



Investor Presentation

February 2021

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REF: DLUS-01046

Market Leading Company in Direct Lending

Market Leading Business Development Company	 ARES ARES CAPITAL CORPORATION		Significant Competitive Advantages
Compelling Track Record			Attractive Portfolio and Diverse Sources of Funding
Competitive Advantages			
Largest BDC ¹ with Significant Direct Origination and Long Tenured Management Team	Incumbency from Large Portfolio Provides Attractive Investment Opportunities	Disciplined Underwriting Process Supports Highly Selective Approach	Significant Available Liquidity to Support Investment Opportunities
Key Statistics/Track Record			
Invested Approximately \$63 billion ² with a Realized Asset Level Gross IRR of 14% ³ since IPO	1.0% ⁴ Average Annual Net Realized Gains in Excess of Losses since IPO	10+ years of stable to increasing dividends	Generated ~50% Higher Stock Based Total Returns than the S&P 500 since IPO ⁵
Leader in Middle Market Direct Lending With a Compelling Long Term Track Record of Delivering Shareholder Value			

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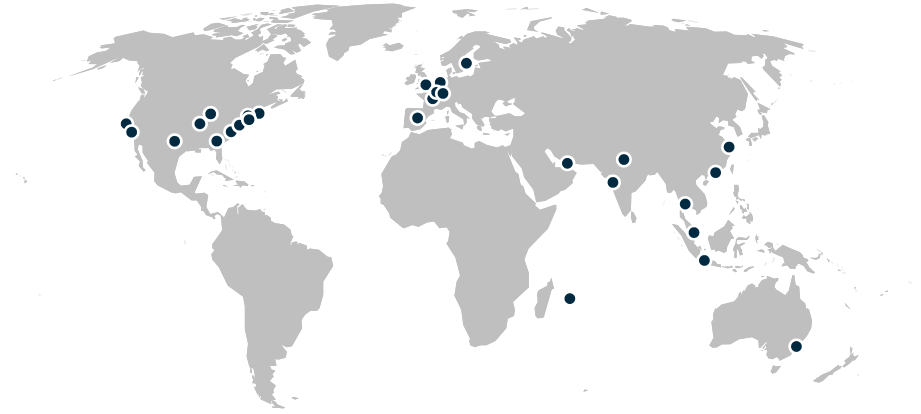


Overview of Ares Management

» With approximately \$197 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating integrated businesses across Credit, Private Equity, Real Estate and Strategic Initiatives

Profile	
Founded	1997
AUM	\$197bn
Employees	1,450+
Investment Professionals	525+
Global Offices	25+
Direct Institutional Relationships	1,090+
Listing: NYSE – Market Capitalization	~\$12.8bn ¹

Global Footprint³



The Ares Edge

Founded with consistent credit based approach to investments	Deep management team with integrated and collaborative approach
20+ year track record of compelling risk adjusted returns through market cycles	Pioneer and a leader in leveraged finance and private credit

	Credit	Private Equity	Real Estate	Strategic Initiatives
AUM	\$145.5bn	\$27.4bn	\$14.8bn	\$9.3bn
Strategies	Direct Lending	Corporate Private Equity	Real Estate Equity	Ares SSG
	Liquid Credit	Special Opportunities	Real Estate Debt	Ares Insurance Solutions ³
	Alternative Credit	Energy Opportunities		Ares Acquisition Corporation ⁴
		Infrastructure and Power		

Note: As of December 31, 2020. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results.

1. As of February 8, 2021.

2. Ares has a presence in Sydney, Australia through its joint venture, Ares Australia Management Pty Ltd (AAM), with Fidante Partners Limited, a wholly owned subsidiary of Challenger Limited. Jakarta, New Delhi and Sydney offices are operated by third parties with whom Ares SSG maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.

3. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares investment groups or invested in Ares funds and investment vehicles.

4. Proceeds raised in the IPO of special purpose acquisition companies (SPACs) are not included in AUM.

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We Believe ARCC is Well Positioned

» ARCC is one of the largest direct lenders with the scale and capabilities necessary to successfully invest across a variety of market environments, including a downcycle

Scale, Team & Capabilities	<ul style="list-style-type: none">• Externally managed by Ares Management which amongst other things provides informational advantages across its global platform• Large U.S. direct lender with \$15.5 billion portfolio¹• Highly experienced and tenured team• Sizeable portfolio management team with extensive restructuring capabilities• Incumbency creates differentiated investment opportunities
Attractive Portfolio	<ul style="list-style-type: none">• Diversified, high quality, senior-oriented portfolio• Use lead position to help drive outcomes• Less cyclically positioned investment portfolio focused on upper middle market• 84% of portfolio companies are controlled by PE sponsors that we believe have significant resources to support these businesses²
Strong Balance Sheet	<ul style="list-style-type: none">• Deep sources of liquidity and committed capital• Fortified balance sheet with significant unsecured, long dated financing• Well-laddered debt maturities with no maturities until 2022
Potential for Long Term Shareholder Value	<ul style="list-style-type: none">• Track record of generating strong returns to shareholders• Compelling historical investment and credit performance during periods of volatility• 46 consecutive quarters of stable to increasing dividends

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1. At fair value.

2. Based on the number of portfolio companies as of December 31, 2020.

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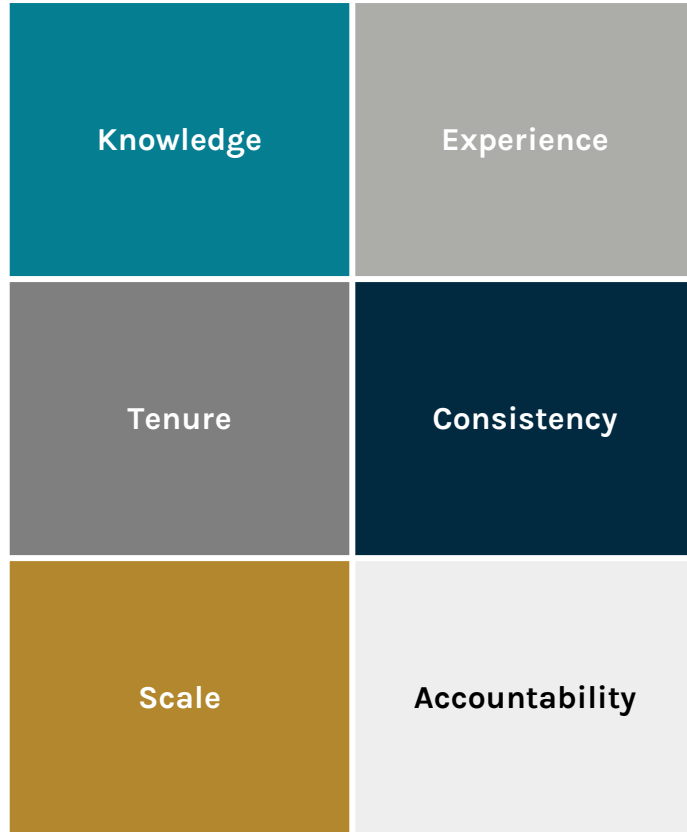
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Leading Investment Team

» We believe ARCC benefits from a large, long tenured and highly experienced team with significant experience in direct lending and extensive middle market knowledge

ARCC's Team Brings



Members of the Investment Committee



Investment Team



As of December 31, 2020. Past performance is not indicative of future results.

1. Includes invested capital from inception on October 8, 2004 through December 31, 2020. Includes investments made through Ares Capital Corporation, the Senior Secured Loan Program and the Senior Direct Lending Program. Excludes sales within one year of origination, \$1.8 billion of investments acquired from Allied Capital on April 1, 2010 and \$2.5 billion of investments acquired from American Capital on January 3, 2017.

2. Average number of years investing for all Investment Committee members.

3. Based on Ares' observation of the market.

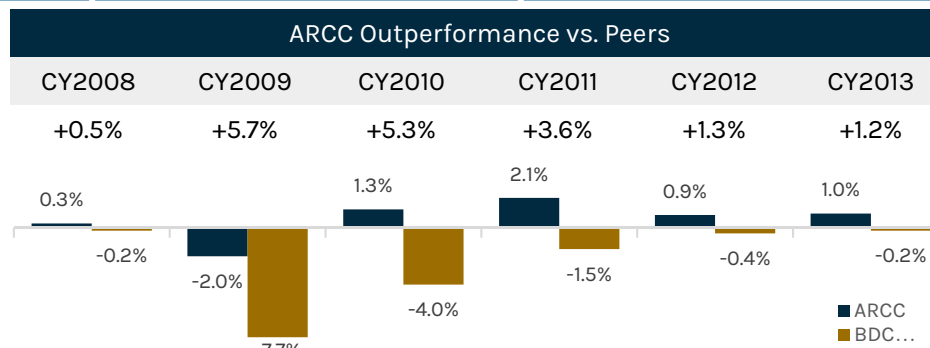
Experience Managing Through Multiple Cycles

» Consistent and rigorous investment approach through both benign investment environments as well as prolonged cycles

Key Success Factors During the Great Financial Crisis	<ul style="list-style-type: none"> • Distressed Investment Expertise • Opportunistic Acquisitions 	<ul style="list-style-type: none"> • Defensive Investment Posture • Flexible Strategies 	<ul style="list-style-type: none"> • Long Dated, Locked up Capital • Insulated from Outflows
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Investing to Drive Differentiated Performance

- ARCC is one of few BDCs with experience through multiple cycles
- Leveraged our flexible capital to drive long-term outperformance by (i) protecting and supporting our existing portfolios and (ii) selectively targeting attractive risk-adjusted opportunities in high quality companies
- Generated attractive returns through the last downturn with minimal losses

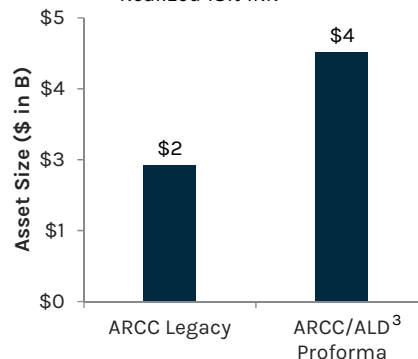


Opportunistic Platform and Portfolio Acquisitions are Supported by Our Deep Available Liquidity

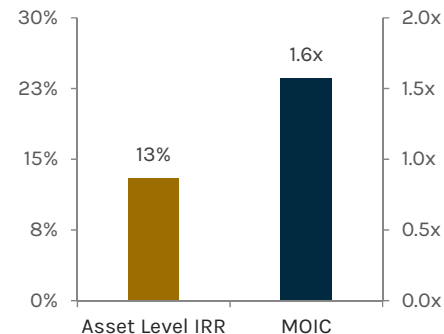
- Successful acquisition of Allied Capital (“ALD”) highlights Ares’ history of closing opportunistic transactions during periods of market volatility
 - Our patient capital and strong balance sheet allowed us to complete the Allied acquisition during volatile markets and drive strong returns from the acquired investments
 - Leveraged our information advantages and capital to acquire a \$2 billion portfolio at a discount to fair value, generating a realized IRR of 18%^{4,5}
- Leveraged strong in-house restructuring capabilities and liquidity position to take over companies when needed

Allied Capital Acquisition³

- ✓ \$196 MM gain at closing
- ✓ Realized 18% IRR^{4,5}



ARCC Track Record for Companies Where We Took Control⁶



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Differentiated Portfolio Management Capabilities and Focus

» No comparable sized portfolio management team amongst any other direct lending manager in U.S.¹

Large Portfolio Management Team	<ul style="list-style-type: none">• 25 person dedicated portfolio management team is enhanced by Ares firm wide resources such as legal, industry experts, etc.• 8 have restructuring experience• Team has deep capabilities:<ul style="list-style-type: none">○ Restructuring○ Valuation○ Due diligence
Proprietary Technology	<ul style="list-style-type: none">• Ares has spent a significant amount of time and effort creating a web based platform which enhances access, speed and quality of information<ul style="list-style-type: none">○ System architecture provides extensive reporting capabilities and data to support investment and portfolio management decisions
Extensive Workout Restructuring Experience	<ul style="list-style-type: none">• Be early, be smart, be flexible• Led by two senior professionals with average 30 years direct restructuring experience, including average 14 years at Ares• Deep ability to protect capital while avoiding unnecessary damage to sponsor relationships• Generated net positive realized gains vs. losses since inception
Active Management Approach	<ul style="list-style-type: none">• Investment teams work alongside portfolio management team once loan is originated – life of loan approach• Ongoing dialogue with company and sponsors/owners• Ares Management provides operational and informational advantages to maximize value

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1. Based on Ares' observation of the market.

Key Elements to Our Investment Approach

» We believe a credit-focused investment approach supports our 16 years of leading performance

	Fundamentally Strong Companies	<ul style="list-style-type: none"> • Leading market share positions • Companies with long-term staying power 		Attractive Industries	<ul style="list-style-type: none"> • Resilient, non-cyclical industries • Strong entry barriers
	Upper Middle Market Focus	<ul style="list-style-type: none"> • Enhanced stability of borrowers • Weighted average EBITDA of \$156.3 million^{1,2,3} 		Highly Selective	<ul style="list-style-type: none"> • Wide funnel with high selectivity • Average ~3% closing rate⁴
	Acute Risk Management	<ul style="list-style-type: none"> • Highly diversified portfolio • Seek control/lead positions 		Benefits of Scale	<ul style="list-style-type: none"> • Benefits of incumbency • Ability to be a meaningful financing partner

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Highly Diversified and Predominately Senior Secured Portfolio

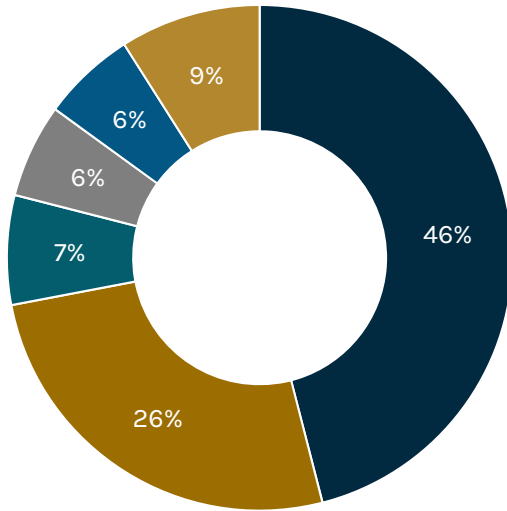
» Attractively positioned \$15.5 billion¹ highly diverse portfolio with significant downside protection

79% Senior Secured Loans²

Average Position Size 0.3%³

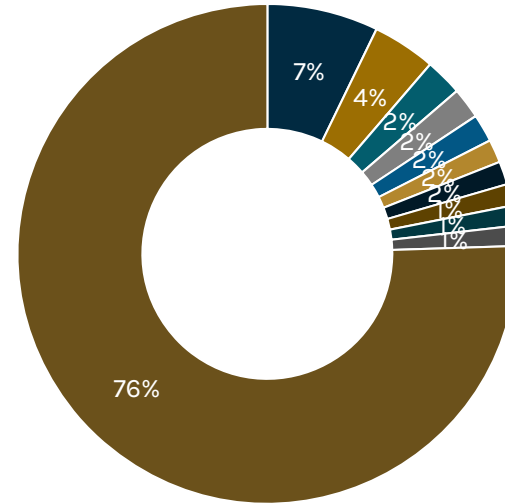
Largest investment is 2%⁴

Portfolio by Asset Class¹



- First Lien Senior Secured Loans - 46%
- Second Lien Senior Secured Loans - 26%
- Senior Direct Lending Program, LLC - 7%⁵
- Senior Subordinated Loans - 6%
- Preferred Equity - 6%
- Other Equity - 9%

Issuer Concentration¹



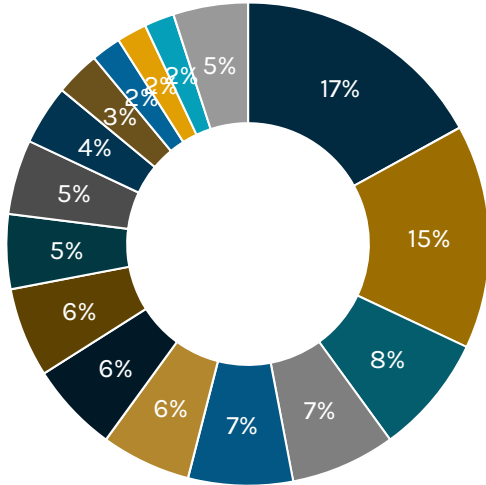
- Senior Direct Lending Program, LLC - 7%⁵
- Athenahealth, Inc. - 2%
- GHX Ultimate Parent Company - 2%
- IRI Holdings, Inc. - 2%
- Ministry Brands, LLC - 1%
- Remaining Investments - 76%
- Ivy Hill Asset Management, L.P. - 4%
- Singer Sewing Company - 2%
- Mac Lean-Fogg Company - 2%
- The Ultimate Software Group, Inc. - 1%
- Mavis Tire Express Services Corp. - 1%

Diversification does not assure profit or protect against market loss. References to downside protection are not guarantees against loss or investment capital or value. Please see the notes at the end of this presentation for additional important information.

Industry Selection Supports High Quality Credit Portfolio

» Focus on selecting defensively positioned companies in less cyclical industries

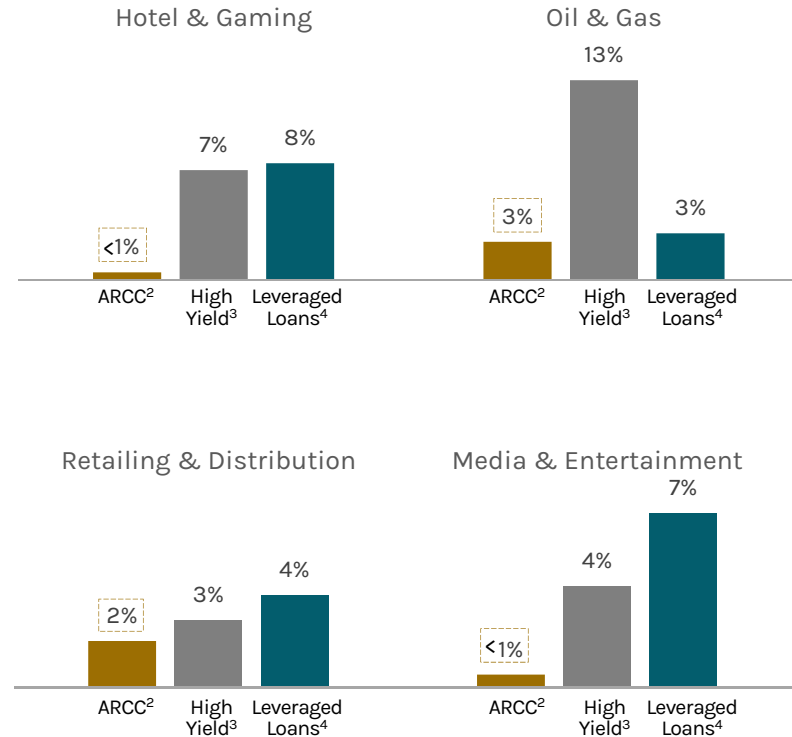
ARCC Portfolio by Industry¹



- Healthcare Services - 17%
- Commercial & Professional Services - 8%
- Consumer Services - 7%
- Diversified Financials - 6%
- Power Generation - 5%
- Insurance Services - 4%
- Food & Beverage - 2%
- Materials - 2%
- Software & Services - 15%
- Senior Direct Lending Program - 7%
- Consumer Durables & Apparel - 6%⁵
- Automobiles & Components - 6%
- Capital Goods - 5%
- Energy - 3%
- Retailing & Distribution - 2%
- Other - 5%

vs.

High Yield and Leveraged Loan Industry Exposure to Cyclical Industries



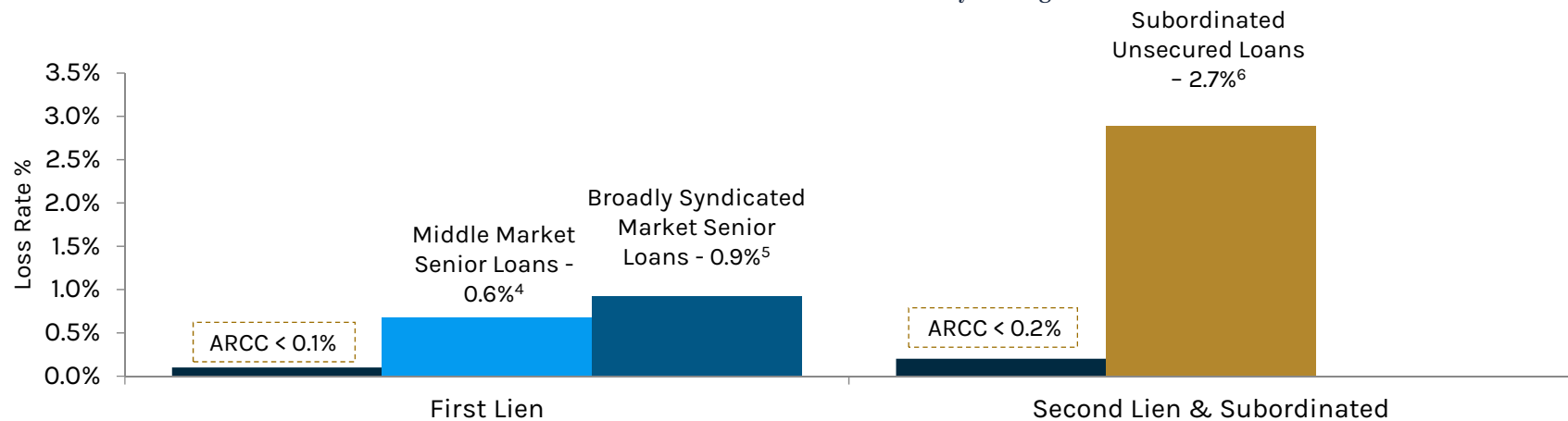
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ARCC Has a Compelling Track Record of Credit Performance

» ARCC's annual loss rate has been significantly better than the industry averages

ARCC Credit Experience Since Inception ¹	First Lien	Second Lien & Subordinated
Period Measured ¹	2004 - Q3-20	2004 - Q3-20
Significant Capital Deployed ¹	\$44 billion	\$13 billion
Meaningful Realizations	69% Realized	61% Realized
Long History of Investments	1,300+ Investments	300+ Investments
Leading Loss Performance	< 10 bps ²	< 20 bps ³

ARCC's loss rates are well below industry averages



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Strong Credit and Investment Performance

» ARCC has generated strong core earnings¹ and stable core ROE² since its IPO

Since IPO in October 2004 through December 31, 2020:

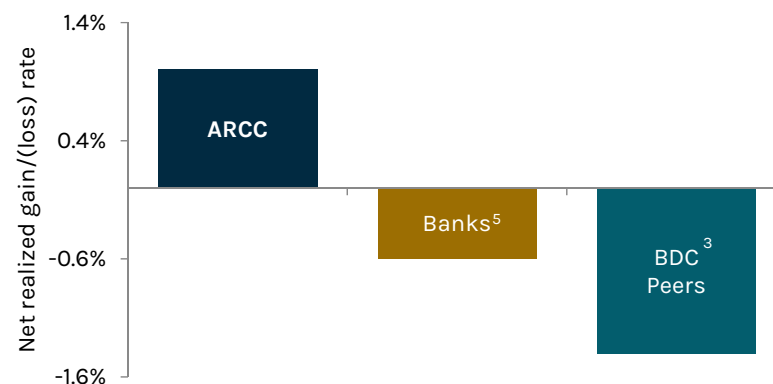
Greater than
\$750 million
Net Realized
Gains¹

Cumulative realized gains generated
in excess of losses

1.0% Net Realized
Gain Rate²

Average annualized net realized
gain rate on the principal amount
of its investments

ARCC generated nearly 240 bps of average annual
incremental gain differential vs. Peers³ since 2004⁴



Sources of Cumulative Net Realized Gains Since Inception¹

Source	Nature of Gains/Losses	\$ in mm
Restructuring Gains	Primarily equity received in workouts	~\$275
Acquired Portfolio Net Gains	Effective monetization of controlled buyouts, CLOs and other investments	~\$565
ARCC Equity Net Gains	Primarily equity tags and minority equity investments	~\$345
ARCC Other Debt Gains	Primarily call protection and discount accretion	~\$330
ARCC Debt Losses	Relatively minimal losses through credit selection and loss avoidance	~(\$760)
Cumulative Net Realized Gains		~\$755

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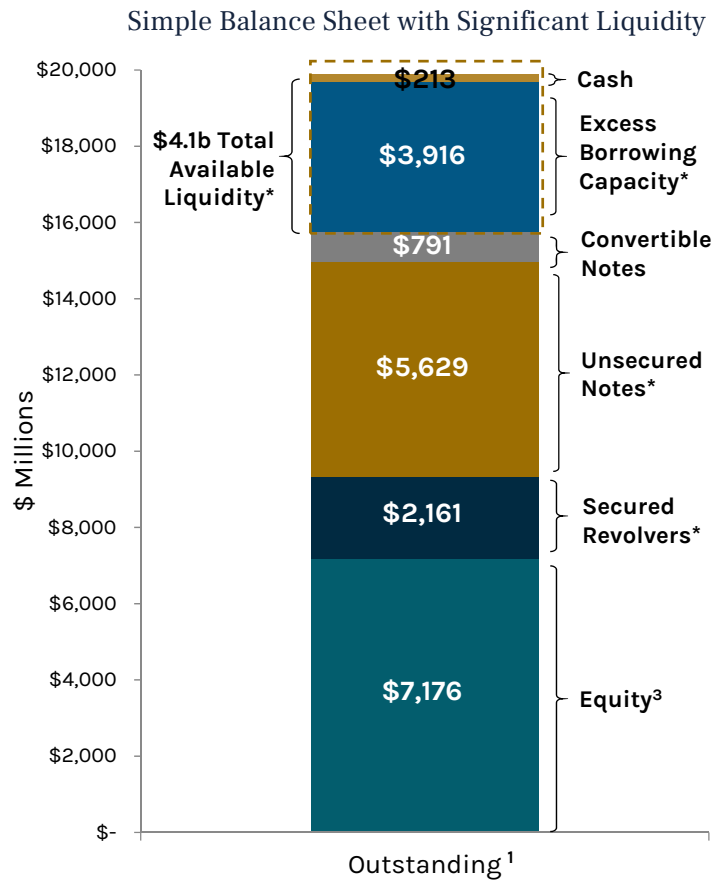
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ARCC Has Stable and Broad Sources of Financing

» Conservative balance sheet with a longstanding track record of accessing diverse sources of financing



Strong Liability and Funding Construction

\$4.1 billion of available liquidity*	Available liquidity more than 2.6x greater than unfunded investment commitments*
84% of our assets are supported by unsecured debt and equity*	Asset coverage for unsecured notes of 2.2x ²
Significant cushion to our regulatory and bank leverage covenants	No debt maturities until 2022

As of December 31, 2020, unless otherwise stated.

*Proforma for issuance of \$650 million aggregate principal amount of 2.15% notes and associated paydown of secured revolving facilities with net proceeds in January 2021. Available liquidity includes available cash.

1. Represents the total aggregate principal amount outstanding.

2. Calculated as cash and cash equivalents plus investments at fair value pledged to secured facilities plus unencumbered investments at fair value less debt outstanding in secured facilities, all divided by unsecured notes outstanding.




3. Approximately 8 million shares are held by Ares employees and ARCC Directors

Deep and Diverse Access to Debt Financing

» Our deep bank and capital market relationships enhance our access to capital supported by our investment grade ratings

(\$ in millions)	Aggregate Principal Amount of Commitments Outstanding ¹	Principal Outstanding	Weighted Average Stated Interest Rate ²
Secured Revolving Facilities³			
Revolving Credit Facility ⁴	\$3,617	\$1,180	L + 1.75%
Revolving Funding Facility ⁵	1,525	1,028	L + 2.00%
SMBC Funding Facility ⁶	725	453	L + 1.75%
BNP Funding Facility ⁷	300	150	L + 2.88%
Subtotal	\$6,167	\$2,811	
Unsecured Notes Payable			
2022 Notes	\$600	\$600	3.625%
2022 Convertible Notes	388	388	3.750%
2023 Notes	750	750	3.500%
2024 Convertible Notes	403	403	4.625%
2024 Notes	900	900	4.200%
March 2025 Notes	600	600	4.250%
July 2025 Notes	750	750	3.250%
2026 Notes	1,150	1,150	3.875%
2047 Notes	230	230	6.875%
Subtotal	\$5,771	\$5,771	
Total Debt	\$11,938	\$8,582	
Weighted Average Stated Interest Rate	3.05%⁸	3.46%	
Debt/Equity Ratio, Net of Available Cash⁹		1.17x	

ARCC Has Long Standing Investment Grade Ratings

	Current Rating
	BBB
	Baa3
	BBB-

Banks	Capital Markets
40 banks across 4 revolving facilities	Over 100 investors have invested in our unsecured and convertible notes
Efficient revolving debt facilities with up to 5 year committed terms	Raised \$9.6 billion in unsecured and convertible notes since 2011*
Bank facilities nearly 2x overcollateralized	Repaid \$3.4 billion of unsecured and convertible notes since 2011

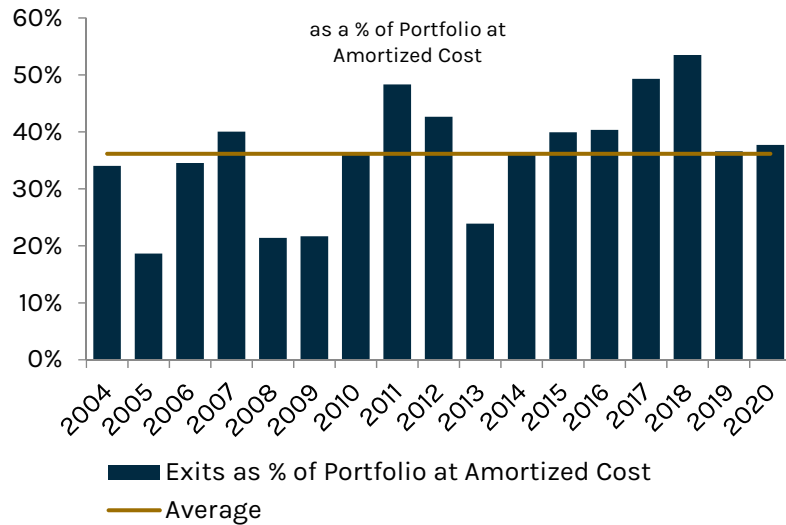
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*Proforma for issuance of \$650 million aggregate principal amount of 2.15% notes and associated paydown of secured revolving facilities with net proceeds in January 2021.

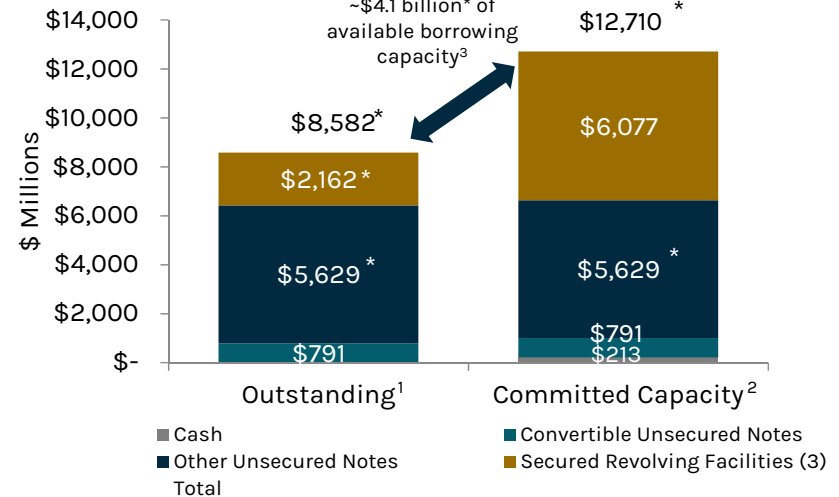
Deep Sources of Liquidity and Well Laddered Maturities

» Investment portfolio provides ample cash flows to support debt maturities

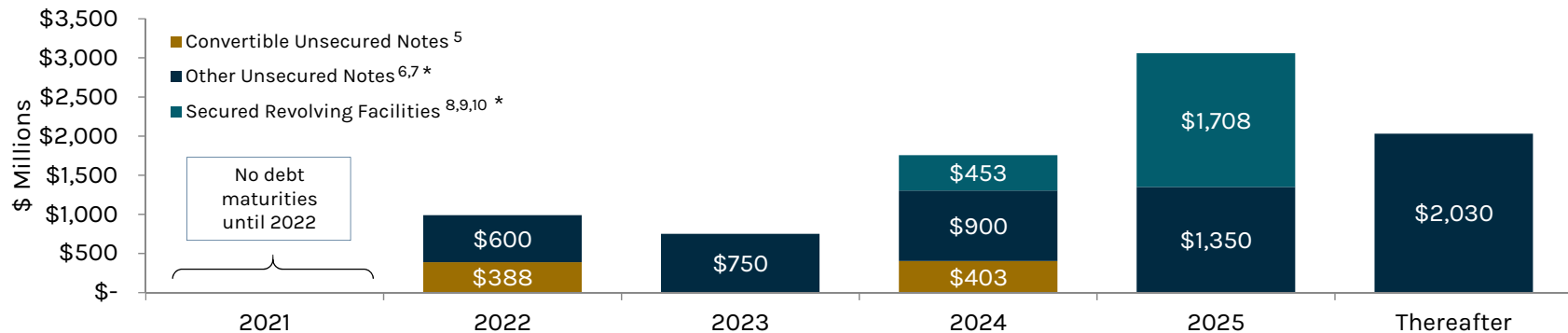
Sales & Repayments



Sources of Liquidity



Contractual Maturities⁴



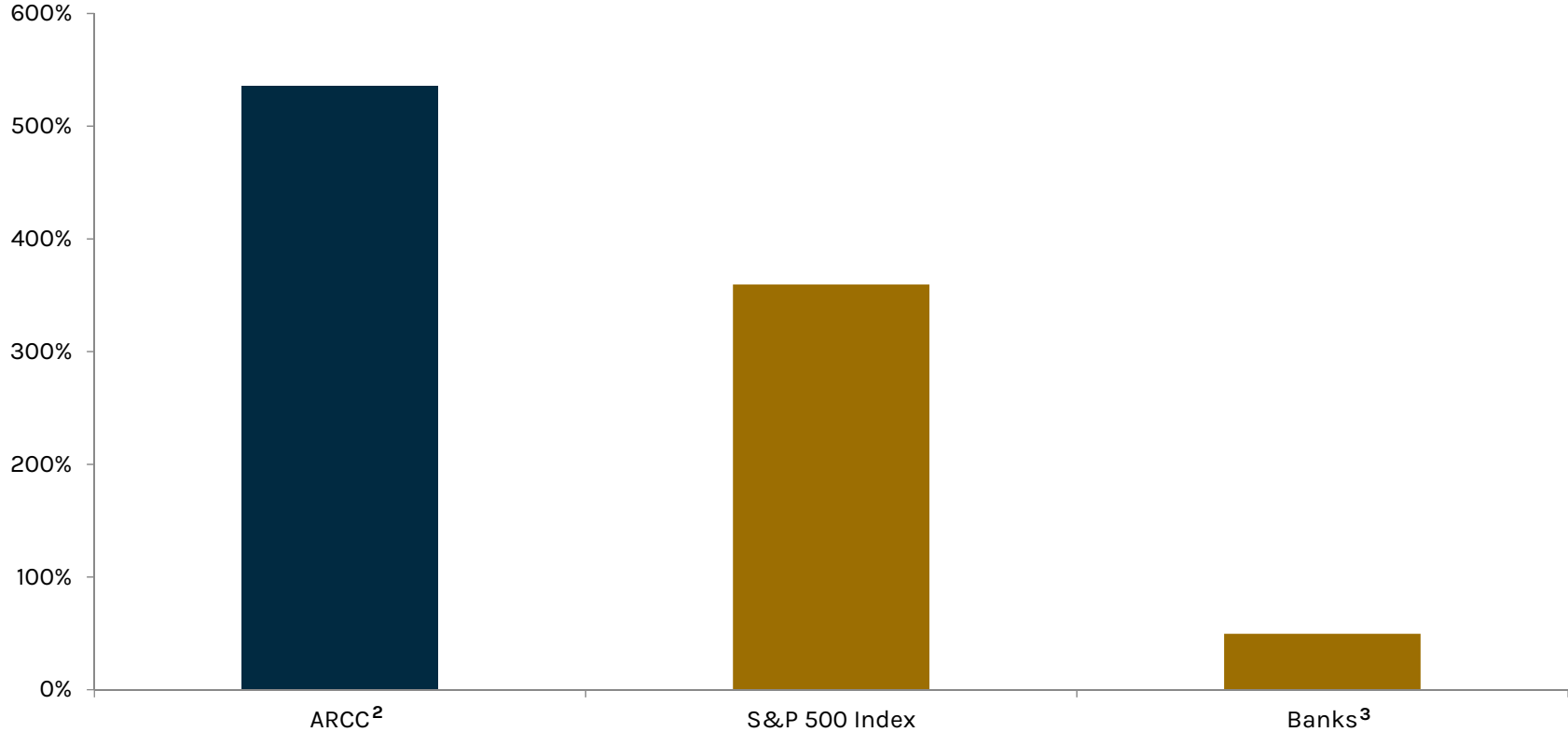
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*Proforma for issuance of \$650 million aggregate principal amount of 2.15% notes and associated paydown of secured revolving facilities with net proceeds in January 2021. Available borrowing capacity includes available cash.

We Have Generated Attractive Long-Term Stock Returns

» ARCC has outperformed relative to indices through a variety of market environments since IPO

Cumulative Shareholder Total Return Since Inception 10/8/04 - 12/31/20^{1,2}



Note: Past performance not indicative of future results. Please refer to Index Definitions and important index disclaimer for further information.

1. As of December 31, 2020. Hypothetical value of \$1 invested in ARCC's IPO in October 2004 and kept invested through September 30, 2020, assuming reinvestment income. Graph shown for illustrative purposes only and is not indicative of any investment. Past performance is not guarantee of future results. Ares Capital's stock price-based total return is calculated assuming dividends are reinvested at the end of day stock price on the relevant quarterly ex-dividend dates, and assuming investors did not participate in Ares Capital's rights offering issuance as of March 20, 2008. Time period selected to include Ares Capital IPO in October 2004. The benchmarks included represent investments in either the U.S. non-investment grade credit or equity market. Performance to indices and peers is shown for illustrative purposes only and may not be directly comparable.
2. Source: SNL Financial. As of December 31, 2020. Ares Capital's stock price-based total return is calculated assuming dividends are reinvested at the end of day stock price on the relevant quarterly ex-dividend dates, and assuming investors did not participate in Ares Capital's rights offering issuance as of March 20, 2008.
3. Banks as measured by the BKX TR Index. Refer to Index Definitions for further information.



ESG Integration

Driving Investing & Organizational Excellence Through ESG Integration

» We strive to achieve better investment outcomes and leave a lasting positive impact on our companies and communities

Differentiated ESG Approach
<p>Long-Standing Commitment to ESG Principles</p> <p>Hired first dedicated resource in 2012 to lead firm-wide ESG program</p>
<p>Broad Organizational Buy-In & Partnership</p> <p>Head of ESG partners with designated ESG Champions across Ares to co-author approach, drive implementation and monitor progress</p>
<p>Direct Reporting Line Given Executive Priority</p> <p>Head of ESG reports directly to Ares Management’s CEO & President</p>
<p>UN PRI Signatory Leadership</p> <p>One of few publicly-traded alternative investment managers to sign UN’s Principles for Responsible Investment</p>
<p>Systematic & Tailored Efforts</p> <p>Our approach is bespoke to the unique dynamics of a given strategy and focuses on materiality through leading frameworks (e.g., SASB)</p>







Significant Investment & Organizational Impact		
	Our Beliefs	Scale of Impact
Responsible Investment	We believe integrating ESG factors into the investment process across strategies generates superior returns and drives positive change in our local communities and the world at large	\$197bn¹ of AUM
Corporate Sustainability	Ares’ own corporate sustainability initiatives on material topics such as Inclusion & Diversity, Climate Change and Volunteerism & Philanthropy reflect our view that they are good for business	1,450+ Ares employees 25+ Ares offices

1. As of December 31, 2020, AUM amounts include funds managed by Ivy Hill Asset Management, LP., a wholly owned portfolio company of the Ares Capital Corporation and a registered investment advisor.



Conclusion

» We believe ARCC is well positioned to navigate the current environment

	Defensively positioned portfolio	Highly diverse portfolio with significant downside protection
	Large and highly experienced team	Supported by informational advantages and resources across the global Ares platform
	Robust portfolio management and restructuring infrastructure	Large, experienced and specialized portfolio management and restructuring teams
	Strong balance sheet	Deep sources of liquidity and significant overcollateralization
	No near-term debt maturities	Able to focus our capital investing to support portfolio companies and opportunistically invest in new companies
	Track record	Track record of successfully managing through changing market conditions

Past performance is not indicative of future results. References to downside protection are not guarantees against loss of investment capital or value.

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Appendix A

Market and Additional Company Specific
Investment Considerations

Ares Credit Group

» Integrated scaled global platform combines direct origination, deep fundamental credit research and broad perspective of relative value

\$145.5 billion AUM¹
 ~45 Partners averaging 24 years of experience
 290+ dedicated investment professionals

Origination, Research & Investment Management

- 17 portfolio managers
- ~70 industry research and alternative credit professionals
- ~150 direct origination professionals
- 17 distressed and restructuring specialists

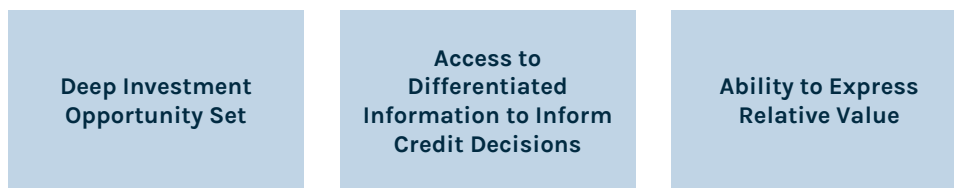
Syndication, Trading & Servicing

- 5 trading professionals in the U.S. and Europe
- 7 dedicated capital markets professionals
- ~40 direct lending professionals focused solely on asset management

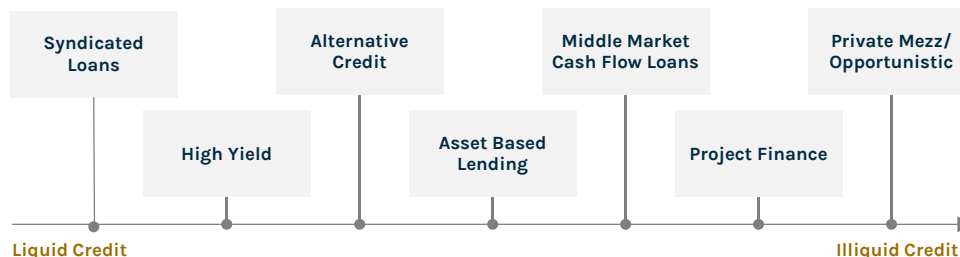
Investor Relations & Business Operations

- Established investor relations and client service teams across the Americas, Europe, Asia, Australia² and the Middle East

Advantages



Leading Platform of Liquid Credit, Alternative Credit & Direct Lending Strategies



Accolades³

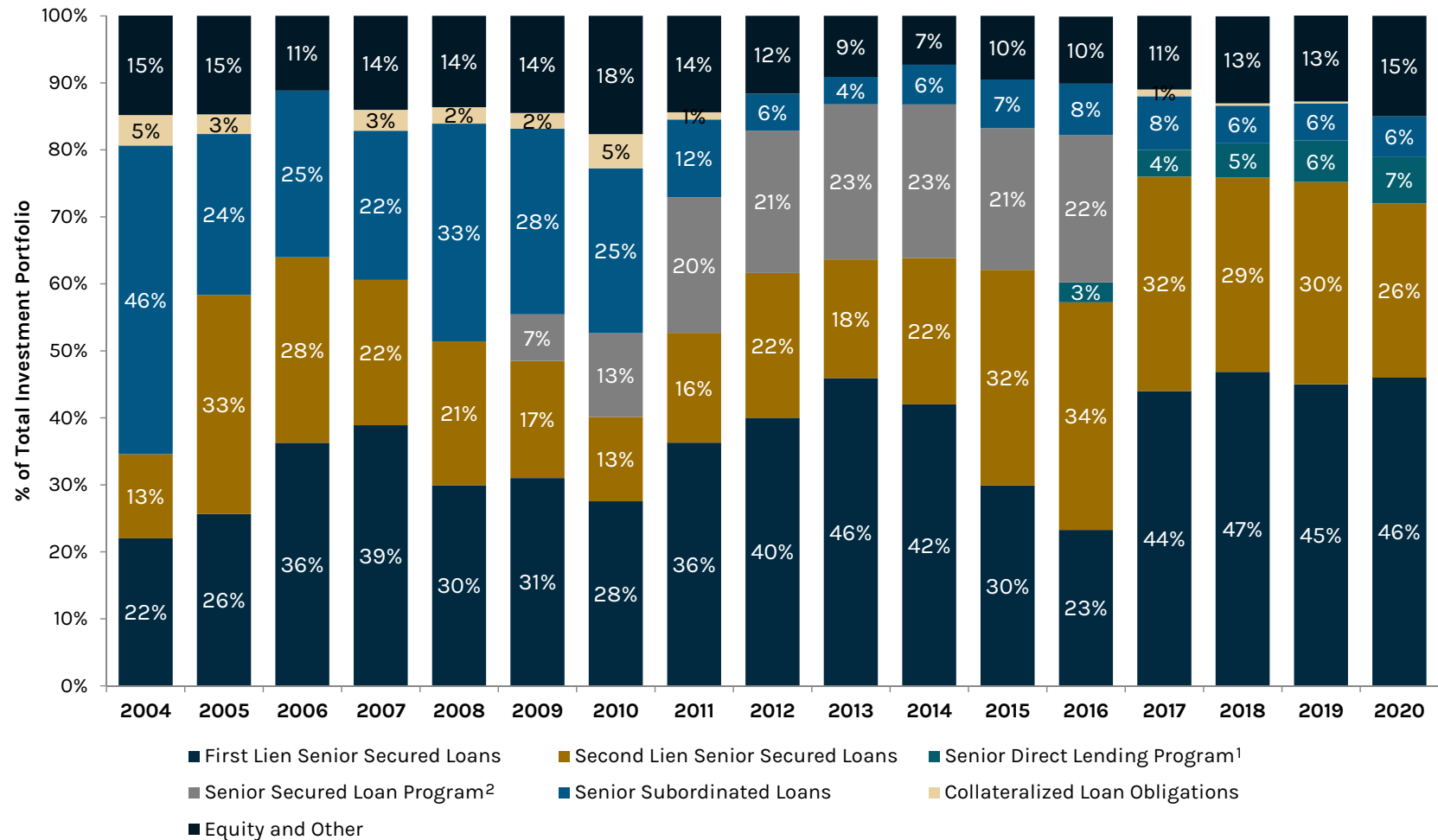
We have experienced teams across the platform that are positioned for excellence in investing and client service

Note: As of December 31, 2020, unless otherwise noted. Please see the Notes at the end of this presentation.
 1. AUM amounts include funds managed by Ivy Hill Asset Management, LP, a wholly owned portfolio company of Ares Capital Corporation and a registered investment adviser.
 2. Ares has a presence in Sydney, Australia through its joint venture, Ares Australia Management Pty Ltd (AAM), with Fidante Partners Limited, a wholly owned subsidiary of Challenger Limited.
 3. The performance, awards/ratings noted herein relate only to selected funds/strategies and may not be representative of any given client's experience and should not be viewed as indicative of Ares' past performance or its funds' future performance. All investments involve risk, including loss of principal.



Risk Position: Asset Mix Changes with Views on Risk and Return

» Our portfolio composition will change based on our view of market conditions and the returns available



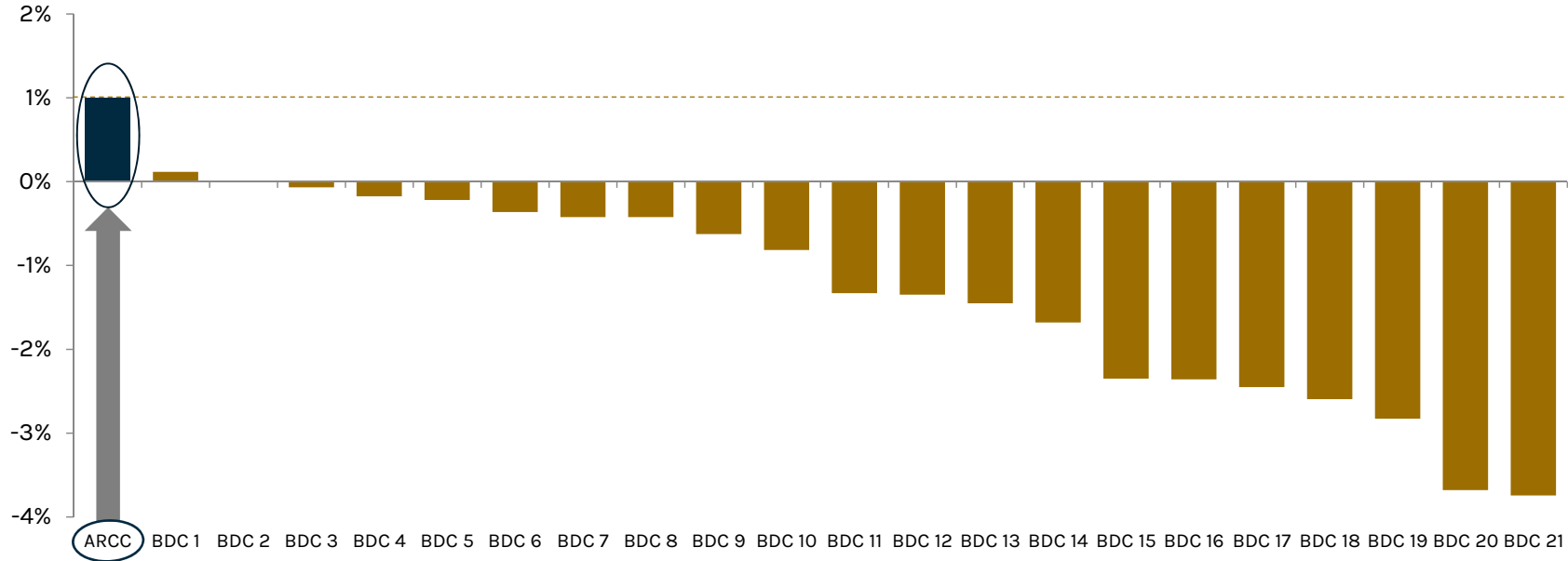
As of December 31, 2020, unless otherwise stated.
Please see the notes at the end of this presentation for additional important information.

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Strong Investment Performance

» ARCC has generated strong net realized gains relative to the BDC peer group

Annualized Net Realized Gain/Loss Rates¹
 Since 2004 or IPO for ARCC and BDCs ≥\$450 million market capitalization²



ARCC has generated net realized gains since inception

ARCC as of December 31, 2020. BDC peer group as of September 30, 2020, as not all peers have filed December 31, 2020 financial results as of February 10, 2021. Past performance is not indicative of future results.

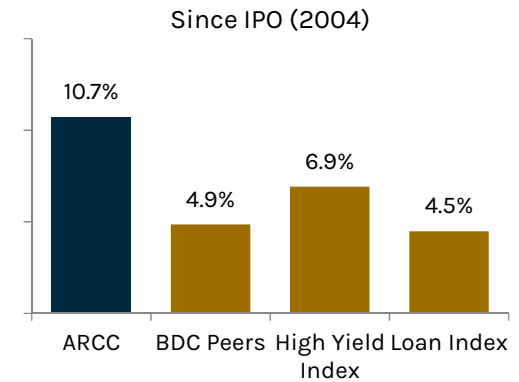
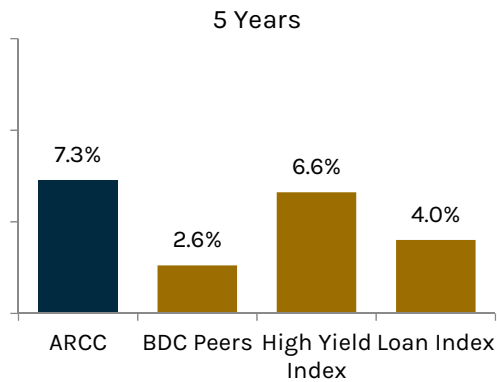
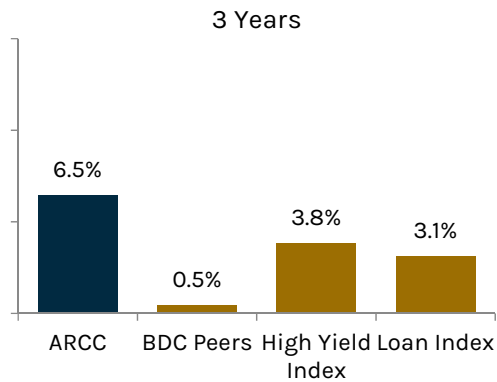
1. ARCC calculated as an average of the historical annual net realized gain/loss rates (where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period from Ares Capital IPO in October 2004 to December 31, 2020 divided by the average quarterly investments at amortized cost in such period). Excludes \$196 million one-time gain on the acquisition of Allied Capital Corporation in Q2-10 and gains/losses from extinguishment of debt and sale of other assets. BDC peers calculated as an average of a BDC's historical annual net realized gain/loss rates, where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period divided by the average quarterly investments at amortized cost in such period.
2. BDC peer group consists of BDCs with a market capitalization of \$450 million or greater as of December 31, 2019 or who are under common management with a BDC that meets these criteria and have been publicly traded for at least one year. Peers include: AINV, BBDC, BCSF, BKCC, CGBD, OCSI, OCSL, ORCC, FSK, GBDC, GSBD, HTGC, MAIN, NMFC, PFLT, PNNT, PSEC, SLRC, SUNS, TCPC and TSLX. Net realized gain/(loss) rate calculated as an average of a BDC's historical annual net realized gain/loss rates, where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period divided by the average quarterly investments at amortized cost in such period.



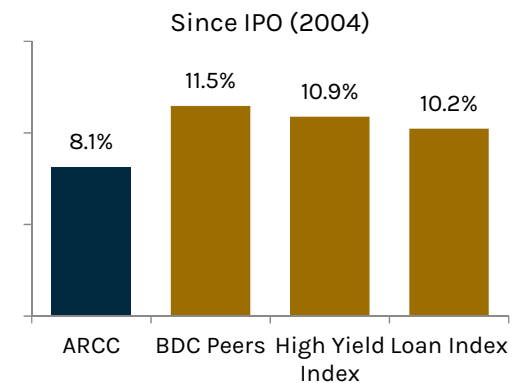
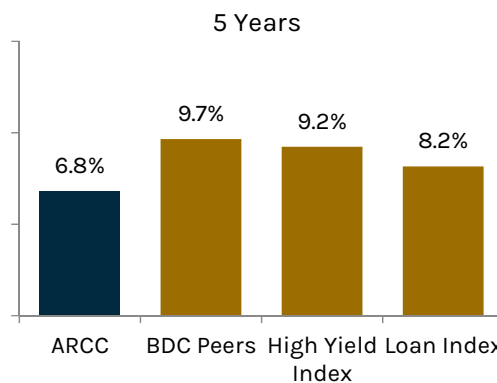
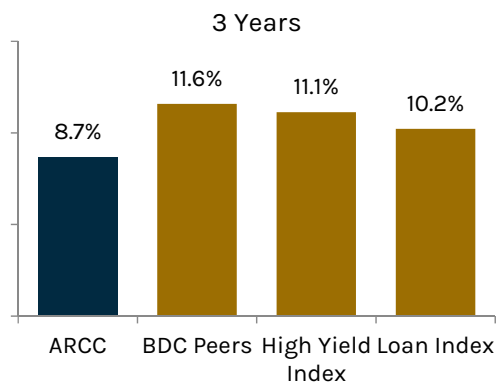
ARCC's Portfolio Has Generated Higher Returns with Less Risk

» Our investment strategy and competitive advantages have led to attractive returns with lower volatility

Annualized Returns (Dividends & Change in NAV)^{1,2}



Volatility of Annualized Returns (Standard Deviation of Dividends & Change in NAV)^{1,2}

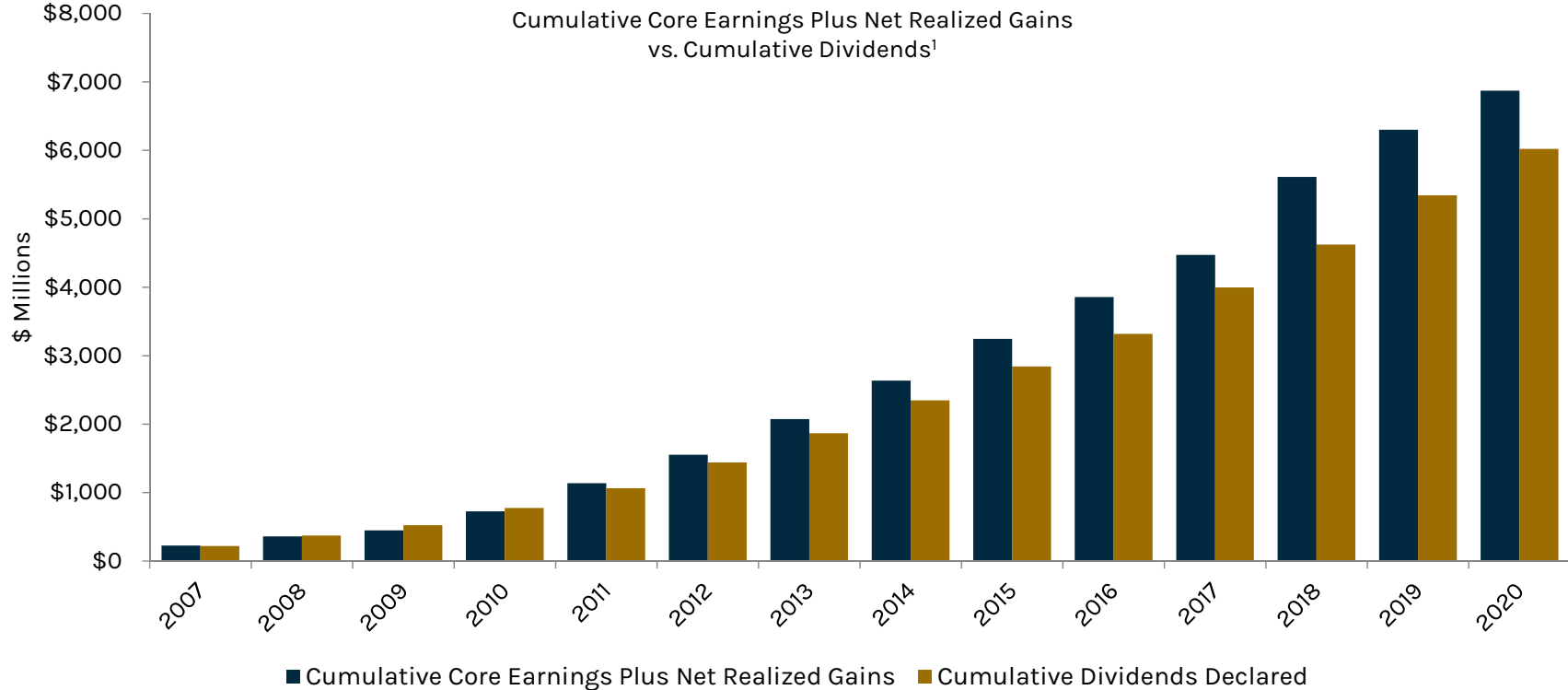


As of September 30, 2020, unless otherwise stated. Past performance is not indicative of future results. Please see the notes at the end of this presentation for additional important information. Please refer to Index Definitions for further information.

Dividend and Core Earnings Plus Net Realized Gains Track Record

» ARCC has generated cumulative core earnings and net realized gains in excess of our dividends paid since our IPO

We have out-earned our dividend with cumulative core earnings plus net realized gains



1. As of December 31, 2020. There can be no assurance that dividends will continue to be paid at historic levels or at all. Past performance is not indicative of future results. Core Earnings is a non-GAAP financial measure. Core Earnings is the net increase (decrease) in stockholders' equity resulting from operations less professional fees and other costs related to the American Capital Acquisition, expense reimbursement from Ares Capital Management LLC (the "Ares Reimbursement"), net realized and unrealized gains and losses, any capital gains incentive fees attributable to such net realized and unrealized gains and losses and any income taxes related to such net realized gains and losses. Net increase (decrease) in stockholders' equity is the most directly comparable GAAP financial measure. Ares Capital believes that Core Earnings provides useful information to investors regarding financial performance because it is one method Ares Capital uses to measure its financial condition and results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. See Note 16 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2019 for information regarding the American Capital Acquisition. See Note 13 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2020 for information regarding the Ares Reimbursement.

Note: Our 2019 taxable spillover income was \$0.96 per share.



Appendix B

Management and Core Earnings Reconciliation

Management Team Overview

Members of Investment Committee	Years of Relevant Experience	Years at Ares	Background
Michael Arougheti Ares Capital Corporation – Co-Chairman of the Board of Directors and Executive Vice President Ares – Co-Founder, Chief Executive Officer, and President	28	17	RBC Capital Partners – Managing Partner Indosuez Capital – Principal
Kipp deVeer Ares Capital Corporation – Director and Chief Executive Officer Ares – Partner and Head of Credit Group	25	17	RBC Capital Partners – Partner Indosuez Capital – Vice President
Mitch Goldstein Ares Capital Corporation – Co-President Ares – Partner and Co-Head of Credit Group	26	16	Credit Suisse First Boston – Managing Director Indosuez Capital – Principal Bankers Trust – Vice President
Michael Smith Ares Capital Corporation – Co-President Ares – Partner and Co-Head of Credit Group	25	17	RBC Capital Partners – Partner Indosuez Capital – Vice President
Mark Affolter Ares – Partner of Credit Group	31	13	CIT – Managing Director GE Capital – Senior Managing Director Heller Financial – Senior Vice President
Michael Dieber Ares – Partner and Co-Head of Portfolio Management	34	13	Conway, Del Genio, Gries & Co. – Managing Director Ernst & Young LLP – Partner
Jim Miller Ares – Partner of Credit Group	21	14	Silver Point Capital – Vice President GE Commercial Finance – Vice President
Kort Schnabel Ares – Partner of Credit Group	23	19	Walker Digital Corporation – Corporate Development Group Morgan Stanley Dean Witter – Corporate Finance Group
Dave Schwartz Ares – Partner of Credit Group	20	16	RBC Capital Partners – Associate Indosuez Capital – Analyst
Other Senior Professionals			
Joshua M. Bloomstein – Vice President, General Counsel and Secretary		Lisa Morgan – Chief Compliance Officer	
Carl Drake – Partner/Head of Public IR, Ares Management		Penni Roll – Chief Financial Officer	
Ian Fitzgerald – Associate General Counsel		Naseem Sagati Aghili – Vice President	
Daniel Katz – Partner/Co-Head of Portfolio Management		John Stilmar – Managing Director, Public IR	
Scott Lem – Chief Accounting Officer, Vice President and Treasurer		Michael Weiner – Vice President	
Jana Markowicz – Partner/Head of Product Management, U.S. Direct Lending		Raymond L. Wright – Managing Director and Chief Administrative Officer	

As of December 31, 2020, unless otherwise stated.

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Board of Directors

Director	Title	Experience	
Michael J Arougheti	Co-Chairman /Director	Ares Capital Corporation – Co-Chairman and Executive Vice President Ares – Director, Co-Founder, Chief Executive Officer & President Ares Management – Management Committee Member	Ares Credit Group – Partner and Member of U.S. Direct Lending Investment Committee Ares Commercial Real Estate Corporation – Director RBC Capital Partners – Managing Partner* Indosuez Capital – Principal*
Ann Torre Bates	Director Chairperson – Audit Committee	Allied Capital Corporation – Director* Franklin Mutual Series and Recovery Funds – Director SLM Corporation – Director*	NHP, Inc. – Executive Vice President, CFO, Treasurer* U.S. Airways – Vice President, Treasurer*
Steven B. Bartlett	Director	BIPAC – Director* Financial Services Roundtable – President and CEO* Dallas, Texas – Mayor*	U.S. Congress – Member* Meridian Products – Founder*
Kipp deVeer	Director	Ares Capital Corporation – Chief Executive Officer Ares – Director, Partner and Head of Credit Group	RBC Capital Partners – Partner* Indosuez Capital – Vice President*
Daniel G. Kelly, Jr.	Director	Davis Polk & Wardell LLP – Partner*	
Steven B. McKeever	Director	Hidden Beach Recordings – Founder, CEO Motown Records – Executive Vice President* Irell & Manella LLP – Associate*	College Bound, African-Ancestry.com – Director The Pacific Institute Spirit Board – Director
Michael K. Parks	Director	FlyawayHomes – CEO and President El Paso Electric Company – Chairman of the Board* E*Trade Financial Corp – Chairman of the Audit Committee*	BlackRock – Managing Director* Crescent Capital Group – Managing Director*
Robert L. Rosen	Director	Ares – Strategic Adviser to Private Equity Group RLR Capital Partners, RLR Focus Fund – Managing Partner* RLR Partners LLC – CEO*	National Financial Partners – Founder, Chairman and CEO* Dolphin Domestic Fund II – Co-Managing Partner* Damon Corporation – Chairman and CEO* Maxxam Group – Vice Chairman*
Bennett Rosenthal	Co-Chairman /Director	Ares – Co-Founder, Director, Partner & Co-Chairman of Private Equity Group	National Bedding Company LLC – Co-Chairman/Director Merrill Lynch – Managing Director, Global Leveraged Finance*
Eric B. Siegel	Director/Lead Independent Director	El Paso Electric Company – Director and Chairman of the Nominating and Governance Committee member Kerzner International – Director*	Apollo Advisors L.P. and Lion Advisors L.P. – Retired Limited Partner*

As of December 31, 2020, unless otherwise stated.

* Represents positions held previously.

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Reconciliation of Core Earnings

» Reconciliations of Core Earnings to GAAP Earnings

(in millions)	For the years ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Core Earnings ¹	\$ 381	\$ 442	\$ 473	\$ 486	\$ 504	\$ 592	\$ 718	\$ 807	\$ 736	
Professional fees and other costs related to the American Capital Acquisition ²	—	—	—	—	(12)	(40)	(3)	—	—	
Ares Reimbursement ³	—	—	—	—	—	—	12	—	—	
Net realized and unrealized gains (losses)	159	58	153	(129)	(20)	156	164	(18)	(310)	
Incentive fees attributable to net realized and unrealized gains and losses	(32)	(11)	(29)	27	5	(41)	(33)	4	58	
Income tax and other expenses related to net realized and unrealized gains and losses	—	—	(6)	(5)	(3)	—	—	—	—	
GAAP Earnings	\$ 508	\$ 489	\$ 591	\$ 379	\$ 474	\$ 667	\$ 858	\$ 793	\$ 484	

1. Core Earnings is a non-GAAP financial measure. Core Earnings is the net increase (decrease) in stockholders' equity resulting from operations less professional fees and other costs related to the American Capital Acquisition, expense reimbursement from Ares Capital Management LLC (the "Ares Reimbursement"), net realized and unrealized gains and losses, any capital gains incentive fees attributable to such net realized and unrealized gains and losses and any income taxes related to such net realized gains and losses. Net increase (decrease) in stockholders' equity is the most directly comparable GAAP financial measure. Ares Capital believes that Core Earnings provides useful information to investors regarding financial performance because it is one method Ares Capital uses to measure its financial condition and results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP.
2. See Note 16 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2019 for information regarding the American Capital Acquisition.
3. See Note 13 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2020 for information regarding the Ares Reimbursement.



Index & ETF Definitions

Index Definitions

Indices are provided for illustrative purposes only and not indicative of any investment. They have not been selected to represent appropriate benchmarks or targets for ARCC. Rather, the indices shown are provided solely to illustrate the performance of well known and widely recognized indices. Any comparisons herein of the investment performance of ARCC to an index are qualified as follows: (i) the volatility of such index will likely be materially different from that of ARCC; (ii) such index will, in many cases, employ different investment guidelines and criteria than ARCC and, therefore, holdings in ARCC will differ significantly from holdings of the securities that comprise such index and ARCC may invest in different asset classes altogether from the illustrative index, which may materially impact the performance of ARCC relative to the index; and (iii) the performance of such index is disclosed solely to allow for comparison on ARCC's performance to that of a well known index. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that will differ from ARCC. The indices do not reflect the deduction of fees or expenses. You cannot invest directly in an index. No representation is being made as to the risk profile of any benchmark or index relative to the risk profile of ARCC. There can be no assurance that the future performance of any specific investment, or product will be profitable, equal any corresponding indicated historical performance, or be suitable for a portfolio.

1. **The ICE BofA US High Yield Master II Index ("HOAO")** tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$100 million. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates. Inception date: August 31, 1986.
2. **The Standard & Poor's 500 Index ("S&P 500")** is a market capitalization-weighted index of the 500 largest U.S. publicly traded companies. The S&P 500 is a float-weighted index, meaning company market capitalizations are adjusted by the number of shares available for public trading. The S&P 500 is considered to be a proxy of the U.S. equity market.
3. **The KBW Nasdaq Bank Index ("BKX")** is designed to track the performance of the leading banks and thrifts that are publicly traded in the U.S. The Index includes banking stocks representing the largest U.S. national money centers, regional banks and thrift institutions.
4. **The S&P/LSTA Leveraged Loan Index ("S&P LSTA LLI")** reflect the market-weighted performance of institutional leveraged loans in the U.S. loan market based upon real-time market weightings, spreads and interest payments. Facilities are eligible for inclusion in the index if they are senior secured institutional term loans with a minimum initial spread of 125 and term of one year. They are retired from the index when there is no bid posted on the facility for at least 12 successive weeks or when the loan is repaid.



Endnotes

Endnotes

Slide 3: Market Leading Company in Direct Lending

1. By market capitalization as of December 31, 2020.
2. Includes invested capital from inception on October 8, 2004 through December 31, 2020. Includes investments made through Ares Capital Corporation, the Senior Secured Loan Program and the Senior Direct Lending Program. Excludes syndications within one year of origination, \$1.8 billion of investments acquired from Allied Capital on April 1, 2010 and \$2.5 billion of investments acquired from American Capital on January 3, 2017.
3. Based on original cash invested, net of syndications, of approximately \$30.4 billion and total proceeds from such exited investments of approximately \$38.7 billion from inception on October 8, 2004 through December 31, 2020. Internal rate of return ("IRR") 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 fees and expenses are not allocable to specific investments. The effect of such expenses may reduce, maybe materially, the IRR's shown herein. 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 Ares Capital Corporation's 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. These IRR results are historical results relating to Ares Capital Corporation's past performance and are not necessarily indicative of future results, the achievement of which cannot be assured.
4. Calculated as an average of the historical annual net realized gain/loss rates (where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period from Ares Capital IPO in October 2004 to December 31, 2020 divided by the average quarterly investments at amortized cost in such period). Excludes \$196 million one-time gain on the acquisition of Allied Capital Corporation in Q2-10 and gains/losses from extinguishment of debt and sale of other assets.
5. Source: SNL Financial. As of December 31, 2020. Ares Capital Corporation's stock price-based total return is calculated assuming dividends are reinvested at the end of the day stock price on the relevant quarterly ex-dividend dates. Total return is calculated assuming investors did not participate in Ares Capital Corporation's rights offering issuance as of March 20, 2008. S&P 500 returns measured by the S&P 500 Index, which measures the performance of the large-cap segment of the market. The S&P 500 is considered to be a proxy of the U.S. equity market and is composed of 500 constituent companies.

Slide 7: Experience Managing Through Multiple Cycles

1. Calculated as an average of the historical annual net realized gain/loss rates (where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period divided by the average quarterly investments at amortized cost in such periods). Excludes \$196 million one-time gain on the acquisition of Allied Capital Corporation in Q2-10 and gains/losses from extinguishment of debt and sale of other assets.
2. BDC peer group consists of all BDCs that were publicly traded as of each period end date. Peers include: ACAS, AINV, BKCC, FDUS, GAIN, GBDC, GLAD, HTGC, MAIN, MCC, NMFC, OCSL, PFLT, PNNT, PSEC, SLRC, SUNS, TCAP, TCPC, TCRD, TICC and TSLX. Net realized gain/(loss) rate calculated as an average of a BDC's historical net realized gain/loss rates, where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period divided by the average quarterly investments at amortized cost in such period.
3. March 31, 2010 ARCC total assets at fair value plus acquired assets from Allied Capital at April 1, 2010 per company filing.
4. For realized securities only. The annual weighted average realized gross asset-level IRR is calculated from acquisition through December 31, 2020 by vintage and includes all cash flows related to all realized investment within each vintage. 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. Returns to investors will be net of such fees and expenses, which may be significant. 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. Past performance is not indicative of future results. The returns shown are based on assumptions and therefore do not reflect actual returns for any Ares-sponsored vehicle. Accordingly, no reliance should be placed on the information set forth herein.
5. Includes only fully realized investments, Excludes \$196 million one-time unallocated gain on the acquisition of Allied Capital in Q2-10.
6. As of September 30, 2020. Includes all realized loans placed on non-accrual recognized in accordance with U.S. GAAP where we exited the company by taking control or ownership of the company. Includes Ares Capital Corporation ("ARCC") and legacy investments from portfolio acquisitions. Represents 7 realized RCC Primary Deals and 4 realized Portfolio Acquisitions where ARCC took greater control and/or ownership of an investment that was placed on non-accrual from inception through September 30, 2020. The asset level IRR represents a gross realized IRR that includes all asset level cash flows related to realized investments placed on non-accrual where we exited the company by taking control or ownership of the company. The 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 fees and expenses related to investments as these fees and expenses are not allocable to specific investments. Returns to investors will be net of such fees and expenses, which may be significant. 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. Past performance is not indicative of future results.

Endnotes

Slide 9: Key Elements to Our Investment Approach

1. The portfolio weighted average EBITDA and average EBITDA for the underlying borrowers includes information solely in respect of corporate investments in Ares Capital's portfolio and the weighted average total net leverage multiple and interest coverage ratio data includes information solely in respect of corporate portfolio companies in which Ares Capital has a debt investment (in each case, subject to the exclusions described in the following sentence). Excluded from the data above is information in respect of the following: (i) the SDLP (and the underlying borrowers in the SDLP), (ii) portfolio companies that do not report EBITDA, including IHAM, (iii) portfolio companies with negative or de minimum EBITDA, (iv) investment funds/vehicles, (v) discrete projects in the project finance/power generation sector, (vi) certain oil and gas companies, (vii) venture capital backed companies and (viii) commercial real estate finance companies. The portfolio weighted average EBITDA for the underlying borrowers in the SDLP was \$53.4 million, \$55.3 million, \$58.1 million, \$56.5 million and \$62.2 million as of 12/31/19, 3/31/20, 6/30/20, 9/30/20 and 12/31/20, respectively. The portfolio average EBITDA for the underlying borrowers in the SDLP was \$45.4 million, \$46.4 million, \$47.1 million, \$45.1 million and \$51.0 million as of 12/31/19, 3/31/20, 6/30/20, 9/30/20 and 12/31/20, respectively.
2. Weighted average EBITDA amounts are weighted based on the fair value of the portfolio company investments. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
3. EBITDA is a non-GAAP financial measure. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
4. Calculation based on ARCC's reviewed and closed transactions with new portfolio companies (excludes any investments in existing portfolio companies) in each calendar year or twelve month period and excludes equity-only investments and legacy investments from portfolio acquisitions.

Slide 10: Highly Diversified and Predominately Senior Secured Portfolio

1. At fair value as of December 31, 2020.
2. Including First Lien Senior Secured Loans, Second Lien Senior Secured Loans and investments in the subordinated certificates of the Senior Direct Lending Program.
3. Average of the amortized cost divided by total portfolio at amortized cost for each portfolio company.
4. Based on fair value as of December 31, 2020. Excludes IHAM and the subordinated certificates of the Senior Direct Lending Program.
5. Represents Ares Capital's portion of co-investments with Varagon Capital Partners and its clients in first lien senior secured loans to U.S. middle-market companies. As of December 31, 2020, the Senior Direct Lending Program, LLC's (the "SDLP") loan portfolio totaled approximately \$4.5 billion in aggregate principal amount and had loans to 23 different borrowers. As of December 31, 2020, the SDLP's largest loan to a single borrower was \$345 million in aggregate principal amount and the five largest loans to borrowers totaled \$1.6 billion in aggregate principal amount. The portfolio companies in the SDLP are in industries similar to the companies in Ares Capital's portfolio.

Slide 11: Industry Selection Supports High Quality Credit Portfolio

1. At fair value as of December 31, 2020.
2. Represents percent of portfolio at fair value as of December 31, 2020.
3. Source: Bloomberg Barclays U.S. High Yield Corporate Update as of December 31, 2020. Represents percent of Bloomberg Barclays U.S. High Yield Corporate Index market value.
4. Source: SPLSTA Leveraged Loan Index Factsheet - December 2020. All data as of December 2020. Hotel and Gaming comprised of "Hotels/motels/inns and casinos", and "Leisure" industries per SPLSTA Factsheet. Oil & Gas comprised of the "Oil & Gas" industry per SPLSTA Factsheet. Retail comprised of "Clothing/textiles", "Food/drug retailers" and "Retailers (other than food/drug)" industries per SPLSTA factsheet. Media Entertainment comprised of "Broadcast radio and television", "Cable television", and "Publishing" industries per SPLSTA Factsheet.
5. Represents Ares Capital's portion of co-investments with Varagon Capital Partners and its clients in first lien senior secured loans to U.S. middle-market companies. As of December 31, 2020, the Senior Direct Lending Program, LLC's (the "SDLP") loan portfolio totaled approximately \$4.5 billion in aggregate principal amount and had loans to 23 different borrowers. As of December 31, 2020, the SDLP's largest loan to a single borrower was \$345 million in aggregate principal amount and the five largest loans to borrowers totaled \$1.6 billion in aggregate principal amount. The portfolio companies in the SDLP are in industries similar to the companies in Ares Capital's portfolio.

Endnotes

Slide 12: ARCC Has a Compelling Track Record of Credit Performance

1. Includes invested capital from inception on October 8, 2004 through September 30, 2020. Includes investments made through Ares Capital Corporation, the Senior Secured Loan Program and the Senior Direct Lending Program. Excludes syndications within one year of origination, \$1.8 billion of investments acquired from Allied Capital on April 1, 2010 and \$2.5 billion of investments acquired from American Capital on January 3, 2017.
2. Defined as realized gains/(losses) on assets with a payment default as a percentage of total invested capital since inception, divided by number of years since inception for all first lien and unitranche loans. This number includes interest, fees, principal proceeds, and related expenses.
3. Defined as realized gains/(losses) on assets with a payment default as a percentage of total invested capital since inception, divided by number of years since inception for all second lien and subordinated loans. This number includes interest, fees, principal proceeds, and related expenses.
4. Represents the average annual middle market senior loan default rate of 12.0% per “Fitch U.S. Leveraged Loan Default Insights” for 2007-2020 multiplied by (1 minus the recovery rate for senior secured loans of 67%) per “Moody’s Annual Default Study” for 2007-2020. Data availability begins in 2007.
5. Represents the average annual broadly syndicated senior loan default rate of 2.8% per “Fitch U.S. Leveraged Loan Default Insights” for 2007-2020 multiplied by (1 minus the recovery rate for senior secured loans of 67%) per “Moody’s Annual Default Study” for 2007-2020. Data availability begins in 2007.
6. Represents Moody’s U.S. Trailing 12-Month Issuer-Weighted Spec-Grade Default Rate for 2007-2020 of 4.6% multiplied by (1 minus the recovery rate for subordinated unsecured debt of 37%) per “Moody’s Annual Default Study” for 2007-2020. Data availability begins in 2007.

Slide 13: Strong Credit and Investment Performance

1. Calculated as the net realized gains/losses from Ares Capital IPO in October 2004 to December 31, 2020. Excludes \$196 million one-time gain on the acquisition of Allied Capital Corporation in Q2-10 and gains/losses from extinguishment of debt and sale of other assets.
2. Calculated as an average of the historical annual net realized gain/loss rates (where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period from Ares Capital IPO in October 2004 to December 31, 2020 divided by the average quarterly investments at amortized cost in such period). Excludes \$196 million one-time gain on the acquisition of Allied Capital Corporation in Q2-10 and gains/losses from extinguishment of debt and sale of other assets.
3. BDC peer group consists of BDCs with a market capitalization of \$450 million or greater as of December 31, 2019 or who are under common management with a BDC that meets these criteria and have been publicly traded for at least one year. Peers include: AINV, BBDC, BCSF, BKCC, CGBD, OCSI, OCSL, ORCC, FSK, GBDC, GSBD, HTGC, MAIN, NMFC, PFLT, PNNT, PSEC, SLRC, SUNS, TCPC and TSLX. Net realized gain/(loss) rate calculated as an average of a BDC’s historical annual net realized gain/loss rates, where annual net realized gain/loss rate is calculated as the amount of net realized gains/losses for a particular period divided by the average quarterly investments at amortized cost in such period.
4. Annual average for ARCC is December 31, 2004 through December 31, 2020. Annual average for the BDC peer group and Banks is from December 31, 2004 through September 30, 2020, as not all BDC peers have filed December 31, 2020 financial results as of February 10, 2021.
5. Source: KBW and FDIC Commercial Banking Data. Calculated as net charge-offs for commercial and industrial loans divided by net commercial and industrial loans and leases for the respective periods.

Endnotes

Slide 15: Deep and Diverse Access to Debt Financing

1. Subject to borrowing base and other restrictions. Represents total aggregate amount committed or outstanding, as applicable, under such instrument.
2. Effective stated rate as of December 31, 2020.
3. Requires periodic payments of interest and may require repayments of a portion of the outstanding principal once their respective reinvestment periods end but prior to the applicable stated maturity.
4. The interest rate charged on the Revolving Credit Facility is based on an applicable spread of either 1.75% or 1.875% over LIBOR or 0.75% or 0.875% 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 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 31, 2020, the interest rate in effect was LIBOR plus 1.875%. The Revolving Credit Facility consists of a \$740 million term loan tranche and a \$2,877 million revolving tranche. For \$699 million of the term loan tranche, the stated maturity date is March 30, 2025. For the remaining \$41 million of the term loan tranche, the stated maturity date is March 30, 2024. For \$2,753 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2024 and March 30, 2025, respectively. For the remaining \$124 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2023 and March 30, 2024, respectively. Subsequent to the end of the respective revolving periods and prior to the respective stated maturity dates, Ares Capital is required to repay the relevant outstanding principal amounts under both the term loan tranche and revolving tranche on a monthly basis in an amount equal to 1/12th of the outstanding principal amount at the end of the respective revolving period. In December 2017, Ares Capital entered into a three-year interest rate swap agreement to effectively fix the interest rate in connection with \$395 million of the term loan tranche of the Revolving Credit Facility.
5. The interest rate charged on the Revolving Funding Facility is based on LIBOR plus 2.00% per annum or a "base rate" (as defined in the agreements governing the Revolving Funding Facility) plus 1.00% per annum. As of December 31, 2020, the interest rate in effect was LIBOR plus 2.00%. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are January 31, 2023 and January 31, 2025, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of January 31, 2025, any principal proceeds from sales and repayments of loan assets held by Ares Capital CP Funding LLC will be used to repay the aggregate principal amount outstanding.
6. The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% per annum over LIBOR or 0.75% or 1.00% per annum over a "base rate" (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. As of December 31, 2020, the interest rate in effect was LIBOR plus 1.75%. The end of the reinvestment period and the stated maturity date for the SMBC Funding Facility are September 10, 2022 and September 10, 2024, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of September 10, 2024, any principal proceeds from sales and repayments of loan assets held by our consolidated subsidiary, Ares Capital JB Funding LLC, will be used to repay the aggregate principal amount outstanding.
7. The interest rate charged on the BNP Funding Facility is based on LIBOR (subject to a floor of 0.45%), or over a "base rate" (as defined in the agreements governing the BNP Funding Facility) plus a margin that generally ranges between 2.65% and 3.15% (depending on the types of assets such advances relate to), with a weighted average margin floor for all classes of advances of (i) 2.75% during the reinvestment period and (ii) 3.25% following the reinvestment period. As of December 31, 2020, the interest rate in effect was LIBOR plus 2.88%. The end of the reinvestment period and the stated maturity date for the BNP Funding Facility are June 11, 2023 and June 11, 2025, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of June 11, 2025, any principal proceeds from sales and repayments of loan assets held by our consolidated subsidiary, ARCC FB Funding LLC will be used to repay the aggregate principal amount outstanding.
8. Assumes all committed capital is fully drawn. In December 2017, Ares Capital entered into a three-year interest rate swap agreement to effectively fix the interest rate in connection with \$395 million of the term loan tranche of its Revolving Credit Facility. The stated interest rate for \$395 million of the term loan tranche of the Revolving Credit Facility used to calculate weighted average stated interest on debt reflects the fixed base interest rate of 2.064% plus the applicable spread of 1.75%, or an all-in rate of 3.814%.
9. Computed as total principal debt outstanding less available cash dividend by stockholders' equity. Available cash excludes restricted cash as well as cash held for dividends payable and for uses specifically designated for paying interest and expenses on certain debt.

Endnotes

Slide 16: Deep Sources of Liquidity and Well Laddered Maturity

1. Represents the total aggregate principal amount outstanding as of December 31, 2020.
2. Subject to borrowing base, leverage and other restrictions.
3. Requires periodic payments of interest and may require repayments of a portion of the outstanding principal once their respective reinvestment periods end but prior to the applicable stated maturity.
4. Represents the total aggregate principal amount outstanding due on the stated maturity.
5. While Ares Capital expects to settle the 2022 and 2024 Convertible Notes of \$388 million and \$403 million, respectively, in cash, Ares Capital has the option to settle both the 2022 and 2024 Convertible Notes in cash, shares of common stock or a combination of cash and shares of common stock.
6. The 2022 High Grade Notes, the 2023 High Grade Notes, the 2024 High Grade Notes, the March 2025 High Grade Notes, the July 2025 High Grade Notes and the 2026 High Grade Notes may be redeemed in whole or in part at any time at Ares Capital's option at a redemption price equal to par plus a "make whole" premium, as determined in the indentures governing the 2020 High Grade Notes, the 2022 High Grade Notes, the 2023 High Grade Notes, the 2024 High Grade Notes, the March 2025 High Grade Notes, the July 2025 High Grade Notes and the 2026 High Grade Notes and any accrued and unpaid interest.
7. The 2047 Notes with an aggregate principal amount of \$230 million may be redeemed in whole or in part at any time or from time to time at Ares Capital's option, at a par redemption price of \$25 per security plus accrued and unpaid interest.
8. As of December 31, 2020, The Revolving Credit Facility consists of a \$740 million term loan tranche and a \$2,877 million revolving tranche. For \$699 million of the term loan tranche, the stated maturity date is March 30, 2025. For the remaining \$41 million of the term loan tranche, the stated maturity date is March 30, 2024. For \$2,753 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2024 and March 30, 2025, respectively. For the remaining \$124 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2023 and March 30, 2024, respectively. Subsequent to the end of the respective revolving periods and prior to the respective stated maturity dates, Ares Capital is required to repay the relevant outstanding principal amounts under both the term loan tranche and revolving tranche on a monthly basis in an amount equal to 1/12th of the outstanding principal amount at the end of the respective revolving period.
9. As of December 31, 2020, the end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are January 31, 2023 and January 31, 2025, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of January 31, 2025, any principal proceeds from sales and repayments of loan assets held by Ares Capital CP Funding LLC will be used to repay the aggregate principal amount outstanding.
10. As of December 31, 2020, the end of the reinvestment period and the stated maturity date for the SMBC Funding Facility are September 10, 2022 and September 10, 2024, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of September 10, 2024, any principal proceeds from sales and repayments of loan assets held by our consolidated subsidiary, Ares Capital JB Funding LLC, will be used to repay the aggregate principal amount outstanding.

Slide 22: Ares Credit Group

1. ARCC received the 2021 All-America Executive Team Most Honored designation alongside 136 other companies. Various Ares personnel received first place awards as part of the "Brokers, Asset Managers & Exchanges" category for: Investor Relations, CEO, SFO, Investor Day and Communication of Strategy and Risk Management Amid COVID-19. Six other institutions also received a first-, second-, or third-place ranking in this category. Institutional Investor based these awards on the opinions of 3,029 portfolio managers and buy-side analysts, and 497 sell-side analysts who participated in this survey.
2. Institutional Investor logo from Institutional Investor, ©2021 Institutional Investor, LLC. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.
3. Lipper Rankings reported in Lipper Marketplace Best Money Managers, September 30, 2020. Lipper Marketplace is the source of the long-only and multi-strategy credit rankings. Lipper's Best Money Managers rankings consider only those funds that meet the following qualification: performance must be calculated "net" of all fees and commissions; must include cash; performance must be calculated in U.S. dollars; asset base must be at least \$10 million in size for "traditional" U.S. asset classes (equity, fixed income, and balanced accounts); and, the classification of the product must fall into one of the categories which they rank. Lipper defines Short Duration as 1-5 years. Lipper's Active Duration definition does not specify a time period but rather refers to an Active rather than Passive strategy. Ares Institutional Loan Fund was ranked 8 out of 43 for the 40 quarters ended September 30, 2020. Composites for Ares U.S. Bank Loan Aggregate and Ares U.S. High Yield additionally received rankings of 7 of 43 and 4 of 28, respectively, for the 40 quarters ended September 30, 2020.
4. Private Equity International selected Ares Management as Lender of the Year in North America - 2019. Awards based on an industry wide global survey across 76 categories conducted by Private Equity International. Survey participants voted independently. In addition, survey participants could nominate another firm not listed in the category.
5. Private Debt Investor selected Ares Management for 2019 Global Fund Manager of the Year, Lender of the Year (Americas), and Deal of the Year (Americas) and selected Ares Capital Corporation for BDC of the year in the Americas. Awards based on an industry wide global survey across 47 categories conducted by Private Debt Investor. Survey participants voted independently. In addition, survey participants could nominate another firm not listed in the category.

Endnotes

Slide 23: Risk Position: Asset Mix Changes with Views on Risk and Return

1. Represents Ares Capital's portion of co-investments with Varagon Capital Partners and its clients in first lien senior secured loans to U.S. middle-market companies. As of December 31, 2020, the Senior Direct Lending Program, LLC's (the "SDLP") loan portfolio totaled approximately \$4.5 billion in aggregate principal amount and had loans to 23 different borrowers. As of December 31, 2020, the SDLP's largest loan to a single borrower was \$345 million in aggregate principal amount and the five largest loans to borrowers totaled \$1.6 billion in aggregate principal amount. The portfolio companies in the SDLP are in industries similar to the companies in Ares Capital's portfolio.
2. Represents Ares Capital's portion of legacy co-investments with General Electric Capital Corporation and GE Global Sponsor Finance LLC (collectively, "GE") in first lien senior secured loans to middle market companies.

Slide 25: ARCC's Portfolio Has Generated Higher Returns with Less Risk

1. Returns are calculated as annualized average returns of dividends paid plus changes in net asset value over the time periods represented.
2. BDC peer group consists of BDCs with a market capitalization of \$450 million or greater as of December 31, 2019 or who are under common management with a BDC that meets these criteria and have been publicly traded for at least one year. This includes: AINV, BBDC, BCSF, BKCC, CGBD, OCSL, OCSI, FSK, GBDC, GSBD, HTGC, MAIN, NMFC, ORCC, PFLT, PNNT, PSEC, SLRC, SUNS, TCPC and TSLX. Of this group, the following companies have been public for at least 3 years as of September 30, 2020: AINV, BBDC, BKCC, CGBD, FSK, GBDC, GSBD, HTGC, MAIN, NMFC, OCSI, OCSL, PFLT, PNNT, PSEC, SLRC, SUNS, TCPC and TSLX. The following companies have been public for at least 5 years as of September 30, 2020: AINV, BBDC, BKCC, FSK, GBDC, GSBD, HTGC, MAIN, NMFC, OCSI, OCSL, PFLT, PNNT, PSEC, SLRC, SUNS, TCPC, and TSLX. The following companies have been public since ARCC's IPO in October 2004: AINV and PSEC. The High Yield Index represents the ICE BofA High Yield Master II Index ("HOAO") and the Loan Index represents the S&P/LSTA U.S. Leveraged Loan Index ("SPLLI"). Data is presented as of September 30, 2020.

