

ARES CAPITAL CORP  
Form 497  
January 09, 2018

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**Filed Pursuant to Rule 497  
Registration No. 333-212142**

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated August 4, 2017)

**\$600,000,000**

**4.250% Notes due 2025**

We are offering \$600,000,000 in aggregate principal amount of 4.250% notes due 2025, which we refer to as the Notes. The Notes will mature on March 1, 2025. We will pay interest on the Notes on March 1 and September 1 of each year, beginning September 1, 2018. We may redeem the Notes in whole or in part at any time or from time to time at the redemption price discussed under the caption "Description of Notes Optional Redemption" in this prospectus supplement. In addition, holders of the Notes can require us to repurchase the Notes at 100% of their principal amount upon the occurrence of a Change of Control Repurchase Event (as defined herein). The Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

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

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

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

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

This prospectus supplement and the accompanying prospectus concisely provide important information about us that you should know before investing in the Notes. Please read this prospectus supplement and the accompanying prospectus before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information with the SEC. This information is

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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 [www.sec.gov](http://www.sec.gov) that contains such information. The information on the websites referred to herein is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

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	Per Note	Total
Public offering price(1)	99.621%	\$597,726,000
Underwriting discount (sales load)	0.700%	\$4,200,000
Proceeds, before expenses, to Ares Capital Corporation(2)	98.921%	\$593,526,000

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(1) The public offering price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from January 11, 2018 and must be paid by the purchaser if the Notes are delivered after January 11, 2018.

(2) Before deducting expenses payable by us related to this offering, estimated at \$1.6 million.

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

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

Delivery of the Notes in book-entry form only through The Depository Trust Company will be made on or about January 11, 2018.

**BofA Merrill Lynch**

**Wells Fargo Securities**

**SunTrust Robinson Humphrey**

**BMO Capital Markets**

**J.P. Morgan**

**SMBC Nikko**

**Barclays**

**Citigroup**

**Goldman Sachs & Co. LLC**

**Mizuho Securities**

**Morgan Stanley**

**RBC Capital Markets**

**Credit Suisse**

**MUFG**

**Santander**

**US Bancorp**

**BNY Mellon Capital Markets, LLC Capital One Securities Comerica Securities HSBC ICBC Standard Bank JMP Securities Keefe, Bruyette & Woods**  
*A Stifel Company*

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The date of this prospectus supplement is January 8, 2018.

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

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**FORWARD-LOOKING STATEMENTS**

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

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

the return or impact of current and future investments;

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

the impact of fluctuations in interest rates on our business;

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

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

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

our ability to recover unrealized losses;

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

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

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

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

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

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

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

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

our expected financings and investments;

our ability to successfully complete and integrate any other acquisitions;

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

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

the adequacy of our cash resources and working capital;

the timing, form and amount of any dividend distributions;

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

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

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

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

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

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**THE COMPANY**

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

**Overview**

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

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

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

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

The proportion of these types of investments will change over time given our views on, among other things, the economic and credit environment in which we are operating. In connection with our



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investing activities, we may make commitments with respect to indebtedness or securities of a potential portfolio company substantially in excess of our final investment. In such situations, while we may initially agree to fund up to a certain dollar amount of an investment, we may subsequently syndicate or sell a portion of such amount (including, without limitation, to vehicles managed by our portfolio company, Ivy Hill Asset Management, L.P. ("IHAM")), such that we are left with a smaller investment than what was reflected in our original commitment. In addition to originating investments, we may also acquire investments in the secondary market (including purchases of a portfolio of investments).

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

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

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

### **The American Capital Acquisition**

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

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

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

**Senior Direct Lending Program**

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

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

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

**Ivy Hill Asset Management, L.P.**

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

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

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

**Ares Capital Management LLC**

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

**Recent Developments**

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

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

From October 1, 2017 through December 28, 2017, we exited approximately \$1,293 million of investment commitments, including \$203 million of investment commitments acquired in the American Capital Acquisition. Of the total investment commitments, 48% were second lien senior secured loans, 33% were first lien senior secured loans, 12% were preferred equity securities, 4% were collateralized loan obligations, 2% were senior subordinated loans and 1% were other equity securities. Of the approximately \$1,293 million of exited investment commitments, 80% were floating rate, 5% were fixed rate and 15% were non-interest bearing. The weighted average yield of debt and other income producing securities exited or repaid during the period at amortized cost was 9.8% and the weighted average yield on total investments exited or repaid during the period at amortized cost was 8.3%. Included within the \$1,293 million of investment commitments exited above were approximately \$125 million of investment commitments from our early-stage and/or venture capital-backed portfolio

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companies. Also on the approximately \$1,293 million of investment commitments exited above, we recognized total net realized losses of approximately \$120 million. These net realized losses included a realized loss of approximately \$140 million as a result of the sale of certain investments in a for-profit education company. We reversed unrealized depreciation previously recorded on such investments of approximately \$140 million upon their sale.

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

**Our Corporate Information**

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

Table of Contents**SPECIFIC TERMS OF THE NOTES AND THE OFFERING**

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

Issuer	Ares Capital Corporation
Title of the Securities	4.250% Notes due 2025
Initial Aggregate Principal Amount Being Offered	\$600,000,000
Initial Public Offering Price	99.621% of the aggregate principal amount of Notes
Interest Rate	4.250%
Yield to Maturity	4.311%
Trade Date	January 8, 2018
Issue Date	January 11, 2018
Maturity Date	March 1, 2025
Interest Payment Dates	March 1 and September 1, commencing September 1, 2018.
Ranking of Notes	The Notes will be our general unsecured obligations that rank senior in right of payment to all of our future indebtedness that is expressly subordinated, or junior, in right of payment to the Notes. The Notes will rank pari passu, or equally, in right of payment with all of our existing and future senior liabilities that are not so subordinated, or junior, effectively subordinated, or junior, to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness, and structurally subordinated, or junior, to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

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	As of December 28, 2017, our total consolidated indebtedness was approximately \$4.9 billion principal amount, of which approximately \$395.0 million was secured indebtedness at the Ares Capital level, and of which an aggregate of approximately \$660.0 million was indebtedness of our subsidiaries. After giving effect to the issuance of the Notes and assuming the proceeds therefrom are used to repay outstanding borrowings under our \$2.1 billion revolving credit facility (the "Revolving Credit Facility"), the Revolving Funding Facility, and/or the \$400 million revolving funding facility of our consolidated subsidiary, Ares Capital JB Funding LLC (the "SMBC Funding Facility" and, together with the Revolving Credit Facility and the Revolving Funding Facility, the "Facilities"), our total consolidated indebtedness would have been approximately \$4.9 billion principal amount as of December 28, 2017. See "Capitalization."
Denominations	We will issue the Notes in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Optional Redemption	We may redeem some or all of the Notes at any time, or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the Notes to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using the applicable Treasury Rate plus 30 basis points, plus, in each case, accrued and unpaid interest to the redemption date; <i>provided</i> , however, that if we redeem any Notes on or after January 1, 2025, (the date falling two months prior to the maturity date of the Notes), the redemption price for the Notes will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.
Sinking Fund	The Notes will not be subject to any sinking fund. A sinking fund is a reserve fund accumulated over a period of time for the retirement of debt.
Offer to Purchase upon a Change of Control Repurchase Event	If a Change of Control Repurchase Event (as defined herein) occurs prior to maturity, holders will have the right, at their option, to require us to repurchase for cash some or all of the Notes at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date.

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

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#### Other Covenants

In addition to the covenants described in the accompanying prospectus, the following covenants shall apply to the Notes:

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

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

#### No Established Trading Market

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or quoted on any automated dealer quotation system. Although the underwriters have informed us that they intend to make a market in the Notes, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any such market making activities at any time without notice. See "Underwriting." Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

#### Global Clearance and Settlement Procedures

Interests in the Notes will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the trustee or the paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

#### Governing Law

The Notes and the indenture will be governed by and construed in accordance with the laws of the State of New York.



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**RISK FACTORS**

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

**RISKS RELATING TO THE NOTES**

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

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

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

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

Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors (including trade creditors) and holders of preferred stock, if any, of our subsidiaries will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively

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subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Notes will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. As of December 28, 2017, we had \$600.0 million aggregate principal amount of outstanding indebtedness under the Revolving Funding Facility, \$60.0 million aggregate principal amount of outstanding indebtedness under the SMBC Funding Facility and no SBA Debentures issued and outstanding. All of such indebtedness would be structurally senior to the Notes. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the Notes.

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

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

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

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

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

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

enter into transactions with affiliates;

make investments; or

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

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

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

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

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

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

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

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

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

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

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

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

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

**As of and For the Nine Months Ended September 30, 2017 and September 30, 2016 and**  
**As of and For the Years Ended December 31, 2016, 2015, 2014, 2013 and 2012**  
**(dollar amounts in millions, except per share data and as otherwise indicated)**

	As of and For the Nine Months Ended September 30,		As of and For the Year Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
	(unaudited)	(unaudited)					
Total Investment Income	\$ 853	\$ 752	\$ 1,012	\$ 1,025	\$ 989	\$ 882	\$ 748
Total Expenses	468	383	497	499	533	437	388
Net Investment Income Before Income Taxes	385	369	515	526	456	445	360
Income Tax Expense, Including Excise Tax	14	13	21	18	18	14	11
Net Investment Income	371	356	494	508	438	431	349
Net Realized and Unrealized Gains (Losses) on Investments, Foreign Currencies, Extinguishment of Debt and Other Assets	64	43	(20)	(129)	153	58	159
Net Increase in Stockholders' Equity Resulting from Operations	\$ 435	\$ 399	\$ 474	\$ 379	\$ 591	\$ 489	\$ 508

## Per Share Data:

## Net Increase in Stockholder's Equity Resulting from Operations:

Basic	\$ 1.02	\$ 1.27	\$ 1.51	\$ 1.20	\$ 1.94	\$ 1.83	\$ 2.21
Diluted	\$ 1.02	\$ 1.27	\$ 1.51	\$ 1.20	\$ 1.94	\$ 1.83	\$ 2.21
Cash Dividends Declared and Payable(1)	\$ 1.14	\$ 1.14	\$ 1.52	\$ 1.57	\$ 1.57	\$ 1.57	\$ 1.60
Net Asset Value	\$ 16.49	\$ 16.59	\$ 16.45	\$ 16.46	\$ 16.82	\$ 16.46	\$ 16.04
Total Assets(2)	\$ 12,041	\$ 9,136	\$ 9,245	\$ 9,507	\$ 9,454	\$ 8,094	\$ 6,361
Total Debt (Carrying Value)(2)	\$ 4,640	\$ 3,721	\$ 3,874	\$ 4,114	\$ 3,881	\$ 2,939	\$ 2,155
Total Debt (Principal Amount)	\$ 4,733	\$ 3,801	\$ 3,951	\$ 4,197	\$ 3,999	\$ 3,079	\$ 2,294
Total Stockholders' Equity	\$ 7,028	\$ 5,209	\$ 5,165	\$ 5,173	\$ 5,284	\$ 4,904	\$ 3,988

## Other Data:

Number of Portfolio Companies at Period End(3)	325	215	218	218	205	193	152
Principal Amount of Investments Purchased(4)	\$ 4,187	\$ 2,401	\$ 3,490	\$ 3,905	\$ 4,534	\$ 3,493	\$ 3,162
Principal Amount of Investments Acquired as part of the American Capital Acquisition on the Acquisition Date	\$ 2,543						
Principal Amount of Investments Sold and Repayments	\$ 4,239	\$ 2,656	\$ 3,655	\$ 3,651	\$ 3,213	\$ 1,801	\$ 2,483
Total Return Based on Market Value(5)	6.3%	16.8%	26.4%	1.3%	(3.3)%	10.5%	23.6%
Total Return Based on Net Asset Value(6)	7.3%	7.7%	9.2%	7.2%	11.8%	11.4%	14.3%
Weighted Average Yield of Debt and Other Income Producing Securities at Fair Value(7):	9.7%	9.8%	9.4%	10.3%	10.1%	10.4%	11.3%
Weighted Average Yield of Debt and Other Income Producing Securities at Amortized Cost(7):	9.6%	9.7%	9.3%	10.1%	10.1%	10.4%	11.4%
Weighted Average Yield of Total Investments at Fair Value(8):	8.7%	8.8%	8.5%	9.2%	9.1%	9.3%	10.0%
Weighted Average Yield of Total Investments at Amortized Cost(8):	8.5%	8.7%	8.3%	9.1%	9.3%	9.4%	10.1%

(1)

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

(2)

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

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- (3) Includes commitments to portfolio companies for which funding had yet to occur.
- (4) Excludes investments acquired as part of the American Capital Acquisition on the Acquisition Date.

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(5)

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

(6)

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

(7)

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

(8)

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



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

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

	<b>2016</b>			
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Total investment income	\$	261	\$	258
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees	\$	158	\$	164
Income based fees and capital gains incentive fees	\$	19	\$	27
Net investment income before net realized and unrealized gains (losses)	\$	139	\$	137
Net realized and unrealized gains (losses)	\$	(64)	\$	(27)
Net increase in stockholders' equity resulting from operations	\$	75	\$	110
Basic and diluted earnings per common share	\$	0.24	\$	0.35
Net asset value per share as of the end of the quarter	\$	16.45	\$	16.59

	<b>2015</b>			
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Total investment income	\$	262	\$	261
Net investment income before net realized and unrealized gains (losses) and income based fees and capital gains incentive fees	\$	151	\$	159
Income based fees and capital gains incentive fees	\$	4	\$	29
Net investment income before net realized and unrealized gains (losses)	\$	147	\$	130
Net realized and unrealized gains (losses)	\$	(132)	\$	(14)
Net increase in stockholders' equity resulting from operations	\$	15	\$	116
Basic and diluted earnings per common share	\$	0.05	\$	0.37
Net asset value per share as of the end of the quarter	\$	16.46	\$	16.79

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**USE OF PROCEEDS**

We estimate that the net proceeds we will receive from the sale of the Notes in this offering will be approximately \$592.0 million, after deducting the underwriting discount of approximately \$4.2 million payable by us and estimated offering expenses of approximately \$1.6 million payable by us.

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

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

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

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

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

Table of Contents**RATIOS OF EARNINGS TO FIXED CHARGES**

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

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

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

(1)

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

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

(2)

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

(3)

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

(4)

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

(5)

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

Table of Contents**CAPITALIZATION**

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

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

(1)

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

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

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

**OVERVIEW**

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

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

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

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

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

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

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

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

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

***American Capital Acquisition***

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

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

Table of Contents**PORTFOLIO AND INVESTMENT ACTIVITY**

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

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

(1)

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

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- (2) Includes both funded and unfunded commitments. Of these new investment commitments, we funded \$1.2 billion and \$1.3 billion for the three months ended September 30, 2017 and 2016, respectively.
- (3) Includes both funded and unfunded commitments. For the three months ended September 30, 2017 and 2016, investment commitments exited included exits of unfunded commitments of \$179 million and \$85 million, respectively.
- (4) See "Senior Direct Lending Program" below and Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on the SDLP (as defined below).
- (5) See "Senior Secured Lending Program" below and Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on the SSLP (as defined below).
- (6) In July 2017, in connection with the effective termination of the SSLP (as defined below), we purchased \$1.6 billion in aggregate principal amount of first lien senior secured loans outstanding at par plus accrued and unpaid interest and fees from the SSLP and assumed the SSLP's remaining unfunded loan commitments totaling \$50 million. The loans purchased from the SSLP included loans to 10 different borrowers with a weighted average yield at amortized cost and fair value of 7.1% and 7.1%, respectively. Upon completion of the SSLP Loan Sale (as defined below), the SSLP made a liquidation distribution to the holders of the SSLP Certificates (as defined below), of which Ares Capital received \$1.5 billion. The impact of these transactions is excluded from the information presented in the table. See "Senior Secured Loan Program" below and Note 4 to our consolidated financial statements for the three and nine months ended September 30, 2017 for more information on the SSLP.
- (7) For the three months ended September 30, 2017, the principal amount of investments sold or repaid included \$415 million of investments acquired as part of the American Capital Acquisition.
- (8) Number of new investment commitments represents each commitment to a particular portfolio company or a commitment to multiple companies as part of an individual transaction (e.g., the purchase of a portfolio of investments).
- (9) "Weighted average yield of debt and other income producing securities" is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) the total accruing debt and other income producing securities at amortized cost or at fair value, as applicable.
- (10) Represents fair value for investments in the portfolio as of the most recent prior quarter end, if applicable.



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

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

- (1) The proceeds from these certificates were applied to co-investments with Varagon and its clients to fund first lien senior secured loans to 18 and 14 different borrowers as of September 30, 2017 and December 31, 2016, respectively.
- (2) The proceeds from these certificates were applied to co-investments with GE to fund first lien senior secured loans to 19 different borrowers as of December 31, 2016.

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

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

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



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

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

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

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

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

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

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

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

### **Co-Investment Programs**

#### ***Senior Direct Lending Program***

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

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

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

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

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

(1) At principal amount.

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

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

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

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

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

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

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

### Senior Secured Loan Program

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

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

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

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

(in millions)

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

(1) At principal amount.

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

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

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

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

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

(dollar amounts in millions)

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

(1) At principal amount.

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

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

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

- (1) Represents the weighted average annual stated interest rate as of December 31, 2016. All interest rates are payable in cash except for 0.5% and 2.0% of the interest rates for Singer Sewing Company and STATS Acquisition, LLC, respectively, which are payment-in-kind interest.
- (2) Represents the fair value in accordance with Accounting Standards Codification 820-10. The determination of such fair value is not included in our board of directors valuation process described elsewhere herein.
- (3) We also hold a portion of this company's second lien senior secured loan.
- (4) We hold an equity investment in this company.

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



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

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

**RESULTS OF OPERATIONS**

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

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

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

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

**Investment Income**

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

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

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

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

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management and other fees for the nine months ended September 30, 2017 from the comparable period in 2016 was due to lower sourcing fees from the SSLP as a result of a decrease in the size of the SSLP portfolio and the effective termination of the SSLP in July 2017. The increase in other income for the nine months ended September 30, 2017 from the comparable period in 2016 was primarily attributable to higher amendment fees and administrative agent fees.

## Operating Expenses

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

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

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

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

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

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

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

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

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

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

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

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

**Income Tax Expense, Including Excise Tax**

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

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

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

**Net Realized Gains/Losses**

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

## Net Unrealized Gains/Losses

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

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

(1)

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

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

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

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

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

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

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

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

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

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

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

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

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

**FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

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

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

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

**Equity Capital Activities**

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

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

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

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

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### Debt Capital Activities

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

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

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- (1) Subject to borrowing base, leverage and other restrictions. Represents the total aggregate amount committed or outstanding, as applicable, under such instrument.
- (2) Provides for a feature that allows us, under certain circumstances, to increase the size of the Revolving Credit Facility (as defined below) to a maximum of \$3.1 billion.
- (3) See below for more information on the repayment of the 2017 Convertible Notes (as defined below) at maturity.
- (4) Represents the aggregate principal amount outstanding of the Convertible Unsecured Notes (as defined below). As of September 30, 2017, the total unamortized debt issuance costs and the unaccreted discount for the 2018 Convertible Notes, the 2019 Convertible Notes and the 2022 Convertible Notes (each as defined below) were \$1 million, \$2 million and \$21 million, respectively. As of December 31, 2016, the total unamortized debt issuance costs and the unaccreted discount for the 2017 Convertible Notes, the 2018 Convertible Notes and the 2019 Convertible Notes (each as defined below) were \$0 million, \$3 million and \$4 million, respectively.



- (5) Represents the aggregate principal amount outstanding of the 2018 Notes (as defined below) less unamortized debt issuance costs and plus the net unamortized premium that was recorded upon the issuances of the 2018 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs less the net unamortized premium were \$3 million and \$5 million, respectively.
- (6) Represents the aggregate principal amount outstanding of the 2020 Notes (as defined below) less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of

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

- (7) Represents the aggregate principal amount outstanding of the January 2022 Notes (as defined below) less unamortized debt issuance costs and the net unaccreted discount recorded upon the issuances of the January 2022 Notes. As of September 30, 2017 and December 31, 2016, the total unamortized debt issuance costs and the net unaccreted discount were \$7 million and \$8 million, respectively.
- (8) See below for more information on the repayment of the October 2022 Notes.
- (9) Represents the aggregate principal amount outstanding of the October 2022 Notes less unamortized debt issuance costs. As of December 31, 2016, the total unamortized debt issuance costs was \$4 million.
- (10) Represents the aggregate principal amount outstanding of the 2023 Notes (as defined below), less unamortized debt issuance costs and the unaccreted discount recorded upon the issuance of the 2023 Notes. As of September 30, 2017, the total unamortized debt issuance costs and the unaccreted discount was \$8 million.
- (11) Represents the aggregate principal amount outstanding of the 2047 Notes (as defined below) less the unaccreted purchased discount recorded as part of the acquisition of Allied Capital in April 2010 (the "Allied Acquisition"). As of September 30, 2017 and December 31, 2016, the total unaccreted purchased discount was \$47 million and \$48 million, respectively.

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

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

### ***Revolving Credit Facility***

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

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

***Revolving Funding Facility***

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

***SMBC Funding Facility***

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

***SBA Debentures***

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

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

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

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

***Convertible Unsecured Notes***

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

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

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

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

(1)

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

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

### ***Unsecured Notes***

#### *2018 Notes*

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

#### *2020 Notes*

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

#### *January 2022 Notes*

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

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

*2023 Notes*

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

*2047 Notes*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## RECENT DEVELOPMENTS

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

## CRITICAL ACCOUNTING POLICIES

### *Basis of Presentation*

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

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



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***Cash and Cash Equivalents***

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

***Concentration of Credit Risk***

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

***Investments***

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

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

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

Because there is not a readily available market value for most of the investments in our portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our board of directors, as described herein. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such

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investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which we have recorded it.

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

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

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

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

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

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

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

***Interest and Dividend Income Recognition***

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

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

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

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***Payment-in-Kind Interest***

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

***Capital Structuring Service Fees and Other Income***

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

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

***Foreign Currency Translation***

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

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

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

***Derivative Instruments***

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

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***Equity Offering Expenses***

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

***Debt Issuance Costs***

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

***Income Taxes***

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

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

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

***Dividends to Common Stockholders***

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

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

***Use of Estimates in the Preparation of Financial Statements***

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

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

***Recent Accounting Pronouncements***

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

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

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

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

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



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



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

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

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

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

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



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**DESCRIPTION OF NOTES**

The following description of the particular terms of the 4.250% Notes due 2025 supplements and, to the extent inconsistent with, replaces the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus.

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

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

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

**General**

The Notes:

will be our general unsecured, senior obligations;

will initially be issued in an aggregate principal amount of \$600 million;

will mature on March 1, 2025, unless earlier redeemed or repurchased, as discussed below;

will bear cash interest from January 11, 2018 at an annual rate of 4.250% payable semi-annually on March 1 and September 1 of each year, beginning on September 1, 2018;

will be subject to redemption at our option as described under " Optional Redemption;"

will be subject to repurchase by us at the option of the holders following a Change of Control Repurchase Event (as defined below under " Offer to Repurchase Upon a Change of Control Repurchase Event"), at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, *plus* accrued and unpaid interest to, but excluding, the date of repurchase;

will be issued in denominations of \$2,000 and integral multiples of \$1,000 thereof; and

will be represented by one or more registered Notes in global form, but in certain limited circumstances may be represented by Notes in definitive form. See " Book-Entry, Settlement and Clearance."

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The indenture does not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise. The indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under " Offer to Repurchase Upon a Change of Control Repurchase Event" and " Merger, Consolidation or Sale of Assets" below, the indenture does not contain any covenants or other provisions designed to afford holders of the Notes protection in the event of a highly leveraged

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transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

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

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

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

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

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

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

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

### **Interest**

The Notes will bear cash interest at a rate of 4.250% per year until maturity. Interest on the Notes will accrue from January 11, 2018 or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semiannually in arrears on March 1 and September 1 of each year, beginning on September 1, 2018.

Interest will be paid to the person in whose name a Note is registered at 5:00 p.m. New York City time (the "close of business") on February 15 or August 15, as the case may be, immediately preceding the relevant interest payment date. Interest on the Notes will be computed on the basis of a 360-day year composed of twelve 30-day months.

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

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**Ranking**

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

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

**Optional Redemption**

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

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

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

*provided*, however, that if we redeem any Notes on or after January 1, 2025 (the date falling two months prior to the maturity date of the Notes), the redemption price for the Notes will be equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption.

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

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

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

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

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

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

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

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

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

**Offer to Repurchase Upon a Change of Control Repurchase Event**

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

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

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

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to our offer;
- (2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of Notes being purchased by us.

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

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

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



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

For purposes of the Notes:

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

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

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of Ares Capital and its Controlled Subsidiaries taken as a whole to any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act), other than to any Permitted Holders; *provided* that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of Ares Capital or its Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition;
- (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of Ares Capital, measured by voting power rather than number of shares; or
- (3) the approval by Ares Capital's stockholders of any plan or proposal relating to the liquidation or dissolution of Ares Capital.

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

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

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

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

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

"Rating Agency" means:

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

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

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

### **Covenants**

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

#### ***Merger, Consolidation or Sale of Assets***

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

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

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

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

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

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

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

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

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

***Other Covenants***

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

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

**Events of Default**

Each of the following is an event of default:

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

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- (2) default in the payment of the principal of (or premium, if any, on) any Note when it becomes due and payable at its maturity including upon any redemption date or required repurchase date;
- (3) our failure for 60 consecutive days after written notice from the trustee or the holders of at least 25% in principal amount of the Notes then outstanding has been received to comply with any of our other agreements contained in the Notes or indenture;
- (4) default by us or any of our significant subsidiaries, as defined in Article 1, Rule 1-02 of Regulation S-X under the Exchange Act (but excluding any subsidiary which is (a) a non-recourse or limited recourse subsidiary, (b) a bankruptcy remote special purpose vehicle or (c) is not consolidated with Ares Capital for purposes of GAAP), with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of \$100 million in the aggregate of us and/or any such subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, unless, in either case, such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within a period of 30 calendar days after written notice of such failure is given to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the Notes then outstanding;
- (5) Pursuant to Section 18(a)(1)(C)(ii) and Section 61 of the Investment Company Act, on the last business day of each of 24 consecutive calendar months, any class of securities shall have an asset coverage (as such term is used in the Investment Company Act) of less than 100%; or
- (6) certain events of bankruptcy, insolvency, or reorganization involving us occur and remain undischarged or unstayed for a period of 60 days.

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

At any time after a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of the outstanding Notes, by written notice to us and the trustee, may rescind and annul such declaration and its consequences if (i) we have paid or deposited with the trustee a sum sufficient to pay all overdue installments of interest, if any, on all outstanding Notes, the principal of (and premium, if any, on) all outstanding Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates borne by or provided for in such Notes, to the extent that payment of such interest is lawful interest upon overdue installments of interest at the rate or rates borne by or provided for in such Notes, and all sums paid or advanced by the trustee and the reasonable compensation, expenses, disbursements and advances of the trustee, its agents and counsel, and (ii) all events of default with respect to the Notes, other than the nonpayment of the principal of (or premium, if any, on) or interest on such Notes that have

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become due solely by such declaration of acceleration, have been cured or waived. No such rescission will affect any subsequent default or impair any right consequent thereon.

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

- (i) such holder has previously given written notice to the trustee of a continuing event of default with respect to the Notes,
- (ii) the holders of not less than 25% in principal amount of the outstanding Notes shall have made written request to the trustee to institute proceedings in respect of such event of default;
- (iii) such holder or holders have offered to the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (iv) the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (v) no direction inconsistent with such written request has been given to the trustee during such 60-day period by the holders of a majority in principal amount of the outstanding Notes.

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

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

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

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

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

**Satisfaction and Discharge; Defeasance**

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

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

**Trustee**

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

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

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**Governing Law**

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

**Book-Entry, Settlement and Clearance**

***Global Notes***

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

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

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

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

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

***Book-Entry Procedures for Global Notes***

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

DTC has advised us that it is:

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

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

a member of the Federal Reserve System;

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

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

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





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

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

will not be entitled to have Notes represented by the Global Note registered in their names;

will not receive or be entitled to receive physical, certificated Notes; and

will not be considered the owners or holders of the Notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

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

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

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

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

***Certificated Notes***

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

DTC notifies us at any time that it is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days;

DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days; or

an event of default with respect to the Notes has occurred and is continuing and such beneficial owner requests that its Notes be issued in physical, certificated form.

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**CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

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

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

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

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

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**Taxation of Note Holders**

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

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

*Original Issue Discount.* For U.S. federal income tax purposes, the "issue price" of the Notes will equal the first price at which a substantial amount of the Notes are sold to investors, excluding sales to bond houses, brokers, or similar persons or persons acting in the capacity of underwriters, placement agents or wholesalers. The stated principal amount of the Notes (generally, the sum of all amounts a holder is entitled to receive on the Notes other than periodic stated interest payable in cash) may exceed their issue price (as defined above) by an amount that equals or exceeds the statutory de minimis amount (generally  $\frac{1}{4}$  of 1% of the debt instrument's stated principal amount multiplied by the number of complete years from its issue date to its maturity date) and, accordingly, the Notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes if there is such an excess.

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

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

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

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

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

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

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

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

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

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

**Additional Withholding Requirements**

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

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

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

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

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

Table of Contents**UNDERWRITING**

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

<b>Name of Underwriter</b>	<b>Aggregate Principal Amount Securities to be Purchased</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 150,300,000
Wells Fargo Securities, LLC	150,300,000
SunTrust Robinson Humphrey, Inc.	66,000,000
BMO Capital Markets Corp.	31,800,000
J.P. Morgan Securities LLC	31,800,000
SMBC Nikko Securities America, Inc.	31,800,000
Barclays Capital Inc.	15,000,000
Citigroup Global Markets Inc.	15,000,000
Goldman Sachs & Co. LLC	15,000,000
Mizuho Securities USA LLC	15,000,000
Morgan Stanley & Co. LLC	15,000,000
RBC Capital Markets, LLC	15,000,000
Credit Suisse Securities (USA) LLC	7,800,000
MUFG Securities Americas Inc.	7,800,000
Santander Investment Securities Inc.	7,800,000
U.S. Bancorp Investments, Inc.	7,800,000
BNY Mellon Capital Markets, LLC	2,400,000
Capital One Securities, Inc.	2,400,000
Comerica Securities, Inc.	2,400,000
HSBC Securities (USA) Inc.	2,400,000
ICBC Standard Bank Plc	2,400,000
JMP Securities LLC	2,400,000
Keefe, Bruyette & Woods, Inc.	2,400,000
<b>Total</b>	<b>\$ 600,000,000</b>

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

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

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

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ICBC Standard Bank Plc is restricted in its U.S. securities dealings under the United States Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that are offered or sold in the United States. Accordingly, ICBC Standard Bank Plc shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase notes that may be offered or sold by other Agents in the United States. ICBC Standard Bank Plc shall offer and sell the Notes constituting its allotment solely outside the United States.

We expect that delivery of the Notes will be made to investors on or about January 11, 2018, which will be the third business day following the date hereof. Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date hereof will be required by virtue of the fact that the Notes initially settle in T+3, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date hereof should consult their advisors.

**Commissions and Discounts**

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

	Per Note	Total
Public offering price	99.621%	\$ 597,726,000
Underwriting discount (sales load)	0.700%	4,200,000
Proceeds, before expenses, to us	98.921%	\$ 593,526,000

The underwriters propose to offer some of the Notes to the public at the public offering price set forth on the cover page of this prospectus supplement and may offer the Notes to certain other Financial Industry Regulatory Authority (FINRA) members at the public offering price less a concession not in excess of 0.400% of the aggregate principal amount of the Notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of 0.300% of the aggregate principal amount of the Notes. After the initial offering of the Notes to the public, the public offering price and such concessions may be changed. No such change shall change the amount of proceeds to be received by us as set forth on the cover page of this prospectus supplement.

The expenses of the offering, not including the underwriting discount, are estimated at approximately \$1.6 million and are payable by us.

**No Sales of Similar Securities**

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

**Listing**

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

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

**Price Stabilization, Short Positions**

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

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

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

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

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

**Electronic Offer, Sale and Distribution of Notes**

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

**Other Relationships**

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The underwriters and their respective affiliates have provided in the past and may provide from time to time in the future in the ordinary



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course of their business certain commercial banking, financial advisory, investment banking and other services to Ares and its affiliates and managed funds and Ares Capital or our portfolio companies for which they have received or will be entitled to receive separate fees. In particular, the underwriters or their affiliates may execute transactions with Ares Capital or on behalf of Ares Capital, Ares or any of our or their portfolio companies, affiliates and/or managed funds. In addition, the underwriters or their affiliates may act as arrangers, underwriters or placement agents for companies whose securities are sold to or whose loans are syndicated to Ares, Ares Capital or Ares Capital Management and their affiliates and managed funds.

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

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

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

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

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

Affiliates of certain of the underwriters serve as agents and/or lenders under our credit facilities or other debt instruments (including the Revolving Credit Facility, the Revolving Funding Facility and the SMBC Funding Facility) and may also be lenders to private investment funds managed by IHAM. JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is the administrative agent under our Revolving Credit Facility. Wells Fargo Securities, LLC is the agent under the Revolving Funding Facility. Merrill Lynch, Pierce, Fenner & Smith Incorporated, JPMorgan

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Chase Bank, N.A., SunTrust Robinson Humphrey, Inc., BMO Capital Markets Corp. and Sumitomo Mitsui Banking Corporation, an affiliate of SMBC Nikko Securities America, Inc., are joint bookrunners and joint lead arrangers for our Revolving Credit Facility. Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, SunTrust Bank, an affiliate of SunTrust Robinson Humphrey, Inc., Bank of Montreal, an affiliate of BMO Capital Markets Corp., and Sumitomo Mitsui Banking Corporation are syndication agents with respect to our Revolving Credit Facility. Bank of America, N.A. is also a lender under our Revolving Funding Facility. Bank of Montreal and Sumitomo Mitsui Banking Corporation are documentation agents with respect to our Revolving Credit Facility. Sumitomo Mitsui Banking Corporation is the administrative agent and collateral agent under the SMBC Funding Facility. Certain of the underwriters and their affiliates were underwriters in connection with our initial public offering and our subsequent common stock offerings, debt offerings and rights offering, for which they received customary fees.

Proceeds of this offering will be used to repay or repurchase outstanding indebtedness under the Revolving Credit Facility, the Revolving Funding Facility and/or the SMBC Funding Facility. Affiliates of certain of the underwriters, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, SunTrust Robinson Humphrey, Inc., BMO Capital Markets Corp., J.P. Morgan Securities LLC, SMBC Nikko Securities America, Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, Credit Suisse Securities (USA) LLC, MUFG Securities Americas Inc., Santander Investment Securities Inc., U.S. Bancorp Investments, Inc., BNY Mellon Capital Markets, LLC, Capital One Securities, Inc., Comerica Securities, Inc., HSBC Securities (USA) Inc., ICBC Standard Bank Plc and Keefe, Bruyette & Woods, Inc. are lenders under the Revolving Credit Facility. Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are lenders under the Revolving Funding Facility. An affiliate of SMBC Nikko Securities America, Inc. is a lender under the SMBC Funding Facility. Accordingly, affiliates of certain of the underwriters may receive more than 5% of the proceeds of this offering to the extent such proceeds are used to repay or repurchase outstanding indebtedness under the Revolving Credit Facility and/or the Revolving Funding Facility and/or the SMBC Funding Facility.

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

**Notice to Prospective Investors in the European Economic Area**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus supplement has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of

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the Notes. This prospectus supplement and the accompanying prospectus is not a prospectus for the purposes of the Prospectus Directive.

**Notice to Prospective Investors in the United Kingdom**

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

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**LEGAL MATTERS**

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

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[Table of Contents](#)**ARES CAPITAL CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET**

(in millions, except per share data)

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

See accompanying notes to consolidated financial statements.

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



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

See accompanying notes to consolidated financial statements.

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**ARES CAPITAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**

**As of September 30, 2017**

**(dollar amounts in millions)**

**(unaudited)**

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

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Senior subordinated loan (\$30.0 par due 10/2020)				
Senior subordinated loan (\$30.0 par due 10/2020)	12%	1/3/2017	30.0	30.0(2)
Series R preferred membership units (30,000 units)		1/3/2017		23.9
Series R-2 preferred membership units (54,936 units)		1/3/2017		43.8

270.3 352.5

Alegeus Technologies Holdings Corp.	Benefits administration and transaction processing provider	Preferred stock (2,997 shares)	12/13/2013	3.1	2.7
		Common stock (3 shares)	12/13/2013		
				3.1	2.7

Argon Medical Devices, Inc.	Manufacturer and marketer of single-use specialty medical devices	Second lien senior secured loan (\$9.0 par due 6/2022)	10.74% (Libor + 9.50%/Q)	12/23/2015	8.8	9.0(2)(16)
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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
AwarePoint Corporation	Healthcare technology platform developer	First lien senior secured loan (\$8.0 par due 12/2019)	13.82% (Libor + 12.50%/M)	9/5/2014	7.9	7.3(2)(14)(16)	
		Warrant to purchase up to 3,213,367 shares of Series 1 preferred stock (expires 9/2024)		11/14/2014		0.4(2)	
					7.9	7.7	
CCS Intermediate Holdings, LLC and CCS Group Holdings, LLC(20)	Correctional facility healthcare operator	First lien senior secured revolving loan (\$4.5 par due 7/2019)	5.33% (Libor + 4.00%/Q)	7/23/2014	4.5	4.0(2)(16)(19)	
		First lien senior secured loan (\$6.5 par due 7/2021)	5.33% (Libor + 4.00%/Q)	7/23/2014	6.5	5.7(2)(16)	
		Second lien senior secured loan (\$135.0 par due 7/2022)	9.70% (Libor + 8.38%/Q)	7/23/2014	134.2	110.7(2)(16)	
		Class A units (1,000,000 units)		8/19/2010		0.7(2)	
					145.2	121.1	
Correctional Medical Group Companies, Inc.	Correctional facility healthcare operator	First lien senior secured loan (\$48.8 par due 9/2021)	8.79% (Libor + 7.65%/Q)	9/29/2015	48.8	48.8(3)(16)	
		First lien senior secured loan (\$3.1 par due 9/2021)	8.79% (Libor + 7.65%/Q)	9/29/2015	3.1	3.1(2)(16)	
					51.9	51.9	
CSHM LLC(8)	Dental services provider	Class A membership units (1,979 units)		1/3/2017			
D4C Dental Brands HoldCo, Inc. and Bambino Group Holdings, LLC(20)	Dental services provider	First lien senior secured revolving loan (\$1.2 par due 12/2022)	7.56% (Libor + 6.25%/Q)	12/21/2016	1.2	1.2(2)(16)	
		First lien senior secured revolving loan (\$1.3 par due 12/2022)	9.50% (Base Rate + 5.25%/Q)	12/21/2016	1.3	1.3(2)(16)	
		Class A preferred units (1,000,000 units)		12/21/2016	1.0	1.0(2)	
					3.5	3.5	
DCA Investment Holding, LLC(20)	Multi-branded dental practice management	First lien senior secured revolving loan (\$2.8 par due 7/2021)	8.50% (Base Rate + 4.25%/Q)	7/2/2015	2.8	2.7(2)(16)(19)	
		First lien senior secured loan (\$18.8 par due 7/2021)	6.58% (Libor + 5.25%/Q)	7/2/2015	18.7	18.2(4)(16)	
					21.5	20.9	
DNAxexus, Inc.	Bioinformatics company	Warrant to purchase up to 909,092 units of Series C preferred stock (expires 3/2024)		3/21/2014		0.1(2)	
				7/26/2017	12.3	12.3(2)(16)	

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

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

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

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## Table of Contents

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



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

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## Table of Contents

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

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					86.4	86.4	
ZocDoc, Inc.(20)	Provider of medical care search facility	First lien senior secured loan (\$5.0 par due 4/2021)	10.81% (Libor + 9.50%/M)	4/7/2017	5.0	5.1(2)(14)(16)	
		First lien senior secured loan (\$15.0 par due 4/2021)	10.81% (Libor + 9.50%/M)	4/7/2017	14.9	15.2(5)(14)(16)	
					19.9	20.3	
					2,381.8	2,383.1	33.91%

**Business Services**

Accruent, LLC, Accruent Holding, LLC and Athena Parent, Inc.(20)	Real estate and facilities management software provider	Second lien senior secured loan (\$61.1 par due 7/2024)	10.06% (Libor + 8.75%/Q)	7/28/2017	61.1	61.1(2)(16)	
		Senior subordinated loan (\$6.8 par due 7/2025)	11.5%	7/28/2017	6.8	6.5(2)	
		Senior subordinated loan (\$73.6 par due 7/2025)	11.5%	7/28/2017	73.6	70.7(2)	
		Common stock (3,000 shares)		5/16/2016	3.0	2.8(2)	
		Warrant to purchase up to 11,380 shares of common stock (expires 7/2037)		7/28/2017		3.2(2)	
					144.5	144.3	

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## Table of Contents

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

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

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## Table of Contents

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

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

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## Table of Contents

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



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

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

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

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## Table of Contents

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

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

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## Table of Contents

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

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Class B common shares  
(168,329 shares)

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

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



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

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

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

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

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## Table of Contents

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

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Woodstream Group, Inc. and Woodstream Corporation(20)	Pet products manufacturer	First lien senior secured loan (\$2.0 par due 5/2022)	7.57% (Libor + 6.25%/Q)			
		First lien senior secured loan (\$6.2 par due 5/2022)	7.58% (Libor + 6.25%/Q)	6/21/2017	6.2	6.2(2)(16)
					8.2	8.2
					903.9	852.3
						12.13%

## Investment Funds and Vehicles

ACAS Equity Holdings Corporation(8)(10)	Investment company	Common stock (589 shares)		1/3/2017	0.5	0.4
Ares IIIR/IVR CLO Ltd.(8)(9)(10)	Investment vehicle	Subordinated notes (\$20.0 par due 4/2021)		1/3/2017		0.1
Babson CLO 2014-II(9)(10)	Investment vehicle	Subordinated notes (\$25.0 par due 10/2026)	18%	1/3/2017	12.0	12.9
Blue Wolf Capital Fund II, L.P.(9)(10)	Investment partnership	Limited partnership interest (8.50% interest)		1/3/2017	7.1	7.5(23)
Carlyle Global Market Strategies CLO 2013-3(9)(10)	Investment vehicle	Subordinated notes (\$5.0 par due 7/2025)	8.53%	1/3/2017	2.6	2.5
Carlyle Global Market Strategies CLO 2015-3(9)(10)	Investment vehicle	Subordinated notes (\$24.6 par due 7/2028)	10.75%	1/3/2017	19.3	18.7

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## Table of Contents

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



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Partnership Capital Growth  
Fund I, L.P.(10)

Limited partnership  
interest (25.00%  
interest)

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

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

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First lien senior secured loan (\$7.0 par due 12/2021)	7.49% (Libor + 6.25%/Q)	4/6/2017	7.0	7.0(2)(16)
Class A preferred units (2,475,000 units)		3/13/2014	2.5	3.4(2)
Class B common units (275,000 units)		3/13/2014	0.3	0.4(2)

20.1 21.1

CST Buyer Company (d/b/a Intoxalock)(20)	Provider of ignition interlock devices	First lien senior secured loan (\$0.0 par due 3/2023)	7.58% (Libor + 6.25%/Q)	3/1/2017		(2)(16)
		First lien senior secured loan (\$11.8 par due 3/2023)	7.75% (Libor + 6.25%/Q)	3/1/2017	11.5	11.8(2)(16)

11.5 11.8

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## Table of Contents

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

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

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## Table of Contents

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

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

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



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

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

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

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

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

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## Table of Contents

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

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Class A preferred  
units (4,574 units)  
Class B units (499,050  
units) 9/18/2017

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

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## Table of Contents

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



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

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## Table of Contents

Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Severin Acquisition, LLC(20)	Provider of student information system software solutions to the K-12 education market	Second lien senior secured loan (\$38.7 par due 7/2022)	9.99% (Libor + 8.75%/Q)	2/1/2017	37.9	38.7(2)(16)	
		Second lien senior secured loan (\$3.1 par due 7/2022)	10.24% (Libor + 9.00%/Q)	1/3/2017	3.1	3.1(16)	
		Second lien senior secured loan (\$3.1 par due 7/2022)	10.24% (Libor + 9.00%/Q)	10/14/2016	3.1	3.1(16)	
		Second lien senior secured loan (\$5.5 par due 7/2022)	9.99% (Libor + 8.75%/Q)	1/3/2017	5.5	5.5(2)(16)	
		Second lien senior secured loan (\$4.2 par due 7/2022)	9.99% (Libor + 8.75%/Q)	10/28/2015	4.1	4.2(2)(16)	
		Second lien senior secured loan (\$20.0 par due 7/2022)	9.99% (Libor + 8.75%/Q)	1/3/2017	20.0	20.0(2)(16)	
		Second lien senior secured loan (\$15.0 par due 7/2022)	9.99% (Libor + 8.75%/Q)	7/31/2015	14.8	15.0(2)(16)	
		Second lien senior secured loan (\$4.4 par due 7/2022)	10.49% (Libor + 9.25%/Q)	1/3/2017	4.4	4.4(2)(16)	
		Second lien senior secured loan (\$3.3 par due 7/2022)	10.49% (Libor + 9.25%/Q)	2/1/2016	3.2	3.3(2)(16)	
		Second lien senior secured loan (\$2.8 par due 7/2022)	10.49% (Libor + 9.25%/Q)	1/3/2017	2.8	2.8(16)	
		Second lien senior secured loan (\$2.8 par due 7/2022)	10.49% (Libor + 9.25%/Q)	8/8/2016	2.8	2.8(16)	
					101.7	103.0	
					644.8	432.6	6.15%
		<b>Power Generation</b>					
Alphabet Energy, Inc.	Technology developer to convert waste-heat into electricity	First lien senior secured loan (\$3.4 par due 8/2017)		12/16/2013	3.3	0.7(2)(15)	
		Series 1B preferred stock (12,976 shares)		6/21/2016	0.2	(2)	
		Warrant to purchase up to 125,000 shares of Series 2 preferred stock (expires 12/2023)		6/30/2016	0.1	(2)	
					3.6	0.7	
CPV Maryland Holding Company II, LLC	Gas turbine power generation facilities operator	Senior subordinated loan (\$45.0 par due 12/2020)	5.00% Cash, 5.00% PIK	8/8/2014	45.0	41.4(2)	
		Warrant to purchase up to 4 units of common stock (expires 8/2018)		8/8/2014		(2)	
					45.0	41.4	

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

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## Table of Contents

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

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

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## Table of Contents

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

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

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



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

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## Table of Contents

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

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388.4 371.4 5.28%

## Wholesale Distribution

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

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## Table of Contents

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

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

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

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

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



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

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

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Common stock (1,680 shares)						
Limited partnership interest (2,218,235 shares)	7/31/2012	2.2	3.2(2)(9)			
		6.4	9.1			
		41.4	44.1	0.63%		

## Farming and Agriculture

QC Supply, LLC(20)	Specialty distributor and solutions provider to the swine and poultry markets	First lien senior secured revolving loan (\$4.0 par due 12/2021)	7.24% (Libor + 6.00%/Q)	12/29/2016	4.0	4.0(2)(16)	
		First lien senior secured loan (\$11.3 par due 12/2022)	7.24% (Libor + 6.00%/Q)	12/29/2016	11.3	11.3(2)(16)	
		First lien senior secured loan (\$14.9 par due 12/2022)	7.24% (Libor + 6.00%/Q)	12/29/2016	14.9	14.9(4)(16)	
					30.2	30.2	
					30.2	30.2	0.43%

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## Table of Contents

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

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Warrant to purchase up to 200 shares (expires 9/2020)	9/1/2010	10.0
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14.1

CHL, LTD.

Repair and service  
solutions provider for  
cable, satellite and  
telecommunications  
based service  
providers

Warrant to purchase  
up to 120,000 shares  
of Series A common  
stock (expires  
5/2020)

1/3/2017

Warrant to purchase  
up to 280,000 shares  
of Series B common  
stock (expires  
5/2020)

1/3/2017

Warrant to purchase  
up to 80,000 shares of  
Series C common  
stock (expires  
5/2020)

1/3/2017

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Company(1)	Business Description	Investment	Interest(6)(12)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
LTG Acquisition, Inc.	Designer and manufacturer of display, lighting and passenger communication systems for mass transportation markets	Class A membership units (5,000 units)		1/3/2017	5.1	3.9	
Startec Equity, LLC(8)	Communication services	Member interest		4/1/2010			
					7.8	19.7	0.28%

## Commercial Real Estate Financial

ACAS Real Estate Holdings Corporation(8)	Real estate holding company	Common stock (1,001 shares)		1/3/2017	2.6	2.1	
NECCO Realty Investments LLC(8)	Real estate holding company	Membership units (7,450 units)		1/3/2017			
Parmenter Woodland Park Plaza, LLC	Real estate holding company	First lien senior secured loan (\$17.8 par due 9/2018)	6.14% (Libor + 4.90%/Q)	1/3/2017	16.6	16.0(16)	
					19.2	18.1	0.26%
Housing and Building Materials							
Hallex Holdings, Inc.(8)(20)	Manufacturer of flooring installation products	First lien senior secured revolving loan (\$1.1 par due 12/2018)		1/24/2017	1.1	1.1	
		Common stock (51,853 shares)		1/3/2017			
					1.1	1.1	
					1.1	1.1	0.02%

**Total Investments** \$ 11,739.9 \$ 11,456.1(24) 163.01%

## Derivative Instruments

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

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

- 
- (1) Other than the Company's investments listed in footnote 8 below (subject to the limitations set forth therein), the Company does not "Control" any of its portfolio companies, for the purposes of the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"). In general, under the Investment Company Act, the Company would "Control" a portfolio company if the Company owned more than 25% of its outstanding voting securities (i.e., securities with the right to elect directors) and/or had the power to exercise control over the management or policies of such portfolio company. All of the Company's portfolio company investments, which as of September 30, 2017 represented 163% of the Company's net assets or 95% of the Company's total assets, are subject to legal restrictions on sales.
- (2) These assets are pledged as collateral for the Revolving Credit Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company's obligations under the Revolving Credit Facility (see Note 5 to the consolidated financial statements).
- (3) These assets are owned by the Company's consolidated subsidiary Ares Capital CP Funding LLC ("Ares Capital CP"), are pledged as collateral for the Revolving Funding Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than Ares Capital CP's obligations under the Revolving Funding Facility (see Note 5 to the consolidated financial statements).
- (4) These assets are owned by the Company's consolidated subsidiary Ares Capital JB Funding LLC ("ACJB"), are pledged as collateral for the SMBC Funding Facility (as defined below) and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than ACJB's obligations under the SMBC Funding Facility (see Note 5 to the consolidated financial statements).
- (5) These assets are owned by the Company's consolidated subsidiary Ares Venture Finance, L.P. ("AVF LP"), are pledged as collateral for the SBA-guaranteed debentures (the "SBA Debentures") and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than

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

(6)

Investments without an interest rate are non-income producing.

(7)

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

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

(8)

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

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



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

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

\*

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

(9)

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

(10)

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

(11)

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

(12)

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

(13)

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

(14)

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

(15)

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

(16)

Loan includes interest rate floor feature.

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.

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

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

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

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

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

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

(21)

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

(in millions)	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
<b>Portfolio Company</b>					
Partnership Capital Growth Investors III, L.P.	\$ 5.0	\$ (4.4)	\$ 0.6	\$	\$ 0.6
PCG-Ares Sidecar Investment, L.P. and PCG-Ares Sidecar Investment II, L.P.	50.0	(11.6)	38.4	(38.4)	
Piper Jaffray Merchant Banking Fund I, L.P.	2.0	(1.8)	0.2		0.2
European Capital UK SME Debt LP	60.3	(49.2)	11.1	(11.1)	

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\$	117.3	\$	(67.0)	\$	50.3	\$	(49.5)	\$	0.8
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- (22) As of September 30, 2017, the Company had commitments to co-invest in the SDLP for its portion of the SDLP's commitment to fund delayed draw loans of up to \$32.7. See Note 4 to the consolidated financial statements for more information on the SDLP.
- (23) Other than the investments noted by this footnote, the fair value of the Company's investments is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 8 to the consolidated financial statements for more information regarding the fair value of the Company's investments.
- (24) As of September 30, 2017, the net estimated unrealized loss for federal tax purposes was \$1.1 billion based on a tax cost basis of \$12.6 billion. As of September 30, 2017, the estimated aggregate gross unrealized loss for federal income tax purposes was \$1.5 billion and the estimated aggregate gross unrealized gain for federal income tax purposes was \$0.4 billion.

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

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



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## Healthcare Services

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

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

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

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## Table of Contents

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

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

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## Table of Contents

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

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

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



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

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

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

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## Table of Contents

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

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

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

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

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



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

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## Table of Contents

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

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Senior subordinated loan (\$52.7 par due 2/2020)	11.00%	8/15/2014	52.7	52.7(2)
Common stock (32,843 shares)		8/15/2014	3.4	5.0(2)

87.6 89.2

Massage Envy, LLC and ME Equity LLC(24)	Franchisor in the massage industry	First lien senior secured revolving loan (\$3.5 par due 9/2020)	7.75% (Libor + 6.75%/Q)	9/27/2012	3.5	3.5(2)(19)
		First lien senior secured loan (\$38.9 par due 9/2020)	7.75% (Libor + 6.75%/Q)	9/27/2012	38.9	38.9(3)(19)
		First lien senior secured loan (\$18.9 par due 9/2020)	7.75% (Libor + 6.75%/Q)	9/27/2012	18.9	18.9(4)(19)
		Common stock (3,000,000 shares)		9/27/2012	3.0	3.3(2)
					64.3	64.6

McKenzie Sports Products, LLC(24)	Designer, manufacturer and distributor of hunting-related supplies	First lien senior secured loan (\$5.5 par due 9/2020)	6.75% (Libor + 5.75%/Q)	9/18/2014	5.5	5.4(3)(14)(19)
		First lien senior secured loan (\$84.5 par due 9/2020)	6.75% (Libor + 5.75%/Q)	9/18/2014	84.5	82.8(3)(14)(19)
					90.0	88.2

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

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

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

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## Power Generation

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

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## Table of Contents

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



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energy efficiency  
facilities

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

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## Table of Contents

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

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Heritage Food Service Group, Inc. and WCI-HFG Holdings, LLC	Distributor of repair and replacement parts for commercial kitchen equipment	Second lien senior secured loan (\$31.6 par due 10/2022)	9.50% (Libor + 8.50%/Q)	10/20/2015	31.6	31.6(2)(19)
		Preferred units (3,000,000 units)		10/20/2015	3.0	3.1(2)

34.6 34.7

Orion Foods, LLC(8)	Convenience food service retailer	First lien senior secured loan (\$1.2 par due 9/2015)		4/1/2010	1.2	0.5(2)(18)
		Second lien senior secured loan (\$19.4 par due 9/2015)		4/1/2010		(2)(18)
		Preferred units (10,000 units)		10/28/2010		
		Class A common units (25,001 units)		4/1/2010		
		Class B common units (1,122,452 units)		4/1/2010		
					1.2	0.5

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## Table of Contents

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