the declaration of the Facility Maturity Date but subject to the proviso in Section 7.02(a), at the direction of the Agent, the Servicer shall take such action as the Agent may deem necessary or advisable to enforce collection of the Collateral Portfolio; provided that the Agent may, at any time after the occurrence or declaration of the Facility Maturity Date, notify any Obligor with respect to any Collateral Portfolio of the assignment of such Collateral Portfolio to the Trustee on behalf of the Secured Parties and direct that payments of all amounts due or to become due be made directly to the Agent or any servicer, collection agent or account designated by the Agent and, upon such notification and at the expense of the Borrower, the Agent may enforce collection of any such Collateral Portfolio, and adjust, settle or compromise the amount or payment thereof.

Section 1.04 Collection of Payments; Accounts.

(a) Collection Efforts, Modification of Collateral Portfolio. The Servicer will use its best efforts to collect or cause to be collected, all payments called for under the terms and provisions of the Loan Assets included in the Collateral Portfolio as and when the same become due in accordance with the Servicing Standard. The Servicer may not waive, modify or otherwise vary any provision of an item of Collateral Portfolio in any manner contrary to the Servicing Standard; provided that, on and after the occurrence of an Event of Default, the prior written consent of the Agent shall be required for any waiver, modification or variance that would impair the collectability of the Collateral Portfolio.

(b) Acceleration. If consistent with the Servicing Standard, the Servicer shall accelerate or vote to accelerate, as applicable, the maturity of all or any Scheduled Payments and other amounts due under any Loan Asset promptly after such Loan Asset becomes defaulted.

(c) Taxes and other Amounts. The Servicer will use its best efforts to collect all payments with respect to amounts due for Taxes, assessments and insurance premiums relating to each Loan Asset to the extent required to be paid to the Borrower for such application under the Loan Agreement and remit such amounts to the appropriate Governmental Authority or insurer as required by the Loan Agreements.

(d) Payments to Collection Account. The Servicer shall have instructed all Obligors (or sellers of Acquisition Participation Interests) to make all payments in respect of the Collateral Portfolio directly to the Collection Account on or before the applicable Cut-Off Date; provided that the Servicer is not required to so instruct any Obligor which is solely a guarantor unless and until the Servicer calls on the related guaranty.

(e) Controlled Accounts. Each of the parties hereto hereby agrees that (i) each Controlled Account is intended to be a "securities account" or "deposit account" within the meaning of the UCC and (ii) except as otherwise expressly provided herein and in the Collection Account Agreement or Unfunded Exposure Account Agreement, as applicable, prior to the delivery of a notice of exclusive control, the Borrower, the Servicer and the Trustee (acting at the direction of the Agent) shall be entitled to exercise the rights that comprise each Financial Asset held in each Controlled Account which is a securities account and have the right to direct the disposition of funds in any Controlled Account which is a deposit account; provided that after the delivery of a notice of exclusive control, such rights shall be exclusively held by the Trustee

(acting at the direction of the Agent). Each of the parties hereto hereby agrees to cause the securities intermediary that holds any money or other property for the Borrower in a Controlled Account that is a securities account to agree with the parties hereto that (A) the cash and other property (subject to [Section 6.04\(f\)](#) below with respect to any property other than investment property, as defined in Section 9-102(a) (49) of the UCC) is to be treated as a Financial Asset under Article 8 of the UCC and (B) regardless of any provision in any other agreement, for purposes of the UCC, with respect to the Controlled Accounts, New York shall be deemed to be the Bank's jurisdiction (within the meaning of Section 9-304 of the UCC) and the securities intermediary's jurisdiction (within the meaning of Section 8-110 of the UCC). All securities or other property underlying any Financial Assets credited to the Controlled Accounts in the form of securities or instruments shall be registered in the name of the Bank or if in the name of the Borrower or the Trustee, Indorsed to the Bank, Indorsed in blank, or credited to another securities account maintained in the name of the Bank, and in no case will any Financial Asset credited to the Controlled Accounts be registered in the name of the Borrower, payable to the order of the Borrower or specially Indorsed to the Borrower, except to the extent the foregoing have been specially Indorsed to the Bank or Indorsed in blank.

(f) **Loan Agreements.** Notwithstanding any term hereof (or any term of the UCC that might otherwise be construed to be applicable to a "securities intermediary" as defined in the UCC) to the contrary, none of the Trustee, the Collateral Custodian nor any securities intermediary shall be under any duty or obligation in connection with the acquisition by the Borrower, or the grant by the Borrower to the Trustee, of any Loan Asset in the nature of a loan or a participation in a loan to examine or evaluate the sufficiency of the documents or instruments delivered to it by or on behalf of the Borrower under the related Loan Agreements, or otherwise to examine the Loan Agreements, in order to determine or compel compliance with any applicable requirements of or restrictions on transfer (including without limitation any necessary consents). The Collateral Custodian shall hold any Instrument delivered to it evidencing any Loan Asset granted to the Trustee hereunder as custodial agent for the Trustee in accordance with the terms of this Agreement.

(g) **Adjustments.** If (i) the Servicer makes a deposit into the Collection Account in respect of a Interest Collection or Principal Collection of a Loan Asset and such Interest Collection or Principal Collection was received by the Servicer in the form of a check that is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Interest Collection or Principal Collection and deposits an amount that is less than or more than the actual amount of such Interest Collection or Principal Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

Section 1.05 **Realization Upon Loan Assets.** The Servicer will use reasonable efforts consistent with the Servicing Standard to foreclose upon or repossess, as applicable, or otherwise comparably convert the ownership of any Underlying Collateral relating to a defaulted Loan Asset as to which no satisfactory arrangements can be made for collection of delinquent payments. In addition, the Servicer may, consistent with the Servicing Standard, sell or otherwise transfer, or if it deems advisable to maximize recoveries, hold any defaulted Loan Asset, equity or other securities received by the Borrower in connection with a default, workout, restructuring or plan of reorganization or similar event under a Loan Asset. The Servicer will comply with the Servicing Standard and Applicable Law in realizing upon such Underlying Collateral, and employ practices and procedures including reasonable efforts consistent with the Servicing Standard to enforce all obligations of Obligor foreclosing upon, repossessing and causing the sale of such Underlying Collateral at public or private sale in circumstances other than those described in the preceding sentence. Without limiting the generality of the foregoing, unless the Agent has specifically given instruction to the contrary, the Servicer may cause the

sale of any such Underlying Collateral to the Servicer or its Affiliates for a purchase price equal to the then fair market value thereof, any such sale to be evidenced by a certificate of a Responsible Officer of the Servicer delivered to the Agent setting forth the Loan Asset, the Underlying Collateral, the sale price of the Underlying Collateral and certifying that such sale price is the fair market value of such Underlying Collateral. In any case in which any such Underlying Collateral has suffered damage, the Servicer will not expend funds in connection with any repair or toward the foreclosure or repossession of such Underlying Collateral unless it reasonably determines that such repair and/or foreclosure or repossession will increase the Recoveries by an amount greater than the amount of such expenses. The Servicer will remit to the Collection Account the Recoveries received in connection with the sale or disposition of Underlying Collateral relating to a defaulted Loan Asset.

Section 1.06 Servicing Compensation. As compensation for its activities hereunder and reimbursement for its expenses, the Servicer shall be entitled to be paid the Servicing Fees and reimbursed its reasonable expenses as provided in Section 2.04.

Section 1.07 Payment of Certain Expenses by Servicer. The Servicer will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of its independent accountants, Taxes imposed on the Servicer, expenses incurred by the Servicer in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. The Servicer, on behalf of the Borrower, will be required to pay all reasonable fees and expenses owing to any bank or trust company in connection with this Agreement or the maintenance of the Controlled Accounts. The Borrower will reimburse the Servicer for any reasonable expenses incurred hereunder or on behalf of the Borrower, subject to the availability of funds pursuant to Section 2.04; provided that, to the extent funds are not so available on any Payment Date to reimburse such expenses incurred during the immediately ended Remittance Period, such reimbursement amount shall be deferred and payable on the next Payment Date on which funds are available therefor pursuant to Section 2.04 and such deferred reimbursement amount shall bear interest beginning on the Payment Date immediately following the Remittance Period in which such expenses were incurred until paid at an annual rate equal to the Yield Rate. For the avoidance of doubt, the Servicer shall remain liable for, and shall pay in accordance with the terms hereof, all expenses payable by it as set forth in this Section 6.07 or otherwise under this Agreement, notwithstanding any failure of the Servicer to be reimbursed on any Payment Date due to the insufficiency of funds. Following realization of the Collateral Portfolio and distribution of proceeds in the manner provided in Section 2.04, any claims of the Servicer against the Borrower in respect of any deferred reimbursement amount or otherwise shall be extinguished and shall not thereafter revive.

Section 1.08 Reports to the Agent; Account Statements; Servicing Information.

(a) Notice of Borrowing. On each Advance Date and on each reduction of Advances Outstanding pursuant to Section 2.18, the Borrower (and the Servicer on its behalf) will provide a Notice of Borrowing or a Notice of Reduction, as applicable, and a Borrowing Base Certificate, each updated as of such date, to the Agent (with a copy to the Trustee). The Agent will provide each Lender with a copy of such Notices of Borrowing, Notices of Reduction and Borrowing Base Certificates promptly upon receipt thereof.

(b) Servicing Report.

(i) On each Reporting Date, the Servicer will provide to the Borrower, the Agent and the Trustee, a monthly statement including (x) a Borrowing Base calculated as of the most recent Determination Date, (y) calculations showing compliance with the Collateral Quality Test and the Concentration Limits as of the most recent Determination

Date and (z) a summary prepared with respect to each Obligor and with respect to each Loan Asset for such Obligor prepared as of the most recent Determination Date that will be required to set forth only (A) calculations of the Net Leverage Ratio and the Interest Coverage Ratio for each such Loan Asset for the most recently ended Relevant Test Period for each such Loan Asset and (B) whether or not each such Loan Asset shall have become subject to a Material Modification (such monthly statement, a “Servicing Report”), with respect to related calendar month signed by a Responsible Officer of the Servicer and the Borrower and substantially in the form of Exhibit K.

(ii) On each Reporting Date, in addition to the information provided under clause (i) above, the Servicer will provide to the Borrower, the Agent and the Trustee in such monthly statement, (x) the Interest Collections received during the immediately preceding Remittance Period and available for distribution pursuant as of such Payment Date, (y) the Principal Collections received during the immediately preceding Remittance Period and available for distribution as of such Payment Date, and (z) the dollar amount to be distributed on such Payment Date at each level of priority pursuant to Section 2.04.

(iii) The Agent will provide each Lender with a copy of such Servicing Reports promptly upon receipt thereof.

(c) Servicer’s Certificate. Together with each Servicing Report, the Servicer shall submit to the Agent and the Trustee a certificate substantially in the form of Exhibit L (a “Servicer’s Certificate”), signed by a Responsible Officer of the Servicer, which shall include a certification by such Responsible Officer that no Event of Default or Unmatured Event of Default has occurred. The Agent will provide each Lender with a copy of such Servicer’s Certificates promptly upon receipt thereof.

(d) Financial Statements. The Servicer will submit to the Agent and the Trustee, (i) within 45 days after the end of each of its fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (ii)), commencing March 31, 2010, consolidated unaudited financial statements of the Servicer for the most recent fiscal quarter, and (ii) within 90 days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2009, consolidated audited financial statements of the Servicer, audited by a firm of nationally recognized independent public accountants, as of the end of such fiscal year. The Servicer shall be deemed to have satisfied the requirements of this Section 6.08(d) if the reports, documents and information of the types otherwise so required are publicly available when required to be filed on EDGAR at the www.sec.gov website or any successor service provided by the Securities and Exchange Commission; provided that the Agent and each of the Lenders have been granted access to a notification system that notifies the Agent and each of the Lenders when any such information is publicly available.

(e) Tax Returns. Upon demand by the Agent, the Servicer shall deliver, copies of all federal, state and local tax returns and reports filed by the Borrower, the Equityholder and the Servicer, or in which the Borrower, the Equityholder or Servicer was included on a consolidated or combined basis (excluding sales, use and similar Taxes). The Agent will provide each Lender with a copy of such tax returns and reports promptly upon receipt thereof.

(f) Obligor Financial Statements; Valuation Reports; Other Reports. The Servicer will deliver to the Agent and the Trustee, with respect to each Obligor, (i) to the extent received by the Borrower and/or the Servicer pursuant to the Loan Agreement, the complete financial reporting package with respect to such Obligor and with respect to each Loan Asset for such Obligor (including any covenant compliance certificates with respect to such Obligor and with respect to each Loan Asset for such Obligor) provided to the Borrower and/or the Servicer

either monthly or quarterly, as the case may be, by such Obligor, which delivery shall be made within 45 days (or such longer period as specified in the Loan Agreement) after the end of each such month or such Obligor's fiscal quarters, as applicable (excluding the last month or fiscal quarter, as applicable, of each such Obligor's fiscal year), and within 90 days (or such longer period as specified in the Loan Agreement) after the end of each such Obligor's fiscal year, and (ii) a quarterly update to the "tear sheet" prepared by the Servicer with respect to such Obligor and with respect to each Loan Asset for such Obligor, which delivery shall be made within 45 days (or such longer period as specified in the Loan Agreement) after the end of each such Obligor's fiscal quarters (excluding the last fiscal quarter of each such Obligor's fiscal year) and within 90 days (or such longer period as specified in the Loan Agreement) after the end of each such Obligor's fiscal year. The Servicer will promptly deliver to the Agent, upon reasonable request and to the extent received by the Borrower and/or the Servicer, all other documents and information required to be delivered by the Obligors to the Borrower with respect to any Loan Asset included in the Collateral Portfolio. The Agent will provide each Lender with a copy of such other documents and information promptly upon receipt thereof.

(g) Amendments to Loan Assets. The Servicer will deliver to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) and the Collateral Custodian a copy of any material amendment, restatement, supplement, waiver or other modification to the Loan Agreement of any Loan Asset (along with any internal documents prepared by the Servicer and provided to its investment committee in connection with such amendment, restatement, supplement, waiver or other modification) within 10 Business Days of the effectiveness of such amendment, restatement, supplement, waiver or other modification.

(h) Website Access to Information. Notwithstanding anything to the contrary contained herein, information required to be delivered or submitted to any Secured Party pursuant to Section 5.03(i) and this Article VI shall be deemed to have been delivered on the date on which such information is posted on an IntraLinks (or other replacement) website to which the Agent and the Lenders have access.

Section 1.09 Annual Statement as to Compliance. The Servicer will provide to the Agent and the Trustee within 90 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on December 31, 2010, a fiscal report signed by a Responsible Officer of the Servicer certifying that (a) a review of the activities of the Servicer, and the Servicer's performance pursuant to this Agreement, for the fiscal period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Servicer has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year and no Servicer Termination Event has occurred. With respect to the Original Agreement, the Servicer will provide to the Agent and the Trustee within 90 days following the end of the fiscal year of the Servicer for 2009, a fiscal report signed by a Responsible Officer of the Servicer certifying that (a) a review of the activities of the Servicer, and the Servicer's performance pursuant to the Original Agreement, for the fiscal period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Servicer has performed or has caused to be performed in all material respects all of its obligations under the Original Agreement throughout such year and no "Servicer Default" (as defined in the Original Agreement) has occurred. The Agent will provide each Lender with a copy of such reports promptly upon receipt thereof.

Section 1.10 Annual Independent Public Accountant's Servicing Reports. The Servicer will cause a firm of nationally recognized independent public accountants (who may also render other services to the Servicer) to furnish to the Agent and the Trustee within 90 days following the end of each fiscal year of the Servicer, commencing with the fiscal year ending on December 31, 2010, a report covering such fiscal year to the effect that such accountants have applied certain agreed-upon procedures (a copy of which procedures are attached hereto as

Schedule IV, it being understood that the Servicer and the Agent will provide an updated Schedule IV reflecting any further amendments to such Schedule IV prior to the issuance of the first such agreed-upon procedures report, a copy of which shall replace the then existing Schedule IV) to certain documents and records relating to the Collateral Portfolio under any Transaction Document, compared the information contained in the Servicing Reports and the Servicer's Certificates delivered during the period covered by such report with such documents and records and that no matters came to the attention of such accountants that caused them to believe that such servicing was not conducted in compliance with this Article VI, except for such exceptions as such accountants shall believe to be immaterial and such other exceptions as shall be set forth in such statement. With respect to the Original Agreement the Servicer will cause a firm of nationally recognized independent public accountants (who may also render other services to the Servicer) to furnish to the Agent and the Trustee within 90 days following the end of the fiscal year of the Servicer for 2009, a report covering such fiscal year to the effect that such accountants have applied certain agreed-upon procedures (a copy of which procedures were attached to the Original Agreement as Schedule V) to certain documents and records relating to the Collateral Portfolio under any Transaction Document in effect immediately prior to the Restatement Date, compared the information contained in the Servicing Reports and the Servicer's Certificates delivered during the period covered by such report with such documents and records and that no matters came to the attention of such accountants that caused them to believe that such servicing was not conducted in compliance with Article VI of the Original Agreement, except for such exceptions as such accountants shall believe to be immaterial and such other exceptions as shall be set forth in such statement. The Agent will provide each Lender with a copy of such reports promptly upon receipt thereof.

Section 1.11 The Servicer Not to Resign. The Servicer shall not resign from the obligations and duties hereby imposed on it except upon the Servicer's determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that the Servicer could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Servicer shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Agent. No such resignation shall become effective until a Replacement Servicer shall have assumed the responsibilities and obligations of the Servicer in accordance with Section 6.02.

ARTICLE VII.

EVENTS OF DEFAULT

Section 1.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a) the Borrower, the Equityholder or the Transferor defaults in making any payment required to be made under one or more agreements for borrowed money to which it is a party in an aggregate principal amount in excess of (x) \$1,000,000 for the Borrower or the Equityholder or (y) \$100,000,000 for the Transferor and any such failure continues unremedied for two Business Days and such default is not cured within the applicable cure period, if any, provided for under such agreement; or

(b) any failure on the part of the Borrower, the Equityholder or the Transferor duly to observe or perform in any material respect any other covenants or agreements of the Borrower, the Equityholder or the Transferor set forth in this Agreement or the other Transaction Documents to which the Borrower, the Equityholder or the Transferor is a party (it being understood, without limiting the generality of the foregoing, that any failure to meet any

Concentration Limitation or Collateral Quality Test is not an Event of Default) and the same continues unremedied for a period of 30 days (if such failure can be remedied) after the earlier to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Borrower, the Equityholder or the Transferor by the Agent or Trustee and (ii) the date on which the Borrower, the Equityholder or the Transferor acquires knowledge thereof; or

(c) the occurrence of a Bankruptcy Event relating to the Transferor, the Equityholder or the Borrower; or

(d) the occurrence of a Servicer Termination Event (subject to the applicable cure periods set forth in the definition of “Servicer Termination Event”); or

(e) (1) the rendering of one or more final judgments, decrees or orders by a court or arbitrator of competent jurisdiction for the payment of money in excess individually or in the aggregate of \$100,000,000, against the Transferor (excluding any amounts covered by insurance), or \$1,000,000, against the Borrower or the Equityholder (excluding, in each case, any amounts covered by insurance), and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than 60 consecutive days after the later of (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished, without such judgment, decree or order being vacated, stayed or discharged during such 60 day period or (2) the Transferor, the Equityholder or the Borrower shall have made payments of amounts in excess of \$100,000,000 (in the case of the Transferor) or \$1,000,000 (in the case of the Borrower or the Equityholder), in the settlement of any litigation, claim or dispute (excluding, in each case, any amounts covered by insurance proceeds); or

(f) either the Borrower or the Equityholder shall cease to be an Affiliate of the Transferor or shall fail to qualify as a bankruptcy-remote entity based upon customary criteria such that reputable counsel could no longer render a substantive nonconsolidation opinion with respect thereto; or

(g) (1) any Transaction Document, or any Lien or security interest granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Equityholder, the Transferor, or the Servicer,

(2) (A) the Borrower, the Transferor, the Equityholder or the Servicer shall, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Transaction Document or any Lien or security interest thereunder or (B) there shall be a contest in any manner of the effectiveness, validity, binding nature or enforceability of any Transaction Document or of any Lien or security interest thereunder by any other party (other than the Agent, the Collateral Custodian, the Trustee or any Lender) which could reasonably be expected to have a Material Adverse Effect, as determined by the Agent, in its reasonable discretion, or

(3) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be a first priority perfected security interest (subject to Permitted Liens) except as otherwise expressly permitted to be released in accordance with the applicable Transaction Document; or

(h) the Advances Outstanding on any day exceeds the Borrowing Base and has not been remedied in accordance with Section 2.06; provided that, during the period of time that such event remains unremedied, any payments required to be made by the Servicer on a Payment Date shall be made under Section 2.04(c); or

(i) failure on the part of (A) the Borrower (except as set forth in subclause (B) of this Section 7.01(i)), the Equityholder, the Transferor or the Servicer to make any payment or deposit (including, without limitation, with respect to bifurcation and remittance of Interest Collections and Principal Collections or any other payment or deposit required to be made by the terms of the Transaction Documents, including, without limitation, to any Secured Party, Affected Party or Indemnified Party) required by the terms of any Transaction Document (other than Section 2.06) on the day such payment or deposit is required to be made and the same continues unremedied for two Business Days or (B) the Borrower to pay Yield and the Non-Usage Fee within three Business Days of any Payment Date or within three Business Days of when otherwise due; or

(j) the Borrower or the Equityholder shall become required to register as an “investment company” within the meaning of the 1940 Act or the arrangements contemplated by the Transaction Documents shall require registration as an “investment company” within the meaning of the 1940 Act; or

(k) the Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower, the Equityholder or the Transferor and such lien shall not have been released within five Business Days, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower, the Equityholder or the Transferor and such lien shall not have been released within five Business Days; or

(l) any Change of Control shall occur; or

(m) any representation, warranty or certification made by the Borrower, the Equityholder or the Transferor in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made, which has a Material Adverse Effect on the Secured Parties and continues to be unremedied for a period of 30 days after the earlier to occur of (i) the date on which written notice of such incorrectness requiring the same to be remedied shall have been given to the Borrower, the Equityholder or the Transferor by the Agent or Trustee and (ii) the date on which a Responsible Officer of the Borrower, the Equityholder or the Transferor acquires knowledge thereof; or

(n) failure to pay, on the Facility Maturity Date, the outstanding principal of all outstanding Advances, if any, and all Yield and all Fees accrued and unpaid thereon together with all other Obligations, including, but not limited to any Commitment Termination Premium; or

(o) an event has occurred which constitutes an Event of Default under and pursuant to the terms of the Pledge Agreement; or

(p) (i) failure of the Borrower or the Equityholder to maintain at least one Independent Director, which failure is not cured within ten Business Days or (ii) the removal of any Independent Director of the Borrower or the Equityholder without “cause” (as such term is defined in the organizational document of the Borrower) or without giving prior written notice to the Agent, each as required in the organizational documents of the Borrower; or

(q) the Borrower ceases to have a valid, perfected ownership interest in all of the Collateral Portfolio; or

(r) the Transferor fails to transfer to Equityholder or the Equityholder fails to transfer to the Borrower the applicable Loan Assets and the related Portfolio Assets on or prior to an Advance Date (provided that the Lenders shall have funded the related Advance) unless the related Advance is repaid in full with accrued and unpaid Yield thereon within five Business Days; or

(s) either of the Borrower or the Equityholder makes any assignment or attempted assignment of their respective rights or obligations under this Agreement or any other Transaction Document without first obtaining the specific written consent of each of the Lenders and the Agent, which consent may be withheld by any Lender or the Agent in the exercise of its sole and absolute discretion;

then, by notice to the Borrower, (x) so long as the Agent is Wells Fargo, the Agent may, and (y) whether or not the Agent is Wells Fargo, the Agent at the direction of the Supermajority of the Lenders shall, declare the Facility Maturity Date to have occurred; provided that, in the case of any event described in Section 7.01(c) above, the Facility Maturity Date shall be deemed to have occurred automatically upon the occurrence of such event. Upon any such declaration or automatic occurrence, (i) the Borrower shall cease purchasing Loan Assets from the Equityholder under the Second Tier Purchase and Sale Agreement and the Equityholder shall cease purchasing Loan Assets from the Transferor under the First Tier Purchase and Sale Agreement, (ii)(x) so long as the Agent is Wells Fargo, the Agent may, and (y) whether or not the Agent is Wells Fargo, the Agent at the direction of the Supermajority of the Lenders shall, declare the Advances to be immediately due and payable in full (without presentment, demand, protest or notice of any kind all of which are hereby waived by the Borrower) and any other Obligations to be immediately due and payable, and (iii) all proceeds and distributions in respect of the Portfolio Assets shall be distributed as described in Section 2.04(c) (provided that the Borrower shall in any event remain liable to pay such Advances and all such amounts and Obligations immediately in accordance with Section 2.04(e) hereof). In addition, upon any such declaration or upon any such automatic occurrence, the Trustee, on behalf of the Secured Parties and at the direction of the Agent, shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided under the UCC of the applicable jurisdiction and other Applicable Law, which rights shall be cumulative. Without limiting any obligation of the Servicer hereunder, the Borrower confirms and agrees that the Trustee, on behalf of the Secured Parties and at the direction of the Agent, (or any designee thereof, including, without limitation, the Servicer), following an Event of Default, shall, at its option, have the sole right to enforce the Borrower's rights and remedies under each Assigned Document, but without any obligation on the part of the Agent, the Lenders or any of their respective Affiliates to perform any of the obligations of the Borrower under any such Assigned Document. If any Event of Default shall have occurred, the Yield Rate shall be increased to the Default Funding Rate, effective as of the date of the occurrence of such Event of Default, and shall apply after the occurrence of such Event of Default. The Agent will provide each Lender with a copy of any notice delivered to the Borrower pursuant to this Section 7.01.

Section 1.02 Additional Remedies of the Agent

(a) If, (i) upon the Agent's declaration that the Advances made to the Borrower hereunder are immediately due and payable pursuant to Section 7.01 upon the occurrence of an Event of Default, or (ii) on the Facility Maturity Date (other than a Facility Maturity Date occurring pursuant to clause (iv) of the definition thereof prior to an Event of Default), the aggregate outstanding principal amount of the Advances, all accrued and unpaid Fees and Yield and any other Obligations are not immediately paid in full, then the Trustee

(acting as directed by the Agent) or the Agent, in addition to all other rights specified hereunder, shall have the right, in its own name and as agent for the Lenders, to immediately sell (at the Servicer's expense) in a commercially reasonable manner, in a recognized market (if one exists) at such price or prices as the Agent may reasonably deem satisfactory, any or all of the Collateral Portfolio and apply the proceeds thereof to the Obligations; provided that, notwithstanding anything to the contrary herein or in any other Transaction Document, in the case of the declaration of the Facility Maturity Date that arises solely pursuant to Section 7.01(d) due solely to the occurrence of an event described in clauses (g) or (h) of the definition of "Servicer Termination Event" or clause (o) of the definition of "Servicer Termination Event" (to the extent arising solely due to the occurrence of an event described in clauses (g) or (h) of the definition thereof), the Trustee and the Agent (as applicable) may not order the assembly or liquidation of the Collateral Portfolio, or take any action or exercise any power of attorney furnished hereunder in connection with such assembly or liquidation, until on or after the earlier of (x) the date that is twelve (12) months after the occurrence of such Facility Maturity Date or (y) the occurrence of a Facility Maturity Date for any other reason other than an event described in clauses (g) or (h) of the definition of "Servicer Termination Event" or clause (o) of the definition of "Servicer Termination Event" (to the extent arising solely due to the occurrence of an event described in clauses (g) or (h) of the definition thereof).

(b) The parties recognize that it may not be possible to sell all of the Collateral Portfolio on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for the assets constituting the Collateral Portfolio may not be liquid. Accordingly, the Agent may elect, in its sole discretion, the time and manner of liquidating any of the Collateral Portfolio, and nothing contained herein shall obligate the Agent to liquidate any of the Collateral Portfolio on the date the Agent declares the Advances made to the Borrower hereunder to be immediately due and payable pursuant to Section 7.01 or to liquidate all of the Collateral Portfolio in the same manner or on the same Business Day; provided that, notwithstanding anything to the contrary set forth herein, the Agent will not cause or direct the sale of any Loan Assets or other Collateral Portfolio on and after the declaration or occurrence of the Facility Maturity Date unless either (i) the Agent determines in its sole discretion that the anticipated proceeds of a sale or liquidation of all or any portion of the Collateral Portfolio (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the Obligations (other than contingent indemnification obligations in respect of which no claim has been, or in the Agent's reasonable determination, will be asserted) (or in the case of a sale of less than all of the Collateral Portfolio, an amount sufficient to discharge the amount of the Obligations attributable to such portion of the Collateral Portfolio) or (ii) the Required Lenders direct such sale and liquidation.

(c) If the Trustee (acting as directed by the Agent) or the Agent proposes to sell the Collateral Portfolio or any part thereof in one or more parcels at a public or private sale, at the request of the Trustee or the Agent, as applicable, the Borrower and the Servicer shall make available to (i) the Agent, on a timely basis, all information (including any information that the Borrower and the Servicer is required by Applicable Law or contract to keep confidential, to the extent such information can be provided without violation of such laws or contracts; provided that (A) notwithstanding the foregoing, neither the Borrower nor the Servicer shall intentionally act or fail to act in a manner that causes a confidentiality restriction to exist or otherwise arise on any such information, (B) to the extent otherwise permissible under Applicable Law or contract, the Borrower and the Servicer shall provide the Agent written notice promptly (and in any event within one Business Day) after the earlier of obtaining actual knowledge or receiving written notice of the existence of confidentiality restriction which would preclude delivery of any information with respect to the Collateral Portfolio, and (C) the Borrower and the Servicer shall undertake commercially reasonable efforts to remove any such confidentiality restrictions so that such information can be made available to the Agent) relating to the Collateral Portfolio subject to sale, including, without limitation, copies of any disclosure documents, contracts, financial

statements of the applicable Obligors, covenant certificates and any other materials requested by the Agent, and (ii) each prospective bidder, on a timely basis, all reasonable information relating to the Collateral Portfolio subject to sale, including, without limitation, copies of any disclosure documents, contracts, financial statements of the applicable Obligors, covenant certificates and any other materials reasonably requested by each such bidder; provided that with respect to this clause (ii), neither the Borrower nor the Servicer shall be required to disclose to each such bidder any information which it is required by Applicable Law or contract to be kept confidential. For the avoidance of doubt, each of the Borrower and the Servicer acknowledge and agree that, pursuant to and in accordance with the provisions of Section 11.13, at the time each Loan Asset is included in the Collateral Portfolio, the Agent is entitled to receive all information relating to such Loan Asset and the Portfolio Assets related thereto.

(d) Each of the Borrower and the Servicer agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Collateral Portfolio may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Collateral Portfolio or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each of the Borrower and the Servicer, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets constituting the Collateral Portfolio marshaled upon any such sale, and agrees that the Trustee, or the Agent on its behalf, or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Collateral Portfolio as an entirety or in such parcels as the Trustee or such court may determine.

(e) Any amounts received from any sale or liquidation of the Collateral Portfolio pursuant to this Section 7.02 in excess of the Obligations will be applied in accordance with the provisions of Section 2.04(c), or as a court of competent jurisdiction may otherwise direct.

(f) The Agent and the Lenders shall have, in addition to all the rights and remedies provided herein and provided by applicable federal, state, foreign, and local laws (including, without limitation, the rights and remedies of a secured party under the UCC of any applicable state, to the extent that the UCC is applicable, and the right to offset any mutual debt and claim), all rights and remedies available to the Lenders at law, in equity or under any other agreement between any Lender and the Borrower.

(g) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of any Event of Default.

(h) Each of the Borrower and the Servicer hereby irrevocably appoints each of the Trustee and the Agent its true and lawful attorney (with full power of substitution) in its name, place and stead and at its expense, in connection with the enforcement of the rights and remedies after the occurrence of an Event of Default, and as provided for in this Agreement, including without limitation the following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral Portfolio in connection with any such sale or other disposition made pursuant hereto, (c) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower and the Servicer hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully

do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document or Hedging Agreement. Nevertheless, if so requested by the Trustee or the Agent, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Trustee or the Agent or all proper bills of sale, assignments, releases and other instruments as may be designated in any such request; provided that, for the avoidance of doubt, no right under any power of attorney furnished under this Section 7.02(h) may be exercised until after the occurrence of an Event of Default.

(i) (1) If the Trustee (acting as directed by the Agent) or the Agent elects to sell the Collateral Portfolio in whole, but not in part, at a public or private sale, the Borrower may exercise its right of first refusal to repurchase the Collateral Portfolio, in whole but not in part, prior to such sale at a purchase price that is not less than the amount of the Obligations as of the date of such proposed sale. The Borrower's right of first refusal shall terminate not later than 4:00 p.m. on the second Business Day following the Business Day on which the Borrower receives notice of the Trustee's or the Agent's election to sell such Collateral Portfolio, such notice to attach copies of all Eligible Bids received by the Trustee or the Agent in respect of such Collateral Portfolio.

(2) If the Trustee (acting as directed by the Agent) or the Agent elects to sell less than all of the Collateral Portfolio in one or more parcels at a public or private sale, the Borrower may exercise its right of first refusal to repurchase such portion of the Collateral Portfolio prior to such sale at a purchase price of not less than the highest Eligible Bid received in respect of such portion of the Collateral Portfolio as of the date of such proposed sale, as notified by the Trustee or the Agent to the Borrower. The Borrower's right of first refusal shall terminate not later than 4:00 p.m. on the second Business Day following the Business Day on which the Borrower receives notice of the Trustee's or the Agent's election to sell such portion of the Collateral Portfolio, such notice to attach copies of all Eligible Bids received by the Trustee or the Agent in respect of such Collateral Portfolio.

(3) If the Borrower elects not to exercise its right of first refusal as provided in clauses (1) or (2) above, the Trustee (acting as directed by the Agent) or the Agent shall sell such Collateral Portfolio or portion thereof for a purchase price equal to the highest of the Eligible Bids then received. For the avoidance of doubt, any determination of the highest Eligible Bid shall only consider bids for the same parcels of the Collateral Portfolio.

(4) It is understood that the Borrower may submit its bid for the Collateral Portfolio or any portion thereof as a combined bid with the bids of other members of a group of bidders, and shall have the right to find bidders to bid on the Collateral Portfolio or any portion thereof.

(5) It is understood that the Borrower's right of first refusal shall apply to each proposed sale of the same parcel of the Collateral Portfolio.

ARTICLE VIII.
INDEMNIFICATION

Section 1.01 Indemnities by the Borrower.

(a) Except for Taxes (other than Taxes that represent losses, claims, damages, etc. arising from any non-tax claim) which shall not be covered by this Section 8.01 and without limiting any other rights which the Agent, the Lenders, the Trustee, the Bank, the Collateral Custodian or any of their respective Affiliates may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Agent, the Lenders, the Trustee, the Bank, the Collateral Custodian and each of their respective Affiliates, assigns, officers, directors, employees and agents (each, an “Indemnified Party” for purposes of this Article VIII) from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys’ fees and disbursements (all of the foregoing being collectively referred to as “Indemnified Amounts”), awarded against or actually incurred by such Indemnified Party arising out of or as a result of this Agreement or in respect of any of the Collateral Portfolio, excluding, however, Indemnified Amounts to the extent resulting solely from gross negligence, bad faith or willful misconduct on the part of an Indemnified Party. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from any of the following (to the extent not resulting from the conditions set forth above):

(i) any Loan Asset treated as or represented by the Borrower to be an Eligible Loan Asset which is not at the applicable time an Eligible Loan Asset, or the purchase by any party or origination of any Loan Asset which violates Applicable Law;

(ii) reliance on any representation or warranty made or deemed made by the Borrower, the Servicer (if Ares or one of its Affiliates is the Servicer) or any of their respective officers under or in connection with this Agreement or any Transaction Document, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(iii) the failure by the Borrower or the Servicer (if Ares or one of its Affiliates is the Servicer) to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law with respect to any item of Collateral Portfolio, or the nonconformity of any item of Collateral Portfolio with any such Applicable Law;

(iv) the failure to vest and maintain vested in the Trustee, for the benefit of the Secured Parties, a first priority perfected security interest in the Collateral Portfolio, free and clear of any Lien other than Permitted Liens, whether existing at the time of the related Advance or at any time thereafter;

(v) on each Business Day prior to the Collection Date, the occurrence of a Borrowing Base Deficiency and the same continues unremedied for five Business Days;

(vi) the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Law with respect to any Loan Assets included in the Collateral Portfolio or the other Portfolio Assets related thereto, whether at the time of any Advance or at any subsequent time;

(vii) any dispute, claim, offset or defense (other than the discharge in bankruptcy of an Obligor) to the payment of any Loan Asset included in the Collateral Portfolio (including, without limitation, a defense based on such Loan Asset (or the Loan Agreement evidencing such Loan Asset) not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or services related to such Collateral Portfolio or the furnishing or failure to furnish such merchandise or services;

(viii) any failure of the Borrower or the Servicer (if Ares or one of its Affiliates is the Servicer) to perform its duties or obligations in accordance with the provisions of the Transaction Documents to which it is a party or any failure by Ares, the Borrower or any Affiliate thereof to perform its respective duties under any Collateral Portfolio;

(ix) any inability to obtain any judgment in, or utilize the court or other adjudication system of, any state in which an Obligor may be located as a result of the failure of the Borrower or the Transferor to qualify to do business or file any notice or business activity report or any similar report;

(x) any action taken by the Borrower or the Servicer in the enforcement or collection of the Collateral Portfolio, which results in any claim, suit or action of any kind pertaining to the Collateral Portfolio or which reduces or impairs the rights of the Agent or any Lender with respect to any Loan Asset or the value of any such Loan Asset;

(xi) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with the Underlying Collateral or services that are the subject of any Collateral Portfolio;

(xii) any claim, suit or action of any kind arising out of or in connection with Environmental Laws including any vicarious liability;

(xiii) the failure by the Borrower to pay when due any Taxes for which the Borrower is liable, including, without limitation, sales, excise or personal property Taxes payable in connection with the Collateral Portfolio;

(xiv) any repayment by the Agent, the Lenders or a Secured Party of any amount previously distributed in payment of Advances or payment of Yield or Fees or any other amount due hereunder or under any Hedging Agreement, in each case which amount the Agent, the Lenders or a Secured Party believes in good faith is required to be repaid;

(xv) the commingling by the Borrower or the Servicer of payments and collections required to be remitted to the Collection Account or the Unfunded Exposure Account with other funds;

(xvi) any investigation, litigation or proceeding related to this Agreement (or the Transaction Documents), or the use of proceeds of Advances or the Collateral Portfolio, or the administration of the Loan Assets by the Borrower or the Servicer (unless such administration is carried out by Wells Fargo or any of its Affiliates in the capacity of the Servicer, if applicable);

(xvii) any failure by the Borrower to give reasonably equivalent value to the Equityholder in consideration for the transfer by the Equityholder to the Borrower of any item of Collateral Portfolio or any attempt by any Person to void or otherwise avoid

any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code;

(xviii) the use of the proceeds of any Advance in a manner other than as provided in this Agreement and the Transaction Documents;

(xix) any failure of the Borrower, the Servicer or any of their respective agents or representatives to remit to the Collection Account within two Business Days of receipt, payments and collections with respect to the Collateral Portfolio remitted to the Borrower, the Servicer or any such agent or representative (other than such a failure on the part of Wells Fargo or any of its Affiliates in the capacity of the Servicer, if applicable); and/or

(xx) the failure by the Borrower to comply with any of the covenants relating to the Hedging Agreement in accordance with the Transaction Documents.

(b) Any amounts subject to the indemnification provisions of this Section 8.01 shall be paid by the Borrower to the Agent on behalf of the applicable Indemnified Party within five Business Days following receipt by the Borrower of the Agent's written demand therefor on behalf of the applicable Indemnified Party (and the Agent shall pay such amounts to the applicable Indemnified Party promptly after the receipt by the Agent of such amounts). The Agent, on behalf of any Indemnified Party making a request for indemnification under this Section 8.01, shall submit to the Borrower a certificate setting forth in reasonable detail the basis for and the computations of the Indemnified Amounts with respect to which such indemnification is requested, which certificate shall be conclusive absent demonstrable error.

(c) If for any reason the indemnification provided above in this Section 8.01 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any losses, claims, damages or liabilities, then the Borrower shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

(d) If the Borrower has made any payments in respect of Indemnified Amounts to the Agent on behalf of an Indemnified Party pursuant to this Section 8.01 and such Indemnified Party thereafter collects any of such amounts from others, such Indemnified Party will promptly repay such amounts collected to the Borrower in an amount equal to the amount it has collected from others in respect of such Indemnified Amounts, without interest.

(e) The obligations of the Borrower under this Section 8.01 shall survive the resignation or removal of the Agent, the Lenders, the Servicer, the Trustee or the Collateral Custodian and the termination of this Agreement.

Section 1.02 Indemnities by Servicer.

(a) Without limiting any other rights which any Indemnified Party may have hereunder or under Applicable Law, the Servicer hereby agrees to indemnify each Indemnified Party from and against any and all Indemnified Amounts, awarded against or incurred by any Indemnified Party as a consequence of any of the following, excluding, however, Indemnified Amounts to the extent resulting from gross negligence, bad faith or willful misconduct on the part of any Indemnified Party claiming indemnification hereunder:

(i) the inclusion, in any computations made by it in connection with any Borrowing Base Certificate or other report prepared by it hereunder, of any Loan Assets which were not Eligible Loan Assets as of the date of any such computation;

(ii) reliance on any representation or warranty made or deemed made by the Servicer or any of its officers under or in connection with this Agreement or any other Transaction Document, any Servicing Report, Servicer's Certificate or any other information or report delivered by or on behalf of the Servicer pursuant hereto, which shall have been false, incorrect or misleading in any material respect when made or deemed made or delivered;

(iii) the failure by the Servicer to comply with (A) any term, provision or covenant contained in this Agreement or any other Transaction Document, or any other agreement executed in connection with this Agreement, or (B) any Applicable Law applicable to it with respect to any Portfolio Assets;

(iv) any litigation, proceedings or investigation against the Servicer;

(v) any action or inaction by the Servicer that causes the Trustee, for the benefit of the Secured Parties, not to have a first priority perfected security interest in the Collateral Portfolio, free and clear of any Lien other than Permitted Liens, whether existing at the time of the related Advance or any time thereafter;

(vi) except as permitted by this Agreement, the commingling by the Servicer of payments and collections required to be remitted to the Collection Account or the Unfunded Exposure Account with other funds;

(vii) any failure of the Servicer or any of its agents or representatives (including, without limitation, agents, representatives and employees of such Servicer acting pursuant to authority granted under Section 6.01 hereof) to remit to Collection Account, payments and collections with respect to Loan Assets remitted to the Servicer or any such agent or representative within two Business Days of receipt;

(viii) the failure by the Servicer to perform any of its duties or obligations in accordance with the provisions of this Agreement or any other Transaction Document or errors or omissions related to such duties;

(ix) the failure by the Servicer to comply with any of the covenants relating to the Hedging Agreement in accordance with the Transaction Documents; and/or

(x) any of the events or facts giving rise to a breach of any of the Servicer's representations, warranties, agreements and/or covenants set forth in Article IV, Article V or Article VI or this Agreement.

(b) Any amounts subject to the indemnification provisions of this Section 8.02 shall be paid by the Servicer to the Agent on behalf of the applicable Indemnified Party within five Business Days following receipt by the Servicer of the Agent's written demand therefor on behalf of the applicable Indemnified Party (and the Agent shall pay such amounts to the applicable Indemnified Party promptly after the receipt by the Agent of such amounts). The Agent, on behalf of any Indemnified Party making a request for indemnification under this Section 8.02, shall submit to the Servicer a certificate setting forth in reasonable detail the basis for and the computations of the Indemnified Amounts with respect to which such indemnification is requested, which certificate shall be conclusive absent demonstrable error.

(c) If for any reason the indemnification provided above in this Section 8.02 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any losses, claims, damages or liabilities, then the Servicer shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Servicer on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

(d) If the Servicer has made any payments in respect of Indemnified Amounts to the Agent on behalf of an Indemnified Party pursuant to this Section 8.02 and such Indemnified Party thereafter collects any of such amounts from others, such Indemnified Party will promptly repay such amounts collected to the Servicer in an amount equal to the amount it has collected from others in respect of such Indemnified Amounts, without interest.

(e) The Servicer shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible or uncollected Loan Assets.

(f) The obligations of the Servicer under this Section 8.02 shall survive the resignation or removal of the Agent, the Lenders, the Trustee or the Collateral Custodian and the termination of this Agreement.

(g) Any indemnification pursuant to this Section 8.02 shall not be payable from the Collateral Portfolio.

Each applicable Indemnified Party shall deliver to the Indemnifying Party under Section 8.01 and Section 8.02, within a reasonable time after such Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by such Indemnified Party relating to the claim giving rise to the Indemnified Amounts.

Section 1.03 Legal Proceedings. In the event an Indemnified Party becomes involved in any action, claim, or legal, governmental or administrative proceeding (an "Action") for which it seeks indemnification hereunder, the Indemnified Party shall promptly notify the other party or parties against whom it seeks indemnification (the "Indemnifying Party") in writing of the nature and particulars of the Action; provided that its failure to do so shall not relieve the Indemnifying Party of its obligations hereunder except to the extent such failure has a material adverse effect on the Indemnifying Party. Upon written notice to the Indemnified Party acknowledging in writing that the indemnification provided hereunder applies to the Indemnified Party in connection with the Action (subject to the exclusion in the first sentence of Section 8.01, the first sentence of Section 8.02 or Section 8.02(d), as applicable), the Indemnifying Party may assume the defense of the Action at its expense with counsel reasonably acceptable to the Indemnified Party. The Indemnified Party shall have the right to retain separate counsel in connection with the Action, and the Indemnifying Party shall not be liable for the legal fees and expenses of the Indemnified Party after the Indemnifying Party has done so; provided that if the Indemnified Party determines in good faith that there may be a conflict between the positions of the Indemnified Party and the Indemnifying Party in connection with the Action, or that the Indemnifying Party is not conducting the defense of the Action in a manner reasonably protective of the interests of the Indemnified Party, the reasonable legal fees and expenses of the Indemnified Party shall be paid by the Indemnifying Party; provided, further, that the Indemnifying Party shall not, in connection with any one Action or separate but substantially similar or related Actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees or expenses of more than one separate firm of attorneys (and any required local counsel) for such Indemnified Party, which firm (and local counsel, if any) shall be designated in writing to the Indemnifying Party by the Indemnified Party. If the

Indemnifying Party elects to assume the defense of the Action, it shall have full control over the conduct of such defense; provided that the Indemnifying Party and its counsel shall, as reasonably requested by the Indemnified Party or its counsel, consult with and keep them informed with respect to the conduct of such defense. The Indemnifying Party shall not settle an Action without the prior written approval of the Indemnified Party unless such settlement provides for the full and unconditional release of the Indemnified Party from all liability in connection with the Action. The Indemnified Party shall reasonably cooperate with the Indemnifying Party in connection with the defense of the Action.

Section 1.04 After-Tax Basis. Indemnification under Section 8.01 and 8.02 shall be in an amount necessary to make the Indemnified Party whole after taking into account any Tax consequences to the Indemnified Party of the receipt of the indemnity provided hereunder, including the effect of such Tax or refund on the amount of Tax measured by net income or profits that is or was payable by the Indemnified Party.

Section 1.05 Benefit of Indemnity. To the extent that (i) the Buyers or their Affiliates receive the benefit of representations, warranties and indemnities or other remedies available against the Seller Parties or their Affiliates under the Acquisition Agreement with respect to representations and warranties regarding any Loan Assets held by the Borrower or (ii) the Buyers or any of their Affiliates receive compensation from the Seller Parties in connection with any breach thereof or purchase price adjustments with respect to any Loan Assets held by the Borrower pursuant to the terms of the Acquisition Agreement, in each case, the Transferor shall cause such amounts to be transferred to the Borrower and the Borrower shall cause such amounts to be deposited into the Principal Collection Account and such amounts shall be applied in accordance with Section 2.04(b).

ARTICLE IX.

THE AGENT

Section 1.01 The Agent.

(a) Appointment. Each Lender and each other Secured Party hereby appoints and authorizes the Agent as its agent hereunder and hereby further authorizes the Agent to appoint additional agents to act on its behalf and for the benefit of each Lender and each other Secured Party. Each Lender and each other Secured Party further authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Agent shall not have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall the Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” in this Agreement with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Delegation of Duties. The Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties;

provided that, so long as no Event of Default has occurred, the Agent may not execute any of its duties under this Agreement or any other Transaction Document by or through any Ares Competitor without the prior consent of the Borrower. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects with reasonable care. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility as well as activities as Agent.

(c) Authorization to File. The Borrower irrevocably authorizes the Agent and appoints the Agent as its attorney-in-fact to act on behalf of the Borrower (i) to file financing statements necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Collateral Portfolio and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral Portfolio as a financing statement in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Secured Parties in the Collateral Portfolio. This appointment is coupled with an interest and is irrevocable.

(d) Agent Expenses. If the Borrower or the Servicer, as applicable, fails to perform any of its agreements or obligations under Section 5.01(t), Section 5.02(r) or Section 5.03(e), the Agent may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the expenses of the Agent incurred in connection therewith shall be payable by the Borrower or the Servicer (on behalf of the Borrower), as applicable, upon the Agent's demand therefor.

(e) Agent's Reliance, Etc. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Agent under or in connection with this Agreement or any of the other Transaction Documents, except for its or their own gross negligence or willful misconduct. Each Lender and each other Secured Party hereby waives any and all claims against the Agent or any of its Affiliates for any action taken or omitted to be taken by the Agent or any of its Affiliates under or in connection with this Agreement or any of the other Transaction Documents, except for its or their own gross negligence or willful misconduct. The Agent shall not be liable to the Borrower, any Lender, any other Secured Party or any other Person with respect to any determination made by it in good faith unless it shall be determined that the Agent was grossly negligent in ascertaining the pertinent facts. Without limiting the foregoing, the Agent: (i) may consult with legal counsel (including counsel for the Borrower or the Transferor), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation and shall not be responsible for any statements, warranties or representations made in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any of the other Transaction Documents on the part of the Borrower, the Transferor, or the Servicer or to inspect the property (including the books and records) of the Borrower, the Transferor, or the Servicer; (iv) shall not be responsible for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any of the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) may rely upon and/or shall incur no liability under or in respect of this Agreement or any of the other Transaction Documents by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties, or upon any statement made to it orally or by telephone and believed by it to have been made by the

proper Person. In determining compliance with any condition hereunder to the making of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Advance.

(f) Actions by Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limiting the generality of the foregoing, the Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Transaction Documents) and shall not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary); provided that, notwithstanding anything to the contrary herein, the Agent shall not be required to take any action hereunder if the taking of such action, in the reasonable determination of the Agent, shall be in violation of any Applicable Law or contrary to any provision of this Agreement or shall expose the Agent to liability hereunder or otherwise. In the event the Agent requests the consent of a Lender pursuant to the foregoing provisions and the Agent does not receive a consent (either positive or negative) from such Person within ten Business Days of such Person's receipt of such request, then such Lender shall be deemed to have declined to consent to the relevant action. The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Unmatured Event of Default or Event of Default, (iv) the value, validity, enforceability, sufficiency, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

(g) Notice of Event of Default, Unmatured Event of Default or Servicer Termination Event. The Agent shall not be deemed to have knowledge or notice of the occurrence of an Event of Default, Unmatured Event of Default or Servicer Termination Event, unless the Agent has received written notice from a Lender, the Borrower or the Servicer referring to this Agreement, describing such Event of Default, Unmatured Event of Default or Servicer Termination Event and stating that such notice is a "Notice of Event of Default," "Notice of Unmatured Event of Default" or "Notice of Servicer Termination Event," as applicable. The Agent shall (subject to Section 9.01(e)) take such action with respect to such Event of Default, Unmatured Event of Default or Servicer Termination Event as may be requested by the Lenders acting jointly or as the Agent shall deem advisable or in the best interest of the Lenders.

(h) Credit Decision with Respect to the Agent. Each Lender and each other Secured Party acknowledges that none of the Agent or any of its Affiliates has made any representation or warranty to it, and that no act by the Agent hereinafter taken, including any consent to and acceptance of any assignment or review of the affairs of the Borrower, the Servicer, the Transferor or any of their respective Affiliates or review or approval of any of the Collateral Portfolio, shall be deemed to constitute any representation or warranty by any of the Agent or its Affiliates to any Lender as to any matter, including whether the Agent has disclosed material information in its possession. Each Lender and each other Secured Party acknowledges that it has, independently and without reliance upon the Agent, or any of the Agent's Affiliates, and based upon such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and the other Transaction Documents to which it is a party. Each Lender and each other Secured Party also acknowledges that it will, independently and without reliance upon the Agent, or any of the Agent's Affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement and the other Transaction Documents to which it is a party. Each Lender and each other Secured Party hereby agrees that the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower, the Servicer, the Transferor or their respective Affiliates which may come into the possession of the Agent or any of its Affiliates.

(i) Indemnification of the Agent. Each Lender agrees to indemnify the Agent (to the extent not reimbursed by the Borrower or the Servicer), ratably in accordance its Pro Rata Share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Transaction Documents, or any action taken or omitted by the Agent hereunder or thereunder; provided that the Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or willful misconduct; provided, further, that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Article IX. Without limitation of the foregoing, each Lender agrees to reimburse the Agent, ratably in accordance its Pro Rata Share, promptly upon demand for any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and the other Transaction Documents, to the extent that such expenses are incurred in the interests of or otherwise in respect of the Lenders hereunder and/or thereunder and to the extent that the Agent is not reimbursed for such expenses by the Borrower or the Servicer.

(j) Successor Agent. The Agent may resign at any time, effective upon the appointment and acceptance of a successor Agent as provided below, by giving at least five days' written notice thereof to each Lender and the Borrower and may be removed at any time with cause by the Required Lenders; provided that, in the event that the Commitment of Wells Fargo is less than 25% of the Maximum Facility Amount, the foregoing determination by the Required Lenders shall be made without giving effect to clause (i) of the definition of Required Lenders. Upon any such resignation or removal, the Required Lenders and the Borrower acting jointly shall appoint a successor Agent; provided that, after an Event of Default has occurred, the Required Lenders may appoint any Person (other than an Ares Competitor) as successor Agent without the consent of the Borrower; provided that, in the event that the Commitment of Wells Fargo is less than 25% of the Maximum Facility Amount, the foregoing determination by the Required Lenders shall be made without giving effect to clause (i) of the definition of Required Lenders. Each Lender agrees that it shall not unreasonably withhold or delay its approval of the

appointment of a successor Agent. If no such successor Agent shall have been so appointed, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the removal of the retiring Agent, then the retiring Agent may, on behalf of the Secured Parties, appoint a successor Agent which successor Agent shall be either (i) a commercial bank organized under the laws of the United States or of any state thereof and have a combined capital and surplus of at least \$50,000,000 or (ii) an Affiliate of such a bank. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article IX shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

(k) Payments by the Agent. Unless specifically allocated to a specific Lender pursuant to the terms of this Agreement, all amounts received by the Agent on behalf of the Lenders shall be paid by the Agent to the Lenders in accordance with their Pro Rata Shares in the applicable Advances Outstanding, or if there are no Advances Outstanding in accordance with their most recent Commitments, on the Business Day received by the Agent, unless such amounts are received after 12:00 noon on such Business Day, in which case the Agent shall use its reasonable efforts to pay such amounts to each Lender on such Business Day, but, in any event, shall pay such amounts to such Lender not later than the following Business Day. The Agent shall pay amounts owing to each Lender in accordance with the written instructions delivered by such Lender to the Agent.

ARTICLE X.

TRUSTEE

Section 1.01 Designation of Trustee.

(a) Initial Trustee. The role of Trustee shall be conducted by the Person designated as Trustee hereunder from time to time in accordance with this Section 10.01. Until the Agent shall give to U.S. Bank a Trustee Termination Notice, U.S. Bank is hereby appointed as, and hereby accepts such appointment and agrees to perform the duties and obligations of, Trustee pursuant to the terms hereof.

(b) Successor Trustee. Upon the Trustee's receipt of a Trustee Termination Notice from the Agent of the designation of a successor Trustee pursuant to the provisions of Section 10.05, the Trustee agrees that it will terminate its activities as Trustee hereunder.

(c) Secured Party. The Agent and the Lenders hereby appoint U.S. Bank, in its capacity as Trustee hereunder, as their agent for the purposes of perfection of a security interest in the Collateral Portfolio. U.S. Bank, in its capacity as Trustee hereunder, hereby accepts such appointment and agrees to perform the duties set forth in Section 10.02(b).

Section 1.02 Duties of Trustee.

(a) Appointment. The Borrower and the Agent each hereby appoints U.S. Bank to act as Trustee, for the benefit of the Secured Parties. The Trustee hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto set forth herein.

(b) Duties. On or before the initial Advance Date, and until its removal pursuant to Section 10.05, the Trustee shall perform, on behalf of the Secured Parties, the following duties and obligations:

(i) The Trustee shall make payments pursuant to the terms of the Servicing Report in accordance with Section 2.04 (the “Payment Duties”).

(ii) The Trustee shall provide to the Servicer a copy of all written notices and communications identified as being sent to it in connection with the Loan Assets and the other Collateral Portfolio held hereunder which it receives from the related Obligor, participating bank and/or agent bank. In no instance shall the Trustee be under any duty or obligation to take any action on behalf of the Servicer in respect of the exercise of any voting or consent rights, or similar actions, unless it receives specific written instructions from the Servicer, prior to the occurrence of an Event of Default or the Agent, after the occurrence of Event of Default, in which event the Trustee shall vote, consent or take such other action in accordance with such instructions.

(c) (i) The Agent, each Lender and each other Secured Party further authorizes the Trustee to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are expressly delegated to the Trustee by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. In furtherance, and without limiting the generality of the foregoing, each Secured Party hereby appoints the Trustee (acting at the direction of the Agent) as its agent to execute and deliver all further instruments and documents, and take all further action that the Agent deems necessary or desirable in order to perfect, protect or more fully evidence the security interests granted by the Borrower hereunder, or to enable any of them to exercise or enforce any of their respective rights hereunder, including, without limitation, the execution by the Trustee as secured party/assignee of such financing or continuation statements, or amendments thereto or assignments thereof, relative to all or any of the Loan Assets now existing or hereafter arising, and such other instruments or notices, as may be necessary or appropriate for the purposes stated hereinabove. Nothing in this Section 10.02(c) shall be deemed to relieve the Borrower or the Servicer of their respective obligations to protect the interest of the Trustee (for the benefit of the Secured Parties) in the Collateral Portfolio, including to file financing and continuation statements in respect of the Collateral Portfolio in accordance with Section 5.01(t).

(ii) The Agent may direct the Trustee to take any such incidental action hereunder. With respect to other actions which are incidental to the actions specifically delegated to the Trustee hereunder, the Trustee shall not be required to take any such incidental action hereunder, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) upon the direction of the Agent; provided that the Trustee shall not be required to take any action hereunder at the request of the Agent, any Secured Party or otherwise if the taking of such action, in the reasonable determination of the Trustee, (x) shall be in violation of any Applicable Law or contrary to any provisions of this Agreement or (y) shall expose the Trustee to liability hereunder or otherwise (unless it has received indemnity which it reasonably deems to be satisfactory with respect thereto). In the event the Trustee requests the consent of the Agent and the Trustee does not receive a consent (either positive or negative) from the Agent within 10 Business Days of its receipt of such request, then the Agent shall be deemed to have declined to consent to the relevant action.

(iii) Except as expressly provided herein, the Trustee shall not be under any duty or obligation to take any affirmative action to exercise or enforce any power, right or remedy available to it under this Agreement (x) unless and until (and to the extent) expressly so directed by the Agent or (y) prior to the Facility Maturity Date (and upon

such occurrence, the Trustee shall act in accordance with the written instructions of the Agent pursuant to clause (x). The Trustee shall not be liable for any action taken, suffered or omitted by it in accordance with the request or direction of any Secured Party, to the extent that this Agreement provides such Secured Party the right to so direct the Trustee, or the Agent. The Trustee shall not be deemed to have notice or knowledge of any matter hereunder, including an Event of Default, unless a Responsible Officer of the Trustee has knowledge of such matter or written notice thereof is received by the Trustee.

(d) If, in performing its duties under this Agreement, the Trustee is required to decide between alternative courses of action, the Trustee may request written instructions from the Agent as to the course of action desired by it. If the Trustee does not receive such instructions within two Business Days after it has requested them, the Trustee may, but shall be under no duty to, take or refrain from taking any such courses of action. The Trustee shall act in accordance with instructions received after such two Business Day period except to the extent it has already, in good faith, taken or committed itself to take, action inconsistent with such instructions. The Trustee shall be entitled to rely on the advice of legal counsel and independent accountants in performing its duties hereunder and shall be deemed to have acted in good faith if it acts in accordance with such advice.

(e) Concurrently herewith, the Agent directs the Trustee and the Trustee is authorized to enter into the Pledge Agreement, the Collection Account Agreement and the Unfunded Exposure Account Agreement. For the avoidance of doubt, all of the Trustee's rights, protections and immunities provided herein shall apply to the Trustee for any actions taken or omitted to be taken under the Pledge Agreement, the Collection Account Agreement and the Unfunded Exposure Account Agreement in such capacity.

Section 1.03 Merger or Consolidation.

Any Person (i) into which the Trustee may be merged or consolidated, (ii) that may result from any merger or consolidation to which the Trustee shall be a party, or (iii) that may succeed to the properties and assets of the Trustee substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Trustee hereunder, shall be the successor to the Trustee under this Agreement without further act of any of the parties to this Agreement.

Section 1.04 Trustee Compensation.

As compensation for its Trustee activities hereunder, the Trustee shall be entitled to the Trustee Fees and Trustee Expenses from the Borrower as set forth in the Trustee and Collateral Custodian Fee Letter. The Trustee shall be entitled to receive the Trustee Fees and Trustee Expenses to the extent of funds available therefor pursuant to the provision of Section 2.04; provided that, for the avoidance of doubt, to the extent funds are not so available on any Payment Date to pay such fees or reimburse such expenses incurred during the immediately ended Remittance Period, such payment or reimbursement amount shall be deferred and payable on the next Payment Date on which funds are available therefor pursuant to Section 2.04. The Trustee's entitlement to receive the Trustee Fees shall cease on the earlier to occur of: (i) its removal as Trustee pursuant to Section 10.05 or (ii) the termination of this Agreement.

Section 1.05 Trustee Removal.

The Trustee may be removed, with or without cause, by the Agent by notice given in writing to the Trustee (the "Trustee Termination Notice"); provided that, notwithstanding its receipt of a Trustee Termination Notice, the Trustee shall continue to act in such capacity until a

successor Trustee has been appointed and has agreed to act as Trustee hereunder; provided that the Trustee shall continue to receive compensation of its fees and expenses in accordance with Section 10.04 above while so serving as the Trustee prior to a successor Trustee being appointed.

Section 1.06 Limitation on Liability.

(a) The Trustee may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties. The Trustee may rely conclusively on and shall be fully protected in acting upon (a) the written instructions of any designated officer of the Agent or (b) the verbal instructions of the Agent.

(b) The Trustee may consult counsel satisfactory to it and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(c) The Trustee shall not be liable for any error of judgment, or for any act done or step taken or omitted by it, in good faith, or for any mistakes of fact or law, or for anything that it may do or refrain from doing in connection herewith except in the case of its willful misconduct or grossly negligent performance or omission of its duties and in the case of the negligent performance of its Payment Duties.

(d) The Trustee makes no warranty or representation and shall have no responsibility (except as expressly set forth in this Agreement) as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Collateral Portfolio, and will not be required to and will not make any representations as to the validity or value (except as expressly set forth in this Agreement) of any of the Collateral Portfolio. The Trustee shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with an indemnity reasonably satisfactory to it.

(e) The Trustee shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and no covenants or obligations shall be implied in this Agreement against the Trustee.

(f) The Trustee shall not be required to expend or risk its own funds in the performance of its duties hereunder.

(g) It is expressly agreed and acknowledged that the Trustee is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Collateral Portfolio.

(h) Subject in all cases to the last sentence of Section 2.05, in case any reasonable question arises as to its duties hereunder, the Trustee may, prior to the occurrence of an Event of Default or the Facility Maturity Date, request instructions from the Servicer and may, after the occurrence of an Event of Default or the Facility Maturity Date, request instructions from the Agent, and shall be entitled at all times to refrain from taking any action unless it has received instructions from the Servicer or the Agent, as applicable. The Trustee shall in all events have no liability, risk or cost for any action taken pursuant to and in compliance with the instruction of the Agent. In no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost

profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The Trustee shall not be liable for the acts or omissions of the Collateral Custodian under this Agreement and shall not be required to monitor the performance of the Collateral Custodian. Notwithstanding anything herein to the contrary, unless appointed as successor Collateral Custodian hereunder, the Trustee shall have no duty to perform any of the duties of the Collateral Custodian under this Agreement.

(j) The Trustee and the Bank shall be under no obligation to (i) monitor, determine or verify the unavailability or cessation of LIBOR, SOFR, Term SOFR, Benchmark Replacement (or other applicable interest rate), or whether or when there has occurred, or to give notice to any other transaction party of the occurrence of (except as expressly provided herein), any Benchmark Transition Event or any amendment or change required to be made to the applicable interest rate, (ii) select, determine or designate any LIBOR, SOFR, Term SOFR, Benchmark Replacement or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, (iii) select, determine or designate any Benchmark Replacement Adjustment or other modifier to any replacement or successor index, or (iv) determine whether or what Benchmark Replacement Conforming Changes are necessary or advisable, if any, in connection with any of the foregoing.

(k) The Trustee and the Bank shall not be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Agreement as a result of the unavailability of LIBOR, SOFR, Term SOFR, Benchmark Replacement (or other applicable interest rate) and absence of a designated replacement Interest Rate, including as a result of any inability, delay, error or inaccuracy on the part of any other transaction party, including without limitation the Agent or Required Lenders, in providing any direction, instruction, notice or information required or contemplated by the terms of this Agreement and reasonably required for the performance of such duties.

Section 1.07 Trustee Resignation.

The Trustee may resign at any time by giving not less than 90 days written notice thereof to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) and with the consent of the Agent, which consent shall not be unreasonably withheld. Upon receiving such notice of resignation, the Agent shall promptly appoint a successor trustee or trustees by written instrument, in duplicate, executed by the Agent, one copy of which shall be delivered to the Trustee so resigning and one copy to the successor trustee or trustees, together with a copy to the Borrower, Servicer and Collateral Custodian. If no successor trustee shall have been appointed and an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 45 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. Notwithstanding anything herein to the contrary, the Trustee may not resign prior to a successor Trustee being appointed.

ARTICLE XI.

MISCELLANEOUS

Section 1.01 Amendments and Waivers.

Except as provided in this Section 11.01, (i) no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Servicer, the Agent and the Required Lenders; provided that no amendment, waiver or consent shall:

(a) increase the Commitment of any Lender or the amount of Advances of any Lender, in any case, without the written consent of such Lender;

(b) waive, extend or postpone any date fixed by this Agreement or any other Transaction Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitment hereunder or under any other Transaction Document without the written consent of each Lender directly and adversely affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Advance or Obligation, or any fees or other amounts payable hereunder or under any other Transaction Document without the written consent of each Lender directly and adversely affected thereby;

(d) change Section 2.04 or any related definitions or provisions in a manner that would alter the order of application of proceeds or would alter the *pro rata* sharing of payments required thereby, in each case, without the written consent of each Lender directly and adversely affected thereby;

(e) change any provision of this Section 11.01 or reduce the percentages specified in the definitions of “Required Lenders”, “Supermajority” or any other provision hereof specifying the number or percentage of the Lenders required to amend, waive, direct or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby;

(f) consent to the assignment or transfer by any of the Borrower, the Transferor, the Equityholder or the Servicer of such party’s rights and obligations under any Transaction Document to which it is a party (except as expressly permitted hereunder), in each case, without the written consent of each Lender;

(g) make any modification to the definition of “Applicable Percentage” without the written consent of each Lender;

(h) release all or substantially all of the Collateral Portfolio or release any Transaction Document (other than as specifically permitted or contemplated in this Agreement or the applicable Transaction Document) without the written consent of each Lender; or

(i) make material amendments to the definitions of “Collateral Quality Test”, “Minimum Weighted Average Coupon Test”, “Minimum Weighted Average Spread Test” or any definitions therein, in each case, without the written consent of a Supermajority of the Lenders;

(j) make any modification to the definitions of “Borrowing Base”, “Adjusted Borrowing Value”, “Excess Concentration Amount” or any definitions therein, in each case,

which would have a material adverse effect on the calculation of the Borrowing Base, without the written consent of each Lender;

provided, further, that (i) any amendment of this Agreement that is solely for the purpose of adding a Lender may be effected with the consent of the Agent, but without the written consent of the Borrower or any Lender, (ii) no such amendment, waiver or modification materially adversely affecting the rights or obligations of the Trustee, the Bank or the Collateral Custodian shall be effective without the written agreement of the Trustee, the Bank or the Collateral Custodian, as applicable, (iii) no amendment, waiver or modification adversely affecting the rights or obligations of any Hedge Counterparty shall be effective without the written agreement of such Person, (iv) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement, (v) no amendment, waiver or consent shall, unless in writing and signed by the Agent, affect the rights or duties of the Agent under this Agreement or any other Transaction Document and (vi) the Agent and the Borrower shall be permitted to amend any provision of the Transaction Documents (and such amendment shall become effective without any further action or consent of any other party to any Transaction Document) if the Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any such provision. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. For the avoidance of doubt, in the event that an Event of Default has occurred but has been waived unconditionally and in its entirety in accordance with the terms hereof, such Event of Default shall be deemed to have not “occurred” and references to “after the occurrence of an Event of Default” shall be inapplicable for all purposes in this Agreement or any of the Transaction Documents, except to the extent otherwise provided for in the relevant waiver; provided that any waiver which by its terms becomes effective upon certain conditions precedent being met will not be considered a conditional waiver solely due to the existence of such conditions precedent if all such conditions precedent to effectiveness have been satisfied. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

Notwithstanding anything to the contrary herein or in any other Transaction Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Agent and the Borrower may amend this Agreement to replace LIBOR with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Agent has delivered such proposed amendment to all Lenders, the Servicer and the Borrower so long as the Agent has not received, by such time, written notice of objection from the Lenders representing an aggregate of more than 50% of the aggregate Commitments of the Lenders then in effect (other than any Defaulting Lenders) to (x) in the case of an amendment to replace LIBOR with a SOFR-Based Rate, the Benchmark Replacement Adjustment or (y) in the case of an amendment to replace LIBOR with a Benchmark Replacement that is not a SOFR-Based Rate, such amendment; provided that for the avoidance of doubt, in the case of clause (x), the Lenders representing an aggregate of more than 50% of the aggregate Commitments of the Lenders then in effect (other than any Defaulting Lenders) shall not be entitled to object to any SOFR-Based Rate contained in such amendment. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Agent written notice that such Required Lenders accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section 11.01 will occur prior to the applicable Benchmark Transition Start Date.

In connection with the implementation of a Benchmark Replacement, the Agent, in consultation with the Borrower, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

The Agent will promptly notify the Borrower, the Servicer and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or Lenders pursuant to this Section 11.01 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 11.01.

During any Benchmark Unavailability Period, (x) all Advances denominated in United States dollars shall bear interest at the Base Rate and (y) the Borrower may revoke any Notice of Borrowing to be made or any continuation of an Advance during such Benchmark Unavailability Period.

Notwithstanding anything to the contrary in this Agreement or in any other Transaction Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, if the Benchmark Replacement is not Term SOFR, then the Benchmark Replacement shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, for all purposes hereunder or under any Transaction Document without any amendment to, or further action or consent of any other party (other than as expressly set forth below) to, this Agreement or any other Transaction Document, and such changes shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Agent shall have delivered a Term SOFR Notice, unless, prior to such time, Lenders representing an aggregate of more than 50% of the aggregate Commitments of the Lenders then in effect (other than any Defaulting Lenders) have delivered to the Agent written notice that such Lenders object to the related Benchmark Replacement Adjustment; provided that, for the avoidance of doubt, the Lenders shall not be entitled to object to the use of Term SOFR.

Section 1.02 Notices, Etc. All notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which shall include facsimile communication and communication by e-mail) and faxed, e-mailed or delivered, to each party hereto, at its address set forth under its name below or at such other address as shall be designated by such party in a written notice to the other parties hereto:

If to the Borrower:

Ares Capital CP Funding LLC
245 Park Avenue, 44th Floor
New York, New York 10167
Attention: General Counsel and Chief Financial Officer
Facsimile No.: (212) 750-1777
Confirmation No.: (212) 750-7300

and in each case:

Ares Capital CP Funding LLC
2000 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Attention: Chief Accounting Officer
Facsimile No.: (310) 201-4197
Confirmation No.: (310) 201-4205

with a copy to:

Latham & Watkins LLP
355 South Grand Avenue
Los Angeles, California 90071
Attention: Dominic Yoong
Facsimile No.: (213) 891-8763

If to the Servicer:

Ares Capital Corporation
245 Park Avenue, 44th Floor
New York, New York 10167
Attention: General Counsel and Chief Financial Officer
Facsimile No.: (212) 750-1777
Confirmation No.: (212) 750-7300

and in each case:

Ares Capital Corporation
c/o Ares Management LLC
2000 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Attention: Chief Accounting Officer
Facsimile No.: (310) 201-4197
Confirmation No.: (310) 201-4205

with a copy to:

Latham & Watkins LLP
355 South Grand Avenue
Los Angeles, California 90071
Attention: Dominic Yoong
Facsimile No.: (213) 891-8763

If to the Transferor:

Ares Capital Corporation
245 Park Avenue, 44th Floor
New York, New York 10167
Attention: General Counsel and Chief Financial Officer
Facsimile No.: (212) 750-1777
Confirmation No.: (212) 750-7300

and in each case:

Ares Capital Corporation
c/o Ares Management LLC
2000 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Attention: Chief Accounting Officer
Facsimile No.: (310) 201-4197
Confirmation No.: (310) 201-4205

with a copy to:

Latham & Watkins LLP
355 South Grand Avenue
Los Angeles, California 90071
Attention: Dominic Yoong
Facsimile No.: (213) 891-8763

If to the Agent:

Wells Fargo Bank, National Association
550 S. Tryon Street, 5th Floor
MAC D1086-051
Charlotte, North Carolina 28202
Attention: Kevin Sunday
Facsimile No.: (704) 715-0067
Confirmation No.: (704) 374-6230

If to the Swingline Lender:

Wells Fargo Bank, National Association
550 S. Tryon Street, 5th Floor
MAC D1086-051
Charlotte, North Carolina 28202
Attention: Kevin Sunday
Facsimile No.: (704) 715-0067
Confirmation No: (704) 374-6230

If to the Trustee:

U.S. Bank National Association
One Federal Street, Third Floor
Boston, Massachusetts 02110
Attention: Corporate Trust / CDO Unit – Ares Capital CP Funding
Facsimile No: (866) 738-6062

If to the Bank:

U.S. Bank National Association
One Federal Street, Third Floor
Boston, Massachusetts 02110
Attention: Corporate Trust / CDO Unit – Ares Capital CP Funding
Facsimile No: (866) 738-6062

If to the Collateral Custodian:

U.S. Bank National Association
as the Collateral Custodian
Document Custody Services
1719 Otis Way
Florence, SC 29501
Attention: Steven Garrett
Email: steven.garrett@usbank.com
Facsimile No.: (843) 673-0162

Notices and communications by facsimile and e-mail shall be effective when sent, and notices and communications sent by other means shall be effective when received. The Agent shall, promptly after receipt of any notice from the Trustee, the Borrower, the Transferor, the Equityholder or the Servicer, provide copies thereof to each Lender.

Section 1.03 No Waiver; Remedies. No failure on the part of the Agent, the Trustee or a Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 1.04 Binding Effect; Assignability; Multiple Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Servicer, the Transferor, the Agent, the Collateral Custodian, the Secured Parties and their respective successors and permitted assigns. Each Indemnified Party shall be an

express third party beneficiary of this Agreement. Each Lender and its respective successors and assigns may assign, or grant a security interest or sell a participation interest in, (i) this Agreement and all or any part of such Lender's rights and obligations hereunder and interest herein in whole or in part and/or (ii) any Advance (or portion thereof) to any Person; provided that, as applicable, (x) unless otherwise consented to by Ares, Wells Fargo shall (A) not assign, or grant a security interest or sell a participation interest in its Commitments such that Wells Fargo and its Affiliates would hold Commitments constituting less than 51% of the Maximum Facility Amount and (B) retain all approval rights pursuant to clause 11 of the definition of "Eligibility Criteria" set forth in Schedule III and (y) unless the Borrower and the Agent shall otherwise consent, a Lender may only assign, grant a security interest or sell a participation in, its rights and obligations hereunder to an Affiliate of such Lender or to other Lenders hereunder and Affiliates of such Lenders; provided further that, if an Event of Default has occurred and is continuing, a Lender may assign its rights and obligations under this Agreement or any Advance to any Person with the consent of the Agent (such consent not to be unreasonably withheld or delayed) but without any consent from the Borrower; provided further that before an Event of Default has occurred, any Lender may assign its rights and obligations under this Agreement or any Advance to any Person (other than an Ares Competitor) with the consent of each of the Borrower and the Agent (such consent not to be unreasonably withheld or delayed); provided further that any Lender may assign, or sell a participation in, all or a portion its rights and obligations hereunder and interest herein in or under its Advances without any consent from the Borrower or the Agent upon such Lender's good faith determination that such assignment or participation is required for regulatory reasons or by Applicable Law (provided that such Lender gives written notice of such assignment or participation, which notice shall identify the material regulatory or legal reasons necessitating such assignment or participation). Any such assignee shall execute and deliver to the Servicer, the Borrower and the Agent a fully-executed transferee letter substantially in the form of Exhibit N hereto (a "Transferee Letter") and a fully-executed Joinder Supplement. Notwithstanding anything contained in this Agreement to the contrary, (i) Wells Fargo shall not need prior consent of the Borrower to consolidate with or merge into any other Person or convey or transfer substantially all of its properties and assets, including without limitation any Advance (or portion thereof), to any Person and (ii) if any Lender becomes a Defaulting Lender, unless such Lender shall have been deemed to no longer be a Defaulting Lender pursuant to Section 2.23(b), the Agent shall have the right to cause such Person to assign its entire interest in the Advances and this Agreement to a transferee selected by the Agent, in an assignment which satisfies the conditions set forth in the first sentence of this Section 11.04(a). The parties to any such assignment, grant or sale of a participation interest shall execute and deliver to the Lender for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties and the applicable Lender. None of the Borrower, the Equityholder, the Transferor or the Servicer may assign, or permit any Lien (other than Permitted Liens) to exist upon, any of its rights or obligations hereunder or under any Transaction Document or any interest herein or in any Transaction Document.

(b) Notwithstanding any other provision of this Section 11.04, any Lender may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, rights to payment of principal and interest) under this Agreement to secure obligations of such Lender to a Federal Reserve Bank, without notice to or consent of the Borrower or the Agent; provided that no such pledge or grant of a security interest shall release such Lender from any of its obligations hereunder, or substitute any such pledgee or grantee for such Lender as a party hereto.

(c) Each Hedge Counterparty, each Affected Party and each Indemnified Party shall be an express third party beneficiary of this Agreement.

Section 1.05 Term of This Agreement. This Agreement, including, without limitation, the Borrower's obligation to observe its covenants set forth in Articles V and VI and

the Servicer's obligation to observe its covenants set forth in Articles V and VI, shall remain in full force and effect until the Collection Date; provided that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower or the Servicer pursuant to Articles III and IV and the indemnification and payment provisions of Article VIII and Article XI and the provisions of Section 2.10, Section 2.11, Section 11.07, Section 11.08 and Section 11.09 shall be continuing and shall survive any termination of this Agreement. Notwithstanding anything herein to the contrary, the Collection Date will be deemed to have occurred upon payment in full of all Obligations pursuant to clause (i) of the first proviso of Section 2.18(b).

Section 1.06 GOVERNING LAW; JURY WAIVER. THIS AGREEMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

Section 1.07 Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Trustee, the Bank, the Agent, the Lenders, the Collateral Custodian and their respective Affiliates under Section 8.01 and Section 8.02 hereof, each of the Borrower, the Servicer and the Transferor agrees to pay on demand all reasonable, invoiced out-of-pocket costs and expenses of the Agent, the Lenders, the Trustee, the Bank and the Collateral Custodian incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), renewal, amendment or modification of, or any waiver or consent issued in connection with, this Agreement, the Transaction Documents and the other documents to be delivered hereunder or in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent, the Lenders, the Trustee, the Bank and the Collateral Custodian with respect thereto and with respect to advising the Agent, the Lenders, the Trustee, the Bank and the Collateral Custodian as to their respective rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all invoiced out-of-pocket costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Agent, the Lenders, the Trustee, the Bank or the Collateral Custodian in connection with the enforcement of this Agreement or any Transaction Document by such Person and the other documents to be delivered hereunder or in connection herewith.

(b) The Borrower, the Servicer and the Transferor shall pay on demand any and all stamp, sales, excise and other similar Taxes ("Other Taxes") and fees payable or determined to be payable to any Governmental Authority in connection with the execution, delivery, filing and recording of this Agreement, the other documents to be delivered hereunder or any other Transaction Document or the funding or maintenance of Advances hereunder, except any such Taxes that are Other Connection Taxes.

(c) The Servicer and the Transferor shall pay on demand all other reasonable, invoiced out-of-pocket costs, expenses and other Taxes (other than Excluded Taxes or Indemnified Taxes) incurred by the Agent, the Lenders, the Trustee, the Collateral Custodian and the Bank, including, without limitation, all costs and expenses incurred by the Agent and the Lenders in connection with periodic audits of the Borrower's, the Transferor's or the Servicer's books and records.

(d) For the avoidance of doubt, except with respect to the costs and expenses to be paid to the Trustee and the Collateral Custodian, costs and expenses to be paid pursuant to this Section 11.07 shall exclude all allocable overhead costs and expenses.

Section 1.08 No Proceedings.

(a) Each of the parties hereto (other than the Agent with the consent of the Lenders) and each Hedge Counterparty (by accepting the benefits of this Agreement) agrees that it will not institute against, or join any other Person in instituting against, the Borrower any proceedings of the type referred to in the definition of Bankruptcy Event so long as there shall not have elapsed one year (or such longer preference period as shall then be in effect) and one day since the Collection Date.

(b) The provisions of this Section 11.08 are a material inducement for the Agent, the Trustee and the Lenders to enter into this Agreement and the transactions contemplated hereby and are an essential term hereof. The Trustee (acting as directed by the Agent) with the consent of the Lenders may seek and obtain specific performance of such provisions (including injunctive relief), including without limitation in any bankruptcy, reorganization, arrangement, winding-up, insolvency, moratorium or liquidation proceedings, or other proceedings under United States federal or state bankruptcy laws or any similar laws.

Section 1.09 Recourse Against Certain Parties.

(a) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Agent, the Lenders or any other Secured Party as contained in this Agreement or any other agreement, instrument or document entered into by the Agent, the Lenders or any other Secured Party pursuant hereto or in connection herewith shall be had against any administrator of the Agent, the Lenders or any other Secured Party or any incorporator, affiliate, stockholder, member, officer, partner, employee, administrator, partner, organizer or director of the Agent, the Lenders or any other Secured Party or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of each party hereto contained in this Agreement and all of the other agreements, instruments and documents entered into by the Agent, the Lenders or any other Secured Party pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of such party (and nothing in this Section 11.09 shall be construed to diminish in any way such corporate obligations of such party), and that no personal liability whatsoever shall attach to or be incurred by any administrator of the Agent, the Lenders or any other Secured Party or any incorporator, affiliate, stockholder, member, officer, partner, employee, administrator, partner, organizer or director of the Lenders or the Agent or of any such administrator, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Agent, the Lenders or any other Secured Party contained in this Agreement or in any other such instruments, documents or agreements, or are implied therefrom, and that any and all personal liability of every such administrator of the Agent, the Lenders or any other Secured Party and each incorporator, stockholder, affiliate, officer, employee or director of the Agent, the Lenders or any other Secured Party or of any such administrator, or any of them, for breaches by the Agent, the Lenders or any other Secured Party of any such obligations, covenants or agreements, which liability may arise either at common law or in equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement.

(b) Notwithstanding any contrary provision set forth herein, no claim may be made by the Borrower, the Transferor, the Equityholder or the Servicer or any other Person against the Agent, the Lenders or any other Secured Party or their respective Affiliates, directors,

officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect to any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and the Borrower, the Transferor, the Equityholder and the Servicer each hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected.

(c) No obligation or liability to any Obligor under any of the Loan Assets is intended to be assumed by the Agent, the Lenders or any other Secured Party under or as a result of this Agreement and the transactions contemplated hereby.

(d) The provisions of this Section 11.09 shall survive the termination of this Agreement.

Section 1.10 Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by e-mail in portable document format (.pdf) or facsimile shall be effective as delivery of a manually executed counterpart of this Agreement. In the event that any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement, the other Transaction Documents and any agreements or letters (including fee letters) executed in connection herewith contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than any fee letter delivered by the Servicer to the Agent and the Lenders.

Section 1.11 Consent to Jurisdiction; Service of Process.

(a) Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City in any action or proceeding arising out of or relating to the Transaction Documents, and each party hereto hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. The parties hereto hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the Borrower and the Servicer agrees that service of process may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to the Borrower or the Servicer, as applicable, at its address specified in Section 11.02 or at such other address as the Agent shall have been notified in accordance herewith. Nothing in this Section 11.11 shall affect the right of the Lenders or the Agent to serve legal process in any other manner permitted by law.

Section 1.12 Characterization of Conveyances Pursuant to the Purchase and Sale Agreements.

(a) It is the express intent of the parties hereto that the conveyance of the Eligible Loan Assets by the Transferor to the Equityholder and the Equityholder to the Borrower as contemplated by the Purchase and Sale Agreements be, and be treated for all purposes (other than accounting purposes and subject to the tax characterization of the Borrower and the Advances described in Section 5.01(aa) and Section 5.02(k) hereof) as, a sale by the Transferor and the Equityholder, as applicable, of such Eligible Loan Assets. It is, further, not the intention of the parties that such conveyance be deemed a pledge of the Eligible Loan Assets by the Transferor to the Equityholder and the Equityholder to the Borrower to secure a debt or other obligation of the Transferor or Equityholder, as applicable. However, in the event that, notwithstanding the intent of the parties, the Eligible Loan Assets are held to continue to be property of the Transferor (in the case of the First Tier Purchase and Sale Agreement) or the Equityholder (in the case of the Second Tier Purchase and Sale Agreement), as applicable, then the parties hereto agree that: (i) each of the Purchase and Sale Agreements shall also be deemed to be a security agreement under Applicable Law; (ii) the transfer of the Eligible Loan Assets provided for in the First Tier Purchase and Sale Agreement shall be deemed to be a grant by the Transferor to the Equityholder of a first priority security interest (subject only to Permitted Liens) in all of the Transferor's right, title and interest in and to the Eligible Loan Assets and all amounts payable to the holders of the Eligible Loan Assets in accordance with the terms thereof and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, instruments, securities or other property, including, without limitation, all amounts from time to time held or invested in the Controlled Accounts, whether in the form of cash, instruments, securities or other property; (iii) the transfer of the Original Loan Assets provided for in the Original Purchase and Sale Agreement shall be deemed to be a grant by the Transferor to the Borrower of a first priority security interest (subject only to Permitted Liens) in all of the Transferor's right, title and interest in and to the Original Loan Assets and all amounts payable to the holders of the Original Loan Assets in accordance with the terms thereof and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, instruments, securities or other property, including, without limitation, all amounts from time to time held or invested in the Controlled Accounts, whether in the form of cash, instruments, securities or other property; (iv) the transfer of the Eligible Loan Assets provided for in the Second Tier Purchase and Sale Agreement shall be deemed to be a grant by the Equityholder to the Borrower of a first priority security interest (subject only to Permitted Liens) in all of such Equityholder's right, title and interest in and to the Eligible Loan Assets and all amounts payable to the holders of the Eligible Loan Assets in accordance with the terms thereof and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, instruments, securities or other property, including, without limitation, all amounts from time to time held or invested in the Controlled Accounts, whether in the form of cash, instruments, securities or other property; (v) the possession by the Borrower (or the Collateral Custodian on its behalf) of Loan Assets and such other items of property as constitute instruments, money, negotiable documents or chattel paper shall be, subject to clause (vi), for purposes of perfecting the security interest pursuant to the UCC; and (vi) acknowledgements from Persons holding such property shall be deemed acknowledgements from custodians, bailees or agents (as applicable) of the Borrower for the purpose of perfecting such security interest under Applicable Law. The parties further agree that any assignment of the interest of the Borrower pursuant to any provision hereof shall also be deemed to be an assignment of any security interest created pursuant to the terms of the Purchase and Sale Agreements. The Borrower shall, to the extent consistent with this Agreement and the other Transaction Documents, take such actions as may be necessary to ensure that, if either of the Purchase and Sale Agreements were deemed to create a security interest in the Eligible Loan Assets, such security interest would be deemed to be a perfected security interest of first priority (subject only to Permitted Liens) under Applicable Law and will be maintained as such throughout the term of this Agreement.

(b) It is the intention of each of the parties hereto that the Eligible Loan Assets conveyed by the Transferor to the Equityholder pursuant to the First Tier Purchase and Sale Agreement and by the Equityholder to the Borrower pursuant to the Second Tier Purchase and Sale Agreement and by the Transferor to the Borrower pursuant to the Original Purchase and Sale Agreement shall constitute assets owned by the Borrower and shall not be part of the Transferor's estate or the Equityholder's estate, as applicable, in the event of the filing of a bankruptcy petition by or against the Transferor or Equityholder, as applicable, under any bankruptcy or similar law.

(c) The Borrower agrees to treat, and shall cause the Equityholder and the Transferor to treat, for all purposes (other than accounting purposes and subject to the tax characterization of the Borrower and the Advances described in Section 5.01(aa) and Section 5.02(k) hereof) (x) the transactions effected by the First Tier Purchase and Sale Agreements as sales of assets to the Equityholder, (y) the transactions effected by the Second Tier Purchase and Sale Agreements as sales of assets to the Borrower and (z) the transactions effected by the Original Purchase and Sale Agreement as sales of the assets to the Borrower. The Borrower and the Servicer each hereby agree to cause each of the Transferor and the Equityholder, as applicable, to reflect in the Transferor's or Equityholder's financial records, as applicable, and to include a note in the publicly filed annual and quarterly financial statements of Ares indicating that: (i) assets related to transactions (including transactions pursuant to the Transaction Documents) that do not meet SFAS 140 requirements for accounting sale treatment are reflected in the consolidated balance sheet of Ares, as finance receivables pledged and non-recourse, secured borrowings and (ii) those assets are owned by a special purpose entity that is consolidated in the financial statements of Ares, and the creditors of that special purpose entity have received ownership and/or security interests in such assets and such assets are not intended to be available to the creditors of sellers (or any affiliate of the sellers) of such assets to that special purpose entity.

Section 1.13 Confidentiality.

(a) Each of the Agent, the Lenders, the Servicer, the Trustee, the Borrower, the Bank, the Equityholder, the Transferor and the Collateral Custodian shall maintain and shall cause each of its employees and officers to maintain the confidentiality of the Agreement and all information with respect to the other parties, including all information regarding the Loan Assets and the business of the Borrower and the Servicer hereto and their respective businesses, and all information in connection with or related to the Loan Agreements (including but not limited to any information provided pursuant to Section 6.08), obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, investigators, auditors, attorneys or other agents, engaged by such party in connection with any due diligence or comparable activities with respect to the transactions and Loan Assets contemplated herein and the agents of such Persons ("Excepted Persons"); provided that each Excepted Person shall, as a condition to any such disclosure, agree for the benefit of the Agent, the Lenders, the Servicer, the Trustee, the Borrower, the Bank, the Equityholder, the Transferor and the Collateral Custodian that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of the Agreement, but not the financial terms thereof, (iii) disclose such information as is required by Applicable Law and (iv) disclose the Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents. Notwithstanding the foregoing provisions of this Section 11.13(a), the Servicer may, subject to Applicable Law and the terms of any Loan Agreements, make available copies of the documents in the Servicing

Files and such other documents it holds in its capacity as Servicer pursuant to the terms of this Agreement, to any of its creditors. It is understood that the financial terms that may not be disclosed except in compliance with this [Section 11.13\(a\)](#) include, without limitation, all fees and other pricing terms, and all Events of Default, Servicer Termination Events, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, the Borrower, the Equityholder and the Servicer each hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Agent, the Lenders, the Trustee or the Collateral Custodian by each other, (ii) by the Agent, the Lenders, the Trustee and the Collateral Custodian to any prospective or actual assignee or participant of any of them; provided that (A) such Person would be permitted to be an assignee or participant pursuant to the terms hereof and (B) such Person agrees to hold such information confidential on terms consistent with the terms set forth in this [Section 11.13](#) or (iii) by the Agent, the Lenders, the Trustee and the Collateral Custodian to any commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any Lender, as applicable, and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information. In addition, the Lenders, the Agent, the Trustee and the Collateral Custodian may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known; (ii) disclosure of any and all information (a) if required to do so by any applicable statute, law, rule or regulation, (b) to any government agency or regulatory body having or claiming authority to regulate or oversee any respects of the Lenders', the Agent's, the Trustee's or the Collateral Custodian's business or that of their Affiliates, (c) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Agent, any Lender or the Trustee or an officer, director, employer, shareholder or Affiliate of any of the foregoing is a party, (d) in any preliminary or final offering circular, registration statement or contract or other document approved in advance by the Borrower, the Servicer, the Equityholder or the Transferor or (e) to any Affiliate, independent or internal auditor, agent, employee or attorney of the Trustee or the Collateral Custodian having a need to know the same, provided that the disclosing party advises such recipient of the confidential nature of the information being disclosed; or (iii) any other disclosure authorized by the Borrower, Servicer, the Equityholder or the Transferor.

Section 1.14 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

(a) Notwithstanding anything to the contrary in any Transaction Document or in any other agreement, arrangement or understanding among the respective parties thereto, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

(b) As used in this Section 11.14 the following terms have the following meanings ascribed thereto: (i) “Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution; (ii) “Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule; (iii) “EEA Financial Institution” means (x) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (y) any entity established in an EEA Member Country which is a parent of an institution described in clause (x) of this definition, or (z) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (x) or (y) of this definition and is subject to consolidated supervision with its parent; (iv) “EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway; (v) “EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution; (vi) “EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time; and (vii) “Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.15 Waiver of Set Off. Each of the parties hereto hereby waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against the Agent, the Lenders or their respective assets.

Section 1.16 Headings and Exhibits. The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 1.17 Ratable Payments. If any Secured Party, whether by setoff or otherwise, has payment made to it with respect to any portion of the Obligations owing to such Secured Party (other than payments received pursuant to Breakage Fees, Section 2.10, Section 2.11, Section 8.1 or Section 8.2) in a greater proportion than that received by any other Secured Party, such Secured Party agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of the Obligations held by the other Secured Parties so that after such purchase each Secured Party will hold its ratable proportion of the Obligations; provided that if all or any portion of such excess amount is thereafter recovered from such Secured Party,

such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 1.18 Breaches of Representations, Warranties and Covenants. For the avoidance of doubt, no breach or default of any representation, warranty or covenant contained in Sections 4.01, 4.02 or 4.03 or 5.01, 5.02, 5.03, 5.04 that does not constitute an Unmatured Event of Default or Event of Default shall be deemed to be a breach or default hereunder; provided that the foregoing shall not affect the definition of “Eligible Loan Asset”, the definition of “Warranty Event”, Sections 2.07(d), 2.07(f), 2.15, 2.21, 3.02(a), 3.04(h), 5.01(n), 8.01, 8.02, 11.05 and the schedules and exhibits hereto.

Section 1.19 Assignments of Loan Assets.

(a) Notwithstanding anything to the contrary herein, solely for administrative convenience and solely in the case of Third Party Acquired Loan Assets, (i) for purposes of clause (a)(i) of the definition of “Required Loan Documents”, the chain of endorsements required therein by the third party to the Transferor, the Transferor to the Equityholder and the Equityholder to the Borrower may be satisfied by a direct endorsement from the applicable third party to the Borrower or (ii) delivery of the transfer documents or instruments required by clause (a)(ii) of the definition of “Required Loan Documents” may be satisfied by delivery of transfer documents or instruments evidencing the assignment of such Loan Asset by the applicable third party directly to the Borrower (and by the Borrower either to the Trustee or in blank).

(b) Nothing in this Section 1.19 shall limit any requirement that all Loan Assets treated as or represented to be Eligible Loan Assets hereunder or in any Transaction Document be purchased by Borrower from the Equityholder pursuant to the Second Tier Purchase and Sale Agreement and by the Equityholder from the Transferor pursuant to the First Tier Purchase and Sale Agreement (as evidenced by the Assignments applicable to each Purchase and Sale Agreement) or any representations or warranties with respect to Loan Assets so purchased or the liabilities or recourse of the Transferor or Equityholder, as applicable, pertaining to such sales.

Section 1.20 Affirmation. Each of the parties hereto confirm, acknowledge and agree that this Agreement is an amendment and restatement of the Original Agreement and that the execution, delivery and performance of this Agreement does not create a novation of any indebtedness existing under the Original Agreement immediately prior to the amendment and restatement on the Restatement Date. The Borrower confirms, acknowledges and agrees that this Agreement benefits from all collateral security executed in connection with the Original Agreement and that the “Obligations” are secured by, and benefit from, all collateral security and guarantees included in the Transaction Documents. The Borrower hereby ratifies and confirms that all of the terms and conditions, representations and covenants contained in the Transaction Documents shall remain in full force and effect after giving effect to the execution and effectiveness of this Agreement.

Section 1.21 Covered Transactions. The Borrower shall not use the proceeds of any Advance in a manner that would cause such credit extension to become a “covered transaction” as defined in Section 23A of the Federal Reserve Act (12 U.S.C. § 371c) and the Federal Reserve Board’s Regulation W (12 C.F.R. Part 223), including any transaction where the proceeds of any Advance are used for the benefit of, or transferred to, an Affiliate of a Lender.

ARTICLE XII.
COLLATERAL CUSTODIAN

Section 1.01 Designation of Collateral Custodian.

(a) Initial Collateral Custodian. The role of Collateral Custodian with respect to the Required Loan Documents shall be conducted by the Person designated as Collateral Custodian hereunder from time to time in accordance with this Section 12.01. Until the Agent shall give to U.S. Bank a Collateral Custodian Termination Notice, U.S. Bank is hereby appointed as, and hereby accepts such appointment and agrees to perform the duties and obligations of, Collateral Custodian pursuant to the terms hereof.

(b) Successor Collateral Custodian. Upon the Collateral Custodian's receipt of a Collateral Custodian Termination Notice from the Agent of the designation of a successor Collateral Custodian pursuant to the provisions of Section 12.05, the Collateral Custodian agrees that it will terminate its activities as Collateral Custodian hereunder.

Section 1.02 Duties of Collateral Custodian.

(a) Appointment. The Borrower and the Agent each hereby appoints U.S. Bank to act as Collateral Custodian, for the benefit of the Secured Parties. The Collateral Custodian hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto set forth herein.

(b) Duties. From the Closing Date until Restatement Date, the Collateral Custodian was in compliance with its custodial obligations under the Original Agreement in all material respects. From the Restatement Date until its removal pursuant to Section 12.05, the Collateral Custodian shall perform, on behalf of the Secured Parties, the following duties and obligations:

(i) The Collateral Custodian shall take and retain custody of the Required Loan Documents delivered by the Borrower pursuant to Section 3.02(a) and Section 3.04(b) hereof in accordance with the terms and conditions of this Agreement, all for the benefit of the Secured Parties. Within five Business Days of its receipt of any Required Loan Documents, the related Loan Asset Schedule and a hard copy of the Loan Asset Checklist, the Collateral Custodian shall review the Required Loan Documents to confirm that (A) such Required Loan Documents have been properly executed and have no mutilated pages, (B) UCC and other filings (required by the Required Loan Documents) have been made as listed on the Loan Asset Checklist, (C) if listed on the Loan Asset Checklist, an Insurance Policy exists with respect to any real or personal property constituting the Underlying Collateral, and (D) the related original balance (based on a comparison to the note, assignment agreement or participation interest documentation, as applicable), Loan Asset number and Obligor name, as applicable, with respect to such Loan Asset is referenced on the related Loan Asset Schedule (such items (A) through (D) collectively, the "Review Criteria"). In order to facilitate the foregoing review by the Collateral Custodian, in connection with each delivery of Required Loan Documents hereunder to the Collateral Custodian, the Servicer shall provide to the Collateral Custodian a hard copy (which may be preceded by an electronic copy, as applicable) of the related Loan Asset Checklist which contains the Loan Asset information with respect to the Required Loan Documents being delivered, identification number and the name of the Obligor with respect to such Loan Asset. Notwithstanding anything herein to the contrary, the Collateral Custodian's obligation to review the Required Loan Documents shall be limited to reviewing such Required Loan Documents

based on the information provided on the Loan Asset Checklist. If, at the conclusion of such review, the Collateral Custodian shall determine that (i) the original balance of the Loan Asset with respect to which it has received Required Loan Documents is less than as set forth on the Loan Asset Schedule, the Collateral Custodian shall notify the Agent and the Servicer of such discrepancy within one Business Day, or (ii) any Review Criteria is not satisfied, the Collateral Custodian shall within one Business Day notify the Servicer of such determination and provide the Servicer with a list of the non-complying Loan Assets and the applicable Review Criteria that they fail to satisfy. The Servicer shall have five Business Days after notice or knowledge thereof to correct any non-compliance with any Review Criteria. In addition, if requested in writing (in the form of Exhibit M) by the Servicer and approved by the Agent within 10 Business Days of the Collateral Custodian's delivery of such report, the Collateral Custodian shall return any Loan Asset which fails to satisfy a Review Criteria to the Borrower. Other than the foregoing, the Collateral Custodian shall not have any responsibility for reviewing any Required Loan Documents. Notwithstanding anything to the contrary contained herein, the Collateral Custodian shall have no duty or obligation with respect to any Loan Asset checklist delivered to it in electronic form.

(ii) In taking and retaining custody of the Required Loan Documents, the Collateral Custodian shall be deemed to be acting as the agent of the Secured Parties; provided that the Collateral Custodian makes no representations as to the existence, perfection or priority of any Lien on the Required Loan Documents or the instruments therein; and provided, further, that the Collateral Custodian's duties shall be limited to those expressly contemplated herein.

(iii) All Required Loan Documents shall be kept in fire resistant vaults, rooms or cabinets at the locations specified on the address of the Collateral Custodian in Section 11.02, or at such other office as shall be specified to the Agent and the Servicer by the Collateral Custodian in a written notice delivered at least 30 days (or such shorter notice period as consented to by the Agent) prior to such change. All Required Loan Documents shall be placed together with an appropriate identifying label and maintained in such a manner so as to permit retrieval and access. The Collateral Custodian shall segregate the Required Loan Documents on its inventory system and will not commingle the physical Required Loan Documents with any other files of the Collateral Custodian other than those, if any, relating to Ares and its Affiliates and subsidiaries; provided, however, that the Collateral Custodian shall segregate any commingled files upon written request of the Agent and the Borrower.

(iv) On the 12th calendar day of every month (or if such day is not a Business Day, the next succeeding Business Day), the Collateral Custodian shall provide a written report to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) and the Servicer (in a form mutually agreeable to the Agent and the Collateral Custodian) identifying each Loan Asset for which it holds Required Loan Documents and the applicable Review Criteria that any Loan Asset fails to satisfy.

(v) In performing its duties, the Collateral Custodian shall use the same degree of care and attention as it employs with respect to similar collateral that it holds as collateral custodian for others.

(c) (i) The Collateral Custodian agrees to cooperate with the Agent and the Trustee and deliver any Required Loan Documents to the Trustee or Agent (pursuant to a written request in the form of Exhibit M), as applicable, as requested in order to take any action that the Trustee or the Agent deems necessary or desirable in order to perfect, protect or more fully evidence the security interests granted by the Borrower hereunder, or to enable any of them

to exercise or enforce any of their respective rights hereunder, including any rights arising with respect to Article VII. In the event the Collateral Custodian receives instructions from the Trustee, the Servicer or the Borrower which conflict with any instructions received by the Agent, the Collateral Custodian shall rely on and follow the instructions given by the Agent.

(ii) The Agent may direct the Collateral Custodian to take any such incidental action hereunder. With respect to other actions which are incidental to the actions specifically delegated to the Collateral Custodian hereunder, the Collateral Custodian shall not be required to take any such incidental action hereunder, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) upon the direction of the Agent; provided that the Collateral Custodian shall not be required to take any action hereunder at the request of the Agent, any Secured Party or otherwise if the taking of such action, in the reasonable determination of the Collateral Custodian, (x) shall be in violation of any Applicable Law or contrary to any provisions of this Agreement or (y) shall expose the Collateral Custodian to liability hereunder or otherwise (unless it has received indemnity which it reasonably deems to be satisfactory with respect thereto). In the event the Collateral Custodian requests the consent of the Agent and the Collateral Custodian does not receive a consent (either positive or negative) from the Agent within 10 Business Days of its receipt of such request, then the Agent shall be deemed to have declined to consent to the relevant action.

(iii) The Collateral Custodian shall not be liable for any action taken, suffered or omitted by it in accordance with the request or direction of any Secured Party, to the extent that this Agreement provides such Secured Party the right to so direct the Collateral Custodian, or the Agent. The Collateral Custodian shall not be deemed to have notice or knowledge of any matter hereunder, including an Event of Default, unless a Responsible Officer of the Collateral Custodian has knowledge of such matter or written notice thereof is received by the Collateral Custodian.

(iv) The parties acknowledge that in accordance with the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, the Collateral Custodian in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Collateral Custodian. The Borrower hereby agrees that it shall provide the Collateral Custodian with such information as it may request including, but not limited to, the Borrower's name, physical address, tax identification number and other information that will help the Collateral Custodian to identify and verify the Borrower's identity (in certain circumstances, the beneficial owners thereof) such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

Section 1.03 Merger or Consolidation.

Any Person (i) into which the Collateral Custodian may be merged or consolidated, (ii) that may result from any merger or consolidation to which the Collateral Custodian shall be a party, or (iii) that may succeed to the properties and assets of the Collateral Custodian substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Collateral Custodian hereunder, shall be the successor to the Collateral Custodian under this Agreement without further act of any of the parties to this Agreement.

Section 1.04 Collateral Custodian Compensation.

As compensation for its Collateral Custodian activities hereunder, the Collateral Custodian shall be entitled to the Collateral Custodian Fees and Collateral Custodian Expenses from the Borrower as set forth in the Trustee and Collateral Custodian Fee Letter. The Collateral Custodian shall be entitled to receive the Collateral Custodian Fees and Collateral Custodian Expenses to the extent of funds available therefor pursuant to the provision of Section 2.04; provided that, for the avoidance of doubt, to the extent funds are not so available on any Payment Date to pay such fees or reimburse such expenses incurred during the immediately ended Remittance Period, such payment or reimbursement amount shall be deferred and payable on the next Payment Date on which funds are available therefor pursuant to Section 2.04. The Collateral Custodian's entitlement to receive the Collateral Custodian Fees shall cease on the earlier to occur of: (i) its removal as Collateral Custodian pursuant to Section 12.05, (ii) its resignation as Collateral Custodian pursuant to Section 12.07 of this Agreement or (iii) the termination of this Agreement.

Section 1.05 Collateral Custodian Removal.

The Collateral Custodian may be removed, with or without cause, by the Agent by notice given in writing to the Collateral Custodian (the "Collateral Custodian Termination Notice"); provided that, notwithstanding its receipt of a Collateral Custodian Termination Notice, the Collateral Custodian shall continue to act in such capacity until a successor Collateral Custodian has been appointed and has agreed to act as Collateral Custodian hereunder.

Section 1.06 Limitation on Liability.

(a) The Collateral Custodian may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties. The Collateral Custodian may rely conclusively on and shall be fully protected in acting upon (a) the written instructions of any designated officer of the Agent or (b) the verbal instructions of the Agent.

(b) The Collateral Custodian may consult counsel satisfactory to it and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(c) The Collateral Custodian shall not be liable for any error of judgment, or for any act done or step taken or omitted by it, in good faith, or for any mistakes of fact or law, or for anything that it may do or refrain from doing in connection herewith except in the case of its willful misconduct or grossly negligent performance or omission of its duties and in the case of the negligent performance of its duties in taking and retaining custody of the Required Loan Documents.

(d) The Collateral Custodian makes no warranty or representation and shall have no responsibility (except as expressly set forth in this Agreement) as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Collateral Portfolio, and will not be required to and will not make any representations as to the validity or value (except as expressly set forth in this Agreement) of any of the Collateral Portfolio. The Collateral Custodian shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with an indemnity reasonably satisfactory to it.

(e) The Collateral Custodian shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and no covenants or obligations shall be implied in this Agreement against the Collateral Custodian.

(f) The Collateral Custodian shall not be required to expend or risk its own funds in the performance of its duties hereunder.

(g) It is expressly agreed and acknowledged that the Collateral Custodian is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Collateral Portfolio.

(h) Subject in all cases to the last sentence of Section 12.02(c)(i), in case any reasonable question arises as to its duties hereunder, the Collateral Custodian may, prior to the occurrence of an Event of Default or the Facility Maturity Date, request instructions from the Servicer and may, after the occurrence of an Event of Default or the Facility Maturity Date, request instructions from the Agent, and shall be entitled at all times to refrain from taking any action unless it has received instructions from the Servicer or the Agent, as applicable. The Collateral Custodian shall in all events have no liability, risk or cost for any action taken pursuant to and in compliance with the instruction of the Agent. In no event shall the Collateral Custodian be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Collateral Custodian has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 1.07 Collateral Custodian Resignation.

Collateral Custodian may resign and be discharged from its duties or obligations hereunder, not earlier than 90 days after delivery to the Agent (who will provide each Lender with a copy promptly upon receipt thereof) of written notice of such resignation specifying a date when such resignation shall take effect. Upon the effective date of such resignation, or if the Agent gives Collateral Custodian written notice of an earlier termination hereof, Collateral Custodian shall (i) be reimbursed for any costs and expenses Collateral Custodian shall incur in connection with the termination of its duties under this Agreement and (ii) deliver all of the Required Loan Documents in the possession of Collateral Custodian to the Agent or to such Person as the Agent may designate to Collateral Custodian in writing upon the receipt of a request in the form of Exhibit M; provided that the Borrower shall consent to any successor Collateral Custodian appointed by the Agent (such consent not to be unreasonably withheld). Notwithstanding anything herein to the contrary, the Collateral Custodian may not resign prior to a successor Collateral Custodian being appointed.

Section 1.08 Release of Documents.

(a) Release for Servicing. From time to time and as appropriate for the enforcement or servicing of any of the Collateral Portfolio, the Collateral Custodian is hereby authorized (unless and until such authorization is revoked by the Agent), upon written receipt from the Servicer of a request for release of documents and receipt in the form annexed hereto as Exhibit M, to release to the Servicer within two Business Days of receipt of such request, the related Required Loan Documents or the documents set forth in such request and receipt to the Servicer. All documents so released to the Servicer shall be held by the Servicer in trust for the benefit of the Trustee, on behalf of the Secured Parties in accordance with the terms of this Agreement. The Servicer shall return to the Collateral Custodian the Required Loan Documents or other such documents (i) promptly upon the request of the Agent, or (ii) when the Servicer's need therefor in connection with such foreclosure or servicing no longer exists, unless the Loan Asset shall be liquidated, in which case, the Servicer shall deliver an additional request for

release of documents to the Collateral Custodian and receipt certifying such liquidation from the Servicer to the Trustee, all in the form annexed hereto as Exhibit M.

(b) Limitation on Release. The foregoing provision with respect to the release to the Servicer of the Required Loan Documents and documents by the Collateral Custodian upon request by the Servicer shall be operative only to the extent that at any time the Trustee shall not have released to the Servicer active Required Loan Documents (including those requested) pertaining to more than 10 Loan Assets at the time being serviced by the Servicer under this Agreement. Promptly after delivery to the Collateral Custodian of any request for release of documents, the Servicer shall provide notice of the same to the Agent (who will provide each Lender with a copy promptly upon receipt thereof). Any additional Required Loan Documents or documents requested to be released by the Servicer may be released only upon written authorization of the Agent. The limitations of this paragraph shall not apply to the release of Required Loan Documents to the Servicer pursuant to the immediately succeeding subsection.

(c) Release for Payment. Upon receipt by the Collateral Custodian of the Servicer's request for release of documents and receipt in the form annexed hereto as Exhibit M (which certification shall include a statement to the effect that all amounts received in connection with such payment or repurchase have been credited to the Collection Account as provided in this Agreement), the Collateral Custodian shall promptly release the related Required Loan Documents to the Servicer.

Section 1.09 Return of Required Loan Documents.

The Borrower may, with the prior written consent of the Agent (such consent not to be unreasonably withheld or delayed), require that the Collateral Custodian return each Required Loan Document (a) delivered to the Collateral Custodian in error or (b) released from the Lien of the Trustee hereunder pursuant to Section 2.16, in each case by submitting to the Collateral Custodian and the Agent a written request in the form of Exhibit M hereto (signed by both the Borrower and the Agent) specifying the Collateral Portfolio to be so returned and reciting that the conditions to such release have been met (and specifying the Section or Sections of this Agreement being relied upon for such release). The Collateral Custodian shall upon its receipt of each such request for return executed by the Borrower and the Agent promptly, but in any event within five Business Days, return the Required Loan Documents so requested to the Borrower.

Section 1.10 Access to Certain Documentation and Information Regarding the Collateral Portfolio; Audits of Servicer.

The Collateral Custodian shall provide to the Agent access to the Required Loan Documents and all other documentation regarding the Collateral Portfolio including in such cases where the Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon two Business Days prior written request, (ii) during normal business hours and (iii) subject to the Servicer's and the Collateral Custodian's normal security and confidentiality procedures; provided that the Agent may, and shall upon request of any Lender, permit each Lender to be included on any such review, and shall use reasonably commercial efforts to schedule any review on a day when Lenders desiring to participate in such review may be included. Periodically, at the discretion of the Agent, the Agent may review the Servicer's collection and administration of the Collateral Portfolio in order to assess compliance by the Servicer with the Servicing Standard, as well as with this Agreement and may conduct an audit of the Collateral Portfolio, and Required Loan Documents in conjunction with such a review. Such review shall be (subject to Section 5.03(d)(ii)) reasonable

in scope and shall be completed in a reasonable period of time. Without limiting the foregoing provisions of this Section 12.10, from time to time on request of the Agent, the Collateral Custodian shall permit certified public accountants or other auditors acceptable to the Agent to conduct, at the expense of the Servicer (on behalf of the Borrower), a review of the Required Loan Documents and all other documentation regarding the Collateral Portfolio.

Section 1.11 Custodian as Agent of Trustee.

The Collateral Custodian agrees and acknowledges that, with respect to any Required Loan Documents at any time or times held in its possession or held in its name, the Collateral Custodian shall be the agent and custodian of the Trustee, for the benefit of the Secured Parties, for purposes of perfecting (to the extent not otherwise perfected) the Trustee's security interest in the Collateral Portfolio and for the purpose of ensuring that such security interest is entitled to first priority status under the UCC.

Section 1.12 Recognition of the U.S. Special Resolution Regimes.

To the extent that this Agreement and/or any other Transaction Document constitutes a QFC, the Borrower agrees with each Secured Party as of the Thirteenth Amendment Effective Date as follows:

(a) In the event a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement and/or any other Transaction Document, and any interest and obligation in or under this Agreement and/or any other Transaction Document from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or any other the Transaction Document, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that a Covered Party or a BHC Act Affiliate of such Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or any other Transaction Document that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or any other Transaction Document were governed by the laws of the United States or a state of the United States.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BORROWER:

ARES CAPITAL CP FUNDING LLC

By: _____

Name:

Title:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

SERVICER:

ARES CAPITAL CORPORATION

By:

Name:

Title:

TRANSFEROR:

ARES CAPITAL CORPORATION

By:

Name:

Title:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:

Name:

Title:

SWINGLINE LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:

Name:

Title:

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By:

Name:

Title:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

LENDER:

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION

By:
Name:
Title:

BANK:

U.S. BANK NATIONAL ASSOCIATION

By:
Name:
Title:

COLLATERAL CUSTODIAN:

U.S. BANK NATIONAL ASSOCIATION

By:
Name:
Title:

Commitments

<u>Lender</u>	<u>Commitment</u>
Wells Fargo Bank, National Association	\$900,000,000
Bank of America, N.A.	\$375,000,000
Sampension Livsforsikring A/S	\$127,000,000
Arkitekternes Pensionskasse	\$9,000,000
Pensionskassen for Jordbrugsakademikere og Dyrlæger	\$14,000,000
TIAA, FSB	\$100,000,000

SUBSIDIARIES OF ARES CAPITAL CORPORATION

<u>Name</u>	<u>Jurisdiction</u>
AC CORPORATE HOLDINGS, INC.	DELAWARE
ACAS CRE CDO 2007-1 DEPOSITOR, LLC	DELAWARE
ACAS CRE CDO 2007-1, LLC	DELAWARE
ACAS CRE SERVICES, LLC	DELAWARE
ACAS, LLC	DELAWARE
ALLIED CRESCENT EQUITY, LLC	DELAWARE
ARCC BEACON LLC	DELAWARE
ARCC BLOCKER CORP.	DELAWARE
ARCC BLOCKER II LLC	DELAWARE
ARCC BLOCKER III LLC	DELAWARE
ARCC BLOCKER IV LLC	DELAWARE
ARCC BLOCKER V LLC	DELAWARE
ARCC BLOCKER VI LLC	DELAWARE
ARCC BLOCKER VII LLC	DELAWARE
ARCC BLOCKER VIII LLC	DELAWARE
ARCC ED CORP.	DELAWARE
ARCC FB FUNDING LLC	DELAWARE
ARCC FD CORP.	DELAWARE
ARCC FGP CORP.	DELAWARE
ARCC GREEN ENERGY PARTNERS BLOCKER LLC	DELAWARE
ARCC HEELSTONE LLC	DELAWARE
ARCC HS LLC	DELAWARE
ARCC KPS CORP.	DELAWARE
ARCC LSQ LLC	DELAWARE
ARCC MBU HOLDINGS LLC	DELAWARE
ARCC MCF 1, LLC (f/k/a DYNAMIC EQUITY, LLC)	DELAWARE
ARCC MCF 2 LLC	DELAWARE
ARCC MH LLC	DELAWARE
ARCC NV1 CORP.	DELAWARE
ARCC NV2 CORP.	DELAWARE
ARCC OTG CORP.	DELAWARE
ARCC OTG PREFERRED CORP.	DELAWARE
ARCC PCGI III AIV BLOCKER, INC.	DELAWARE
ARCC PCP GP, LLC	DELAWARE
ARCC PCP L.P.	CAYMAN ISLANDS
ARCC PG LLC	DELAWARE
ARCC PH CORP.	DELAWARE
ARCC PJMB LLC	DELAWARE
ARCC PT CORP.	DELAWARE
ARCC RB LLC	DELAWARE
ARCC RT LLC	DELAWARE
ARCC S2 LLC (F/K/A AC POSTLE, LLC)	DELAWARE
ARCC SC LLC	DELAWARE
ARCC SHC LLC	DELAWARE
ARCC SK BLOCKER CORP.	DELAWARE
ARCC TM CORP.	DELAWARE
ARCC ULTIMUS LLC	DELAWARE
ARCC UNIVERSAL CORP.	DELAWARE
ARCC VP LLC	DELAWARE
ARES CAPITAL CP FUNDING HOLDINGS LLC	DELAWARE

ARES CAPITAL CP FUNDING LLC	DELAWARE
ARES CAPITAL JB FUNDING LLC	DELAWARE
BW LANDCO LLC	DELAWARE
CALDER EQUITY, LLC	DELAWARE
ECAS 2016 LTD.	GUERNSEY
EUROPEAN CAPITAL LIMITED	GUERNSEY
HCI EQUITY, LLC	ILLINOIS
IVY HILL ASSET MANAGEMENT GP, LLC	DELAWARE
MULTIAD EQUITY CORP.	DELAWARE
POTOMAC ENERGY CENTER, LLC	VIRGINIA
POTOMAC INTERMEDIATE HOLDINGS II LLC	DELAWARE
POTOMAC INTERMEDIATE HOLDINGS III LLC	DELAWARE
S2 EQUITY CORP.	DELAWARE
STARTEC EQUITY, LLC	DELAWARE

In addition, we may be deemed to control certain portfolio companies identified as “Affiliated” companies that we “Control” in footnote 5 to the Consolidated Schedule of Investments as of December 31, 2021 included in the Financial Statements portion of Ares Capital Corporation’s Form 10-K for the year ended December 31, 2021.

Consent of Independent Registered Public Accounting Firm

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 reports dated February 9, 2022, with respect to the consolidated balance sheets of Ares Capital Corporation and its subsidiaries, including the consolidated schedules of investments, as of December 31, 2021 and 2020, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes, and the effectiveness of internal control over financial reporting as of December 31, 2021, which reports appear in the annual report on Form 10-K of Ares Capital Corporation for the year ended December 31, 2021, and the report dated February 9, 2022 on the senior securities table attached as an exhibit to the Form 10-K. We also consent to the references to our firm under the headings "Controls and Procedures" and "Senior Securities" in the Form 10-K.

/s/ KPMG LLP

Los Angeles, California

February 9, 2022

**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 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: February 9, 2022

/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 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: February 9, 2022

/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 of Ares Capital Corporation (the "Company") for the year ended December 31, 2021 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: February 9, 2022

/s/ R. KIPP DEVEER

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

Date: February 9, 2022

/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.

Report of Independent Registered Public Accounting Firm on Supplemental Information

To the Stockholders and Board of Directors
Ares Capital Corporation:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "PCAOB"), the consolidated financial statements of Ares Capital Corporation and subsidiaries (the Company) as of December 31, 2021 and 2020, and for each of the years in the three-year period ended December 31, 2021, and our report dated February 9, 2022 expressed an unqualified opinion on those consolidated financial statements.

We have also previously audited, in accordance with the standards of the PCAOB, the consolidated balance sheets of the Company, including the consolidated schedules of investments, as of December 31, 2019, 2018, and 2017, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2018 and 2017 (none of which is presented herein), and we expressed unqualified opinions on those consolidated financial statements.

The senior securities information included in Part II, Item 5 of the Annual Report on Form 10-K of the Company for the year ended December 31, 2021, under the caption "Senior Securities" (the Senior Securities Table), has been subjected to audit procedures performed in conjunction with the audit of the Company's respective consolidated financial statements. The Senior Securities Table is the responsibility of the Company's management. Our audit procedures included determining whether the Senior Securities Table reconciles to the Company's respective consolidated financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the Senior Securities Table. In forming our opinion on the Senior Securities Table, we evaluated whether the Senior Securities Table, including its form and content, is presented in conformity with the instructions to Form N-2. In our opinion, the Senior Securities Table is fairly stated, in all material respects, in relation to the Company's respective consolidated financial statements as a whole.

/s/ KPMG LLP

Los Angeles, California

February 9, 2022