

ARES CAPITAL CORP  
Form N-2  
March 05, 2015

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As filed with the Securities and Exchange Commission on March 5, 2015

Registration No. 333-

## U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

### FORM N-2

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

- o PRE-EFFECTIVE AMENDMENT NO.
- o POST-EFFECTIVE AMENDMENT NO.

### ARES CAPITAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

245 Park Avenue, 44<sup>th</sup> Floor  
New York, New York 10167  
(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: (212) 750-7300

Joshua M. Bloomstein  
General Counsel  
Ares Capital Corporation  
245 Park Avenue, 44<sup>th</sup> Floor  
New York, New York 10167  
(212) 750-7300  
(Name and Address of Agent for Service)

**Copies of information to:**

Monica J. Shilling  
Proskauer Rose LLP  
2049 Century Park East, 32<sup>nd</sup> Floor  
Los Angeles, CA 90067-3206  
(310) 557-2900

**Approximate Date of Proposed Public Offering:  
From time to time after the effective date of this Registration Statement.**

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box.

It is proposed that this filing will become effective (check appropriate box):

- o when declared effective pursuant to section 8(c).

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## CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, \$0.001 par value per share(3)(4)				
Preferred Stock, \$0.001 par value per share(3)				
Subscription Rights(3)				
Warrants(5)				
Debt Securities(6)				
Units(7)				
<b>Total</b>			\$3,000,000,000(8)	\$348,600

- (1) Estimated pursuant to Rule 457(o) solely for the purpose of determining the registration fee. The proposed maximum offering price per security will be determined from time to time, by the Registrant in connection with the sale by the Registrant of the securities registered under this registration statement.
- (2) Prior to the initial filing of this registration statement, \$2,136,230,250 aggregate principal amount of securities remained registered and unsold pursuant to Registration Statement No. 333-195748, which was initially filed by the Registrant on May 7, 2014. Pursuant to Rule 457(p), \$275,146 of the total filing fee of \$348,600 required in connection with the initial registration of \$3,000,000,000 aggregate principal amount of securities under this registration statement is being offset against the \$275,146 filing fee associated with the unsold securities registered under Registration Statement No. 333-195748, and an additional \$73,454 is being paid in connection herewith.
- (3) Subject to Note 8 below, there is being registered hereunder an indeterminate number of shares of common stock or preferred stock, or subscription rights to purchase shares of common stock as may be sold, from time to time separately or as units in combination with other securities registered hereunder.
- (4) Includes such indeterminate number of shares of common stock as may, from time to time, be issued upon conversion or exchange of other securities registered hereunder, to the extent any such securities are, by their terms, convertible or exchangeable for common stock.
- (5) Subject to Note 8 below, there is being registered hereunder an indeterminate number of warrants as may be sold, from time to time separately or as units in combination with other securities registered hereunder, representing rights to purchase common stock, preferred stock or debt securities.
- (6) Subject to Note 8 below, there is being registered hereunder an indeterminate principal amount of debt securities as may be sold, from time to time separately or as units in combination with other securities registered hereunder. If any debt securities are issued at an original issue discount, then the offering price shall be in such greater principal amount as shall result in an aggregate price to investors not to exceed \$3,000,000,000.
- (7) Subject to Note 8 below, there is being registered hereunder an indeterminate number of units. Each unit may consist of a combination of any one or more of the securities being registered hereunder and may also include securities issued by third parties, including the U.S. Treasury.
- (8) In no event will the aggregate offering price of all securities issued from time to time pursuant to this registration statement exceed \$3,000,000,000.

**THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.**



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

Subject to Completion, dated March 5, 2015

**PROSPECTUS**

**\$3,000,000,000**

**Common Stock  
Preferred Stock  
Debt Securities  
Subscription Rights  
Warrants  
Units**

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

We are externally managed by our investment adviser, Ares Capital Management LLC, a subsidiary of Ares Management, L.P., a publicly traded, leading global asset manager with approximately \$86 billion of assets under management as of December 31, 2014. Ares Operations LLC, a subsidiary of Ares Management, L.P., provides certain administrative and other services necessary for us to operate.

Our common stock is traded on The NASDAQ Global Select Market under the symbol "ARCC." On March 3, 2015 the last reported sales price of our common stock on The NASDAQ Global Select Market was \$17.47 per share. The net asset value per share of our common stock at December 31, 2014 (the last date prior to the date of this prospectus on which we determined net asset value) was \$16.82.

**Investing in our securities involves risks that are described in the "Risk Factors" section beginning on page 22 of this prospectus, including the risk of leverage.**

We may offer, from time to time, in one or more offerings or series, up to \$3,000,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units comprised of any combination of the foregoing, which we refer to, collectively, as the "securities." The preferred stock, debt securities, subscription rights and warrants (including as part of a unit) offered hereby may be convertible or exchangeable into shares of our common stock. The securities may be offered at prices and on terms to be described in one or more supplements to this prospectus. In the event we offer common stock, the offering price per share of our common stock less any underwriting commissions or discounts will generally not be less than the net asset value per share of our common stock at the time we make the offering. However, we may issue shares of our common stock pursuant to this prospectus at a price per share that is less than our net asset value per share (a) in connection with a rights offering to our existing stockholders, (b) with the prior approval of the majority of our common stockholders or (c) under such circumstances as the SEC may permit. This prospectus and the accompanying prospectus supplement concisely provide important information about us that you should know before investing in our securities. Please read this prospectus and the accompanying prospectus supplement before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information with the SEC. This information is available free of charge by calling us collect at (310) 201-4200 or on our website at [www.arescapitalcorp.com](http://www.arescapitalcorp.com). The SEC also maintains a website at

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*www.sec.gov* that contains such information.

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**Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.**

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The date of this prospectus is \_\_\_\_\_, 2015.

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

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we have filed with the U.S. Securities and Exchange Commission (the "SEC"), using the "shelf" registration process. Under the shelf registration process, we may offer, from time to time, in one or more offerings or series, up to \$3,000,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units comprised of any combination of the foregoing, on terms to be determined at the time of the offering. The securities may be offered at prices and on terms described in one or more supplements to this prospectus. This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. Please carefully read this prospectus and the prospectus supplement together with any exhibits and the additional information described under the headings "Available Information" and "Risk Factors" before you make an investment decision.

## PROSPECTUS SUMMARY

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

## THE COMPANY

### Overview

Ares Capital, a Maryland corporation, is a specialty finance company that is a closed-end, non-diversified management investment company. We have elected to be regulated as a business development company, or a "BDC," under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder or the "Investment Company Act." We were founded on April 16, 2004, were initially funded on June 23, 2004 and completed our initial public offering on October 8, 2004. We are one of the largest BDCs with approximately \$9.5 billion of total assets as of December 31, 2014.

We are externally managed by our investment adviser, Ares Capital Management, a subsidiary of Ares Management, a publicly traded, leading global alternative asset manager with approximately \$86 billion of assets under management ("AUM")<sup>(1)</sup> as of December 31, 2014. Our administrator, Ares Operations, a subsidiary of Ares Management, provides certain administrative and other services necessary for us to operate.

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

We invest primarily in first lien senior secured loans (including "unitranche" loans, which are loans that combine both senior and mezzanine debt, generally in a first lien position), second lien senior secured loans and mezzanine debt, which in some cases includes an equity component. First and second lien senior secured loans generally are senior debt instruments that rank ahead of subordinated

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(1)

Ares Management is the parent to several registered investment advisers, including Ares Capital Management. AUM refers to the assets of the funds, alternative asset companies and other entities and accounts that are managed or co-managed by Ares, including funds managed by IHAM (defined below). For Ares funds other than collateralized loan obligations ("CLOs"), AUM represents the sum of the net asset value of such funds, the drawn and undrawn debt (at the fund-level including amounts subject to restrictions) and uncalled committed capital (including commitments to funds that have yet to commence their investment periods). For Ares funds that are CLOs, AUM represents subordinated notes (equity) plus all drawn and undrawn debt tranches. AUM amounts are as of December 31, 2014 and pro forma for Ares' acquisition of Energy Investors Funds ("EIF"), which closed on January 1, 2015.



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debt of a given portfolio company. Mezzanine debt is subordinated to senior loans and is generally unsecured. Our investments in corporate borrowers generally range between \$30 million and \$500 million each, investments in project finance/power generation projects generally range between \$10 million and \$200 million each and investments in early-stage and/or venture capital-backed companies generally range between \$1 million and \$25 million each. However, the investment sizes may be more or less than these ranges and may vary based on, among other things, our capital availability, the composition of our portfolio and general micro- and macro-economic factors.

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

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

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

We believe that our investment adviser, Ares Capital Management, is able to leverage the current investment platform, resources and existing relationships of Ares Management with financial sponsors, financial institutions, hedge funds and other investment firms to provide us with attractive investment opportunities. In addition to deal flow, the Ares investment platform assists our investment adviser in analyzing, structuring and monitoring investments. Ares has been in existence for over 17 years and its senior partners have an average of over 27 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, 2014, Ares had over 320 investment professionals and over 430 administrative professionals.

We and General Electric Capital Corporation and GE Global Sponsor Finance LLC (collectively, "GE") also co-invest in first lien senior secured loans of middle-market companies through an unconsolidated vehicle, the Senior Secured Loan Fund LLC, which operates using the name "Senior Secured Loan Program" (the "SSLP"). As of December 31, 2014, the SSLP had available

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capital of \$11.0 billion of which approximately \$9.9 billion in aggregate principal amount was funded at December 31, 2014. As of December 31, 2014, we had agreed to make available to the SSLP approximately \$2.3 billion, of which approximately \$2.0 billion was funded. The SSLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SSLP must be approved by an investment committee of the SSLP consisting of representatives of us and GE (with approval from a representative of each required). As of December 31, 2014, our investment in the SSLP was approximately \$2.1 billion at fair value (including unrealized appreciation of \$30.5 million), which represented approximately 23% of our total portfolio at fair value. As of December 31, 2014, the SSLP had 50 different underlying borrowers. For more information on the SSLP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Portfolio and Investment Activity Senior Secured Loan Program."

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

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

As of December 31, 2014, our portfolio company, IHAM, an SEC-registered investment adviser, managed 13 vehicles and served as the sub-manager/sub-servicer for three other vehicles (these vehicles managed or sub-managed/sub-serviced by IHAM are collectively referred to as the "IHAM Vehicles"). As of December 31, 2014, IHAM had assets under management ("IHAM AUM")<sup>(2)</sup> of approximately \$2.7 billion. As of December 31, 2014, Ares Capital had invested approximately \$171.0 million (at amortized cost) in IHAM. In connection with IHAM's registration as a registered

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(2)

IHAM AUM refers to the assets of the vehicles managed, sub-managed and sub-serviced by IHAM. It includes drawn and undrawn amounts, including amounts that are subject to certain restrictions. IHAM AUM amounts are as of December 31, 2014 and are unaudited. Certain amounts are preliminary and remain subject to change, and differences may arise due to rounding.

investment adviser, on March 30, 2012, we received exemptive relief from the SEC allowing us to, subject to certain conditions, own directly or indirectly up to 100% of IHAM's outstanding equity interests and make additional investments in IHAM. From time to time, IHAM or certain IHAM Vehicles may purchase investments from us or sell investments to us, in each case for a price equal to the fair market value of such investments determined at the time of such transactions. See Note 4 to our consolidated financial statements for the year ended December 31, 2014 for more information about IHAM.

### **Ares Capital Management LLC**

Ares Capital Management, our investment adviser, is served by an origination, investment and portfolio management team of over 90 U.S.-based investment professionals as of December 31, 2014 and led by the senior partners of the Ares Direct Lending Group: Michael Arougheti, Kipp deVeer, Mitchell Goldstein and Michael Smith. Ares Capital Management leverages off of Ares' investment platform and benefits from the significant capital markets, trading and research expertise of Ares' investment professionals. Ares Capital Management's investment committee has 12 members, including the senior partners and U.S.-based partners of the Ares Direct Lending Group, senior partners in the Ares Private Equity Group and a senior partner in the Ares Tradable Credit Group.

### **MARKET OPPORTUNITY**

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

We believe that many commercial and investment banks have, in recent years, de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital markets transactions. In addition, these lenders may be constrained in their ability to underwrite and hold bank loans and high yield securities for middle-market issuers as they seek to meet existing and future regulatory capital requirements. These factors may result in opportunities for alternative funding sources to middle-market companies and therefore more new-issue market opportunities for us.

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

We believe that there is a lack of market participants that are willing to hold meaningful amounts of certain middle-market loans. As a result, we believe our ability to minimize syndication risk for a company seeking financing by being able to hold our loans without having to syndicate them is a competitive advantage.

We believe that middle-market companies have faced difficulty in raising debt through the capital markets. This approach to financing may become more difficult to the extent institutional investors seek to invest in larger, more liquid offerings, leaving less competition and fewer financing alternatives for middle-market companies.

We believe there is a large pool of un-invested private equity capital for middle-market businesses. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and mezzanine debt from other sources such as us.

## COMPETITIVE ADVANTAGES

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

### **The Ares Platform**

As of December 31, 2014, Ares had approximately \$86 billion of total AUM in the related asset classes of non-syndicated first and second lien senior secured corporate and commercial real estate loans, syndicated corporate and commercial real estate loans, high yield bonds, corporate and commercial real estate mezzanine debt and private equity. We believe Ares' current investment platform provides a competitive advantage in terms of access to origination and marketing activities and diligence for us. In particular, we believe that the Ares platform provides us with an advantage through its deal flow generation and investment evaluation process. Ares' asset management platform also provides additional market information, company knowledge and industry insight that benefit our investment and due diligence process. Ares' professionals maintain extensive financial sponsor and intermediary relationships, which provide valuable insight and access to transactions and information.

### **Seasoned Management Team**

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

### **Broad Origination Strategy**

We focus on self-originating most of our investments by pursuing a broad array of investment opportunities in middle-market companies, venture capital backed businesses and power generation projects across multiple channels. We also leverage off of the extensive relationships of the broader Ares platform, including relationships with the portfolio companies in the IHAM Vehicles, to identify investment opportunities. We believe that this allows for asset selectivity and that there is a significant relationship between proprietary deal origination and credit performance. We believe that our focus on generating proprietary deal flow and lead investing also gives us greater control over capital structure, deal terms, pricing and documentation and enables us to actively manage our portfolio investments. Moreover, by leading the investment process, we are often able to secure controlling positions in credit tranches, thereby providing additional control in investment outcomes. We also have originated substantial proprietary deal flow from middle-market intermediaries, which often allows us to act as the sole or principal source of institutional capital to the borrower.

### **Scale and Flexible Transaction Structuring**

We believe that being one of the largest BDCs makes us a more desirable and flexible capital provider, especially in competitive markets. We are flexible with the types of investments we make and the terms associated with those investments. We believe this approach and experience enables our investment adviser to identify attractive investment opportunities throughout economic cycles and across a company's capital structure so we can make investments consistent with our stated investment objective and preserve principal while seeking appropriate risk adjusted returns. In addition, we have the flexibility to provide "one stop" financing with the ability to invest capital across the balance sheet and syndicate and hold larger investments than many of our competitors. We believe that the ability to underwrite, syndicate and hold larger investments benefits our stockholders by (a) potentially increasing net income and earnings through syndication, (b) increasing originated deal flow flexibility, (c) broadening market relationships and deal flow, (d) allowing us to optimize our portfolio

composition and (e) allowing us to provide capital to a broader spectrum of middle-market companies, which we believe currently have limited access to capital from traditional lending sources. In addition, we believe that the ability to provide capital at every level of the balance sheet provides a strong value proposition to middle-market borrowers and our senior debt capabilities provide superior deal origination and relative value analysis capabilities compared to traditional "mezzanine only" lenders.

#### **Experience with and Focus on Middle-Market Companies**

Ares has historically focused on investments in middle-market companies and we benefit from this experience. In sourcing and analyzing deals, our investment adviser benefits from Ares' extensive network of relationships focused on middle-market companies, including management teams, members of the investment banking community, private equity groups and other investment firms with whom Ares has had long-term relationships. We believe this network enables us to identify well-positioned prospective portfolio company investments. The Ares Direct Lending Group works closely with Ares' other investment professionals. As of December 31, 2014, Ares oversaw a portfolio of investments in over 1,000 companies, over 385 structured assets and over 185 properties across over 30 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 17 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 30 industries, and have accumulated substantial information and identified potential trends within these industries. In turn, we benefit from these relationships, information and identification of potential trends in making investments.



## **OPERATING AND REGULATORY STRUCTURE**

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

As a BDC, we are required to comply with certain regulatory requirements. For example, we are not generally permitted to invest in any portfolio company in which a fund managed by Ares or any of its downstream affiliates (other than us and our downstream affiliates) currently has an investment. However, we may co-invest with funds managed by Ares or any of its downstream affiliates, subject to compliance with existing regulatory guidance, applicable regulations and our allocation procedures. Certain types of co-investment transactions would only be permitted pursuant to an exemptive order from the SEC, for which we have applied. Any such order will be subject to certain terms and conditions. Further there is no assurance that this application for exemptive relief will be granted by the SEC.

Also, while we may borrow funds to make investments, our ability to use debt is limited in certain significant aspects. See "Business Operating and Regulatory Structure" and "Regulation." In particular, BDC's must have at least 200% 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"), which requires us to finance our investments with at least as much equity as senior securities in the aggregate. Certain of our credit facilities also require that we maintain asset coverage of at least 200%.

In addition, as a consequence of our being a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code") for U.S. federal income tax purposes our asset growth is dependent on our ability to raise equity capital through the issuance of common stock. RICs generally must distribute substantially all of their investment company taxable income (as defined under the Code) to stockholders as dividends in order to preserve their status as a RIC and not be subject to additional U.S. federal corporate-level taxes. This requirement, in turn, generally prevents us from using our earnings to support our operations including making new investments. See "Certain Material U.S. Federal Income Tax Considerations."

## **MARKET CONDITIONS**

From time to time, capital markets may experience periods of disruption and instability. For example, between 2008 and 2009, the global financial markets experienced stress, volatility, instability, illiquidity and disruption, and as a result, during this time the availability of capital and access to capital markets was limited. While market conditions have experienced relative stability in recent years, there have been continuing periods of volatility and there can be no assurances that adverse market conditions will not repeat themselves in the future. If they do, we could face difficulty raising new capital on attractive terms. Consequently, our operating strategy could be materially and adversely affected. As the global liquidity situation and market conditions evolve, we will continue to monitor and

adjust our approach to funding accordingly. 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 in the United States, which may have a negative impact on our business and operations."

In connection with the prior depressed market conditions of the general economy during the period between 2008 and 2009, the stocks of BDCs as an industry traded at near historic lows as a result of concerns over liquidity, credit quality, leverage restrictions and distribution requirements. In some cases, certain BDCs became "forced sellers" of assets, defaulted on their indebtedness, decreased their distributions to stockholders or announced share repurchase programs. Although we believe that we currently have sufficient capital to fund our investments and operations, if such adverse market conditions repeat themselves, we cannot assure you that the market pressures we may face in the future will not have a material adverse effect on our business, financial condition and results of operations.

## ACQUISITION OPPORTUNITIES

We believe the volatility in the credit markets over the past several years has increased the likelihood of further consolidation in our industry. To that end, we are evaluating (and expect to continue to evaluate in the future) a number of potential strategic acquisition opportunities, including acquisitions of:

asset portfolios;

contracts to manage CLO vehicles and other investment vehicles;

other private and public finance 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 and asset managers. Some of these transactions could be material to our business and, if consummated, 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 consummation of any such transaction could be deemed to be probable or reasonably certain as of the date of this prospectus. Consummation 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 consummated. In connection with evaluating potential strategic acquisition and investment transactions, we have, and may in the future, incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

## LIQUIDITY

As of December 31, 2014, we had approximately \$4.0 billion in aggregate principal amount of total outstanding indebtedness, approximately \$3.4 billion aggregate principal amount of which was unsecured indebtedness of Ares Capital, approximately \$0.2 billion of which was secured indebtedness at the Ares Capital level and approximately \$0.4 billion of which was secured indebtedness of our consolidated subsidiaries.

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



## RECENT DEVELOPMENTS

In January 2015, we issued an additional \$200.0 million aggregate principal amount of our 3.875% unsecured notes that mature on January 15, 2020 (the "Additional 2020 Notes") at a premium of 100.2% of their principal amount. Total proceeds from the issuance of the Additional 2020 Notes, net of underwriting discounts and offering costs, were approximately \$198.4 million. The proceeds were used to repay outstanding indebtedness under our debt facilities and for general corporate purposes, including investing in portfolio companies in accordance with our investment objective.

In February 2015, we notified the holders of our February 2022 Notes (as defined below) that we planned to redeem the entire \$143.8 million aggregate principal amount outstanding, in accordance with the terms of the indenture governing the February 2022 Notes. We expect to complete the redemption on or about March 16, 2015.

In February 2015, we declared a first quarter 2015 dividend of \$0.38 per share and an additional dividend of \$0.05 per share. Both dividends are payable on March 31, 2015 to stockholders of record as of March 13, 2015.

From January 1, 2015 through February 20, 2015, we made new investment commitments of approximately \$171 million, of which approximately \$165 million were funded. Of these new commitments, 62% were in second lien senior secured loans, 34% were in first lien senior secured loans and 4% were investments in subordinated certificates of the SSLP to make co-investments with GE in first lien senior secured loans through the SSLP. Of the approximately \$171 million of new investment commitments, 88% were floating rate and 12% were fixed rate. The weighted average yield of debt and other income producing securities funded during the period at amortized cost was 10.0%. We may seek to syndicate a portion of these new investment commitments, although there can be no assurance that we will be able to do so.

From January 1, 2015 through February 20, 2015, we exited approximately \$597 million of investment commitments. Of these investment commitments, 81% were first lien senior secured loans, 14% were investments in subordinated certificates of the SSLP, 4% were second lien senior secured loans and 1% were other equity securities. Of the approximately \$597 million of exited investment commitments, 98% were floating rate, 1% were fixed rate and 1% were non-interest bearing. The weighted average yield of debt and other income producing securities exited or repaid during the period at amortized cost was 7.8%. On the approximately \$597 million of investment commitments exited from January 1, 2015 through February 20, 2015, we recognized total net realized gains of approximately \$15 million.

In addition, as of February 20, 2015, we had an investment backlog and pipeline of approximately \$190 million and \$510 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 syndicate 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 syndicate any portion of these investments.

## RISK FACTORS

Investing in Ares Capital involves risks. The following is a summary of the principal risks that you should carefully consider before investing in our securities. In addition, see "Risk Factors" beginning on page 22 for a more detailed discussion of the principal risks as well as certain other risks you should carefully consider before deciding to invest in our securities.

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

Uncertainty about the financial stability of the United States and of several countries in the European Union (EU) could have a significant adverse effect on our business, financial condition and results of operations.

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

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

A failure on our part to maintain our status as a BDC would significantly reduce our operating flexibility and a failure to maintain our status as a RIC may subject us to additional corporate-level income taxes.

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

We borrow money, which magnifies the potential for gain or loss on amounts invested, subjects us to certain covenants with which we must comply and may increase the risk of investing with us.

We operate in a highly competitive market for investment opportunities.

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

Most of our portfolio investments are not publicly traded and, as a result, the fair value of these investments may not be readily determinable. Additionally, to the extent that we need liquidity and need to sell assets, the lack of liquidity in our investments may adversely affect our business.

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

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

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

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

Our investments, which are primarily in middle-market companies, may be risky and we could lose all or part of our investment.

Our portfolio companies may be highly leveraged.

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

### **OUR CORPORATE INFORMATION**

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

## OFFERINGS

We may offer, from time to time, in one or more offerings or series, up to \$3,000,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase shares of our common stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, or units comprised of any combination of the foregoing, on terms to be determined at the time of the offering. We will offer our securities at prices and on terms to be set forth in one or more supplements to this prospectus. The offering price per share of our common stock, less any underwriting commissions or discounts, generally will not be less than the net asset value per share of our common stock at the time of an offering. However, we may issue shares of our common stock pursuant to this prospectus at a price per share that is less than our net asset value per share (a) in connection with a rights offering to our existing stockholders, (b) with the prior approval of the majority of our common stockholders or (c) under such other circumstances as the SEC may permit. Any such issuance of shares of our common stock below net asset value may be dilutive to the net asset value of our common stock. See "Risk Factors Risks Relating to Offerings Pursuant to this Prospectus."

Pursuant to approval granted at our 2014 annual stockholders meeting, 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 the earlier of June 2, 2015 and the date of our 2015 annual stockholders meeting. On March 2, 2015, we filed a preliminary proxy statement (the "2015 Special Meeting Proxy Statement") for a special meeting, currently expected to take place on April 29, 2015. The 2015 Special Meeting Proxy Statement sets forth a proposal to be voted upon at the special meeting that, if approved by stockholders, would have the effect of extending this approval to the one-year anniversary of the date of the special meeting.

We may offer our securities directly to one or more purchasers, including existing stockholders in a rights offering, through agents that we designate from time to time or to or through underwriters or dealers. The prospectus supplement relating to each offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters or among our underwriters or the basis upon which such amount may be calculated. See "Plan of Distribution." We may not sell any of our securities through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our securities.

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

Use of proceeds	Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds from the sale of our securities for general corporate purposes, which include, among other things, (a) investing in portfolio companies in accordance with our investment objective and (b) repaying indebtedness. Each supplement to this prospectus relating to an offering will more fully identify the use of the proceeds from such offering. See "Use of Proceeds."
Distributions	We currently intend to pay dividends or make other distributions to our stockholders on a quarterly basis out of assets legally available for distribution. We may also pay additional dividends or make additional distributions to our stockholders from time to time. Our quarterly and additional dividends or distributions, if any, will be determined by our board of directors. For more information, see "Price Range of Common Stock and Distributions."

Taxation	<p>We have elected to be treated as a RIC for U.S. federal income tax purposes. As a RIC, we generally will not pay U.S. federal corporate-level income taxes on any income and gain that we distribute to our stockholders as dividends on a timely basis. Among other things, in order to maintain our RIC status, we must meet specified source of income and asset diversification requirements and distribute annually generally an amount equal to at least 90% of our investment company taxable income, out of assets legally available for distribution. See "Risk Factors Risks Relating to Our Business We may be subject to additional corporate-level income taxes if we fail to maintain our status as a RIC" and "Price Range of Common Stock and Distributions."</p>
Dividend reinvestment plan	<p>We have a dividend reinvestment plan for our stockholders. This is an "opt out" dividend reinvestment plan. As a result, if we declare a cash dividend, then stockholders' dividends will be automatically reinvested in additional shares of our common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash. Stockholders whose cash dividends are reinvested in additional shares of our common stock will be subject to the same U.S. federal, state and local tax consequences as stockholders who elect to receive their dividends in cash. See "Dividend Reinvestment Plan."</p>
The NASDAQ Global Select Market symbol	<p>"ARCC"</p>
Anti-takeover provisions	<p>Our board of directors is divided into three classes of directors serving staggered three-year terms. This structure is intended to provide us with a greater likelihood of continuity of management, which may be necessary for us to realize the full value of our investments. A staggered board of directors also may serve to deter hostile takeovers or proxy contests, as may certain other measures adopted by us. See "Description of Our Capital Stock."</p>
Leverage	<p>We borrow funds to make additional investments. We use this practice, which is known as "leverage," to attempt to increase returns to our stockholders, but it involves significant risks. See "Risk Factors," "Senior Securities" and "Regulation Indebtedness and Senior Securities." With certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as calculated pursuant to the Investment Company Act, equals at least 200% after such borrowing. The amount of leverage that we employ at any particular time will depend on our investment adviser's and our board of directors' assessments of market and other factors at the time of any proposed borrowing.</p>

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### Management arrangements

Ares Capital Management serves as our investment adviser. Ares Operations serves as our administrator. For a description of Ares Capital Management, Ares Operations, Ares and our contractual arrangements with these companies, see "Management Investment Advisory and Management Agreement," and " Administration Agreement."

### Available information

We are required to file periodic reports, proxy statements and other information with the SEC. This information is available free of charge by calling us collect at (310) 201-4200 or on our website at [www.arescapitalcorp.com](http://www.arescapitalcorp.com). Information contained on our website is not incorporated into this prospectus and you should not consider such information to be part of this prospectus. Such information is also available from the EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov).

**FEES AND EXPENSES**

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

<b>Stockholder transaction expenses (as a percentage of offering price):</b>	
Sales load	(1)
Offering expenses	(2)
Dividend reinvestment plan expenses	None (3)
<b>Total stockholder transaction expenses paid</b>	<b>(4)</b>

<b>Annual expenses (as a percentage of consolidated net assets attributable to common stock)(5):</b>	
Base management fees	2.59%(6)
Income based fees and capital gains incentive fees	2.92%(7)
Interest payments on borrowed funds	4.27%(8)
Other expenses	1.18%(9)
Acquired fund fees and expenses	0.01%(10)
<b>Total annual expenses</b>	<b>10.97%(11)</b>

- 
- (1) In the event that the securities to which this prospectus relates are sold to or through underwriters, a corresponding prospectus supplement will disclose the applicable sales load (underwriting discount or commission). Purchases of shares of our common stock on the secondary market are not subject to sales charges but may be subject to brokerage commissions or other charges. The table does not include any sales load that stockholders may have paid in connection with their purchase of shares of our common stock.
- (2) The related prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the offering expenses borne by us as a percentage of the offering price.
- (3) The expenses of the dividend reinvestment plan are included in "Other expenses."
- (4) The related prospectus supplement will disclose the offering price and the total stockholder transaction expenses as a percentage of the offering price.
- (5) The "consolidated net assets attributable to common stock" used to calculate the percentages in this table is our average net assets of \$5.1 billion for the year ended December 31, 2014.
- (6) Our base management fee is currently 1.5% of our total assets (other than cash and cash equivalents, which includes assets purchased with borrowed amounts). Our base management fee has been estimated by multiplying our average total assets (assuming we maintain no cash or cash equivalents) for the year ended December 31, 2014 by 1.5%. The 2.59% reflected on the table is higher than 1.5%

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because it is calculated on our average net assets (rather than our average total assets) for the same period. See "Management Investment Advisory and Management Agreement."

(7)

This item represents our investment adviser's income based fees and capital gains incentive fees estimated based on income based fees for the year ended December 31, 2014 and the capital gains incentive fee expense accrued in accordance with U.S. generally accepted accounting principles ("GAAP") for the year ended December 31, 2014, even though the capital gains incentive fee actually payable under the investment advisory and management agreement for the year ended December 31, 2014 was \$24.0 million.



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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 Ares Capital's performance and will not be paid unless Ares Capital achieves certain goals. We expect to invest or otherwise utilize all of the net proceeds from securities registered under the registration statement of which this prospectus is a part pursuant to a particular prospectus supplement within three months of the date of the offering pursuant to such prospectus supplement and may have capital gains and interest income that could result in the payment of these fees to our investment adviser in the first year after completion of offerings pursuant to this prospectus. Since our initial public offering through December 31, 2014, the average quarterly fees accrued related to income based fees and capital gains incentive fees (including capital gains incentive fees accrued under GAAP even though they may not be payable) has been approximately 0.76% of our weighted average net assets (3.05% on an annualized basis). For more detailed information on the calculation of our income based fees and capital gains incentive fees, please see below. For more detailed information about income based fees and capital gains incentive fees previously incurred by us, please see Note 3 to our consolidated financial statements for the year ended December 31, 2014.

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.

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These calculations will be adjusted for any share issuances or repurchases.

See "Management Investment Advisory and Management Agreement."

- (8) "Interest payments on borrowed funds" represents an estimate of our interest expenses based on our actual interest and credit facility expenses incurred for the year ended December 31, 2014. During the year ended December 31, 2014, our average outstanding borrowings were approximately \$3.3 billion and cash paid for interest expense was \$169.2 million. We had outstanding borrowings of approximately \$4.0 billion (with a carrying value of approximately \$3.9 billion) as of December 31, 2014. This item is based on our 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 employ at any particular time will depend on, among other things, our investment adviser's and our board of directors' assessment of market and other factors at the time of any proposed borrowing. See "Risk Factors Risks Relating to Our Business We borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing with us."
- (9) Includes our overhead expenses, including payments under our administration agreement, based on our allocable portion of overhead and other expenses incurred by Ares Operations in performing its obligations under the administration agreement, and income taxes. Such expenses are estimated based on "Other expenses" for the year ended December 31, 2014. The holders of shares of our common stock (and not the holders of our debt securities or preferred stock, if any) indirectly bear the cost associated with our annual expenses. See "Management Administration Agreement."
- (10) The Company's 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 the Company invests. This amount includes the estimated annual fees and expenses of Acquired Funds in which the Company is invested as of December 31, 2014. 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% to 25% of net profits. When applicable, fees and expenses estimates are based on historic fees and expenses for the Acquired Funds. For those Acquired Funds with little or no operating history, fees and expenses are estimates based on expected fees and expenses stated in the Acquired Funds' offering memorandum, private placement memorandum or other similar communication without giving effect to any performance. Future fees and expenses for these Acquired Funds may be substantially higher or lower because certain fees and expenses are based on the performance of the Acquired Funds, which may fluctuate over time.
- (11) "Total annual expenses" as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage and increase our total assets. The SEC requires that the "Total annual expenses" percentage be calculated as a percentage of net assets (defined as total assets less indebtedness and before taking into account any income based fees or capital gains incentive fees accrued during the period), rather than the total assets, including assets that have been funded with borrowed monies.

### Example

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

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underwriters, a corresponding prospectus supplement will restate this example to reflect the applicable sales load.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a \$1,000 common stock investment, assuming a 5% annual return (none of which is subject to the capital gains incentive fee)(1)	\$ 88	\$ 244	\$ 390	\$ 716
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)	\$ 98	\$ 272	\$ 433	\$ 786

(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 achieve sufficient returns on our investments, including through the realization of capital gains, to trigger income based fees or capital gains incentive fees of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, if our board of directors authorizes and we declare a cash dividend, participants in our dividend reinvestment plan who have not otherwise elected to receive cash will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See "Dividend Reinvestment Plan" for additional information regarding our dividend reinvestment plan.

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

**SELECTED CONDENSED CONSOLIDATED FINANCIAL DATA OF ARES CAPITAL**

The following selected financial and other data as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 are derived from our consolidated financial statements, which have been audited by KPMG LLP, an independent registered public accounting firm whose report thereon is included elsewhere in this prospectus. The quarterly financial information is derived from our unaudited financial statements, but in the opinion of management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results of such interim periods. The data should be read in conjunction with our consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities," which are included elsewhere in this prospectus or the accompanying prospectus supplement.

**ARES CAPITAL CORPORATION AND SUBSIDIARIES**  
**SELECTED FINANCIAL DATA**

As of and For the Years Ended December 31, 2014, 2013, 2012, 2011 and 2010  
(dollar amounts in millions, except per share data and as otherwise indicated)

	As of and For the Years Ended December 31,				
	2014	2013	2012	2011	2010
Total Investment Income	\$ 989.0	\$ 881.7	\$ 748.0	\$ 634.5	\$ 483.4
Total Expenses	532.9	437.2	387.9	344.6	262.2
Net Investment Income Before Income Taxes	456.1	444.5	360.1	289.9	221.2
Income Tax Expense, Including Excise Tax	18.3	14.1	11.2	7.5	5.4
Net Investment Income	437.8	430.4	348.9	282.4	215.8
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies, Extinguishment of Debt and Other Assets	153.2	58.1	159.3	37.1	280.1
Gain on the Allied Acquisition					195.9
Net Increase in Stockholders' Equity Resulting from Operations	\$ 591.0	\$ 488.5	\$ 508.2	\$ 319.5	\$ 691.8
<b>Per Share Data:</b>					
Net Increase in Stockholder's Equity Resulting from Operations:					
Basic	\$ 1.94	\$ 1.83	\$ 2.21	\$ 1.56	\$ 3.91
Diluted	\$ 1.94	\$ 1.83	\$ 2.21	\$ 1.56	\$ 3.91
Cash Dividends Declared and Payable(1)	\$ 1.57	\$ 1.57	\$ 1.60	\$ 1.41	\$ 1.40
Net Asset Value	\$ 16.82	\$ 16.46	\$ 16.04	\$ 15.34	\$ 14.92
Total Assets	\$ 9,497.8	\$ 8,141.5	\$ 6,401.2	\$ 5,387.4	\$ 4,562.5
Total Debt (Carrying Value)	\$ 3,924.5	\$ 2,986.3	\$ 2,195.9	\$ 2,073.6	\$ 1,378.5
Total Debt (Principal Amount)	\$ 3,999.3	\$ 3,078.8	\$ 2,293.8	\$ 2,170.5	\$ 1,435.1
Total Stockholders' Equity	\$ 5,283.7	\$ 4,904.4	\$ 3,988.3	\$ 3,147.3	\$ 3,050.5
<b>Other Data:</b>					
Number of Portfolio Companies at Period End(2)	205	193	152	141	170
Principal Amount of Investments Purchased	\$ 4,534.3	\$ 3,493.2	\$ 3,161.6	\$ 3,239.0	\$ 1,583.9
Principal Amount of Investments Acquired as part of the Allied Acquisition	\$	\$	\$	\$	\$ 1,833.8
Principal Amount of Investments Sold and Repayments	\$ 3,212.8	\$ 1,801.4	\$ 2,482.9	\$ 2,468.2	\$ 1,555.9
Total Return Based on Market Value(3)	(3.3)%	10.5%	23.6%	2.3%	43.6%
Total Return Based on Net Asset Value(4)	11.8%	11.4%	14.3%	10.5%	31.6%
Weighted Average Yield of Debt and Other Income Producing Securities at Fair Value(5):	10.1%	10.4%	11.3%	12.0%	12.9%
Weighted Average Yield of Debt and Other Income Producing Securities at Amortized Cost(5):	10.1%	10.4%	11.4%	12.1%	13.2%

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

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

(3)

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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

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share plus the declared and payable dividends of \$1.57 per share for the year ended December 31, 2013, divided by the market value at December 31, 2012. For the year ended December 31, 2012, the total return based on market value equaled the increase of the ending market value at December 31, 2012 of \$17.50 per share from the ending market value at December 31, 2011 of \$15.45 per share plus the declared and payable dividends of \$1.60 per share for the year ended December 31, 2012, divided by the market value at December 31, 2011. For the year ended December 31, 2011, the total return based on market value equaled the decrease of the ending market value at December 31, 2011 of \$15.45 per share from the ending market value at December 31, 2010 of \$16.48 per share plus the declared and payable dividends of \$1.41 per share for the year ended December 31, 2011, divided by the market value at December 31, 2010. For the year ended December 31, 2010, the total return based on market value equaled the increase of the ending market value at December 31, 2010 of \$16.48 per share from the ending market value at December 31, 2009 of \$12.45 per share plus the declared and payable dividends of \$1.40 per share for the year ended December 31, 2010, divided by the market value at December 31, 2009. The Company's shares fluctuate in value. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(4)

For the 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 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 year ended December 31, 2012, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.60 per share for the year ended December 31, 2012 divided by the beginning net asset value for the period. For the year ended December 31, 2011, the total return based on net asset value equaled the change in net asset value during the period plus the declared and payable dividends of \$1.41 per share for the year ended December 31, 2011 divided by the beginning net asset value for the period. For the year ended December 31, 2010, 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 \$1.40 per share for the year ended December 31, 2010, divided by the beginning net asset value. These calculations are adjusted for shares issued in connection with the dividend reinvestment plan and the issuance of common stock in connection with any equity offerings and the equity components of any convertible notes issued during the period. The Company's performance changes over time and currently may be different than that shown. Past performance is no guarantee of future results.

(5)

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

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

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

	2013			
	Q4	Q3	Q2	Q1
Total investment income	\$ 233,742	\$ 246,801	\$ 206,123	\$ 195,055
Net investment income before net realized and unrealized gains (losses) income based fees and capital gains incentive fees	\$ 145,003	\$ 161,421	\$ 126,951	\$ 119,182
Income based fees and capital gains incentive fees	\$ 33,493	\$ 35,199	\$ 33,374	\$ 20,085
Net investment income before net realized and unrealized gains (losses)	\$ 111,510	\$ 126,222	\$ 93,577	\$ 99,097
Net realized and unrealized gains (losses)	\$ 22,374	\$ 14,575	\$ 39,921	\$ (18,755)
Net increase in stockholders' equity resulting from operations	\$ 133,884	\$ 140,797	\$ 133,498	\$ 80,342
Basic and diluted earnings per common share	\$ 0.47	\$ 0.52	\$ 0.50	\$ 0.32
Net asset value per share as of the end of the quarter	\$ 16.46	\$ 16.35	\$ 16.21	\$ 15.98

	2012			
	Q4	Q3	Q2	Q1
Total investment income	\$ 212,160	\$ 190,572	\$ 177,555	\$ 167,738
Net investment income before net realized and unrealized gains income based fees and capital gains incentive fees				