

## KEY STATISTICS

Founded in 2004 and externally managed by Ares Management Corporation, a leading global alternative investment manager

Market Capitalization of \$8.0 billion<sup>1</sup>

Currently trading at a 9.0% dividend yield<sup>1</sup>

Paid average annual cash dividends of \$1.52 per share for the last 15 years

## COMPETITIVE ADVANTAGES

Largest business development company in the United States<sup>2</sup>

Investment Grade Rated from Moody's, S&P and Fitch

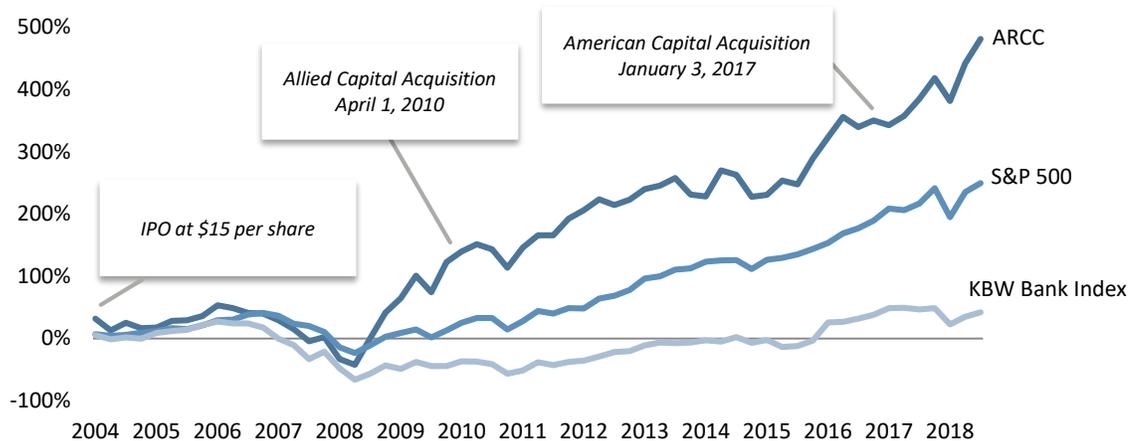
Largest team of investment professionals for a BDC<sup>3</sup>

Invested approximately \$53 billion<sup>4</sup> in middle market companies with an industry leading track record based on net gains<sup>5</sup>

Successful track record of creating value from strategic acquisitions<sup>6</sup>

## ARCC'S STOCK HAS GENERATED ATTRACTIVE LONG-TERM RETURNS

% Cumulative Shareholder Total Return Since Inception 10/8/04–6/30/19<sup>7</sup>



\$1 invested in ARCC's IPO in October 2004 would be worth \$5.81 vs. \$3.50 in the S&P 500 and \$1.42 in the KBW Bank Index<sup>7</sup>

## ARCC HAS DELIVERED INDUSTRY LEADING PERFORMANCE

13% AVERAGE ANNUAL SHAREHOLDER RETURN SINCE IPO<sup>8</sup>

14% GROSS ASSET LEVEL INTERNAL RATE OF RETURN<sup>9</sup> ON REALIZED INVESTMENTS SINCE INCEPTION

~15 YEARS OF STRONG CREDIT PERFORMANCE WITH NO CUMULATIVE NET REALIZED CREDIT LOSSES<sup>5</sup>

## DIRECT ORIGATION AND SCALE

### SCALE AND MARKET COVERAGE

- Over 110 investment professionals in eight U.S. offices

EVALUATED MORE THAN 1,500 DIFFERENT FINANCINGS IN 2018

### HEIGHTENED SELECTIVITY

- Our direct origination capabilities enables optimal asset selectivity

AVERAGE ~4% CLOSING RATE<sup>10</sup>

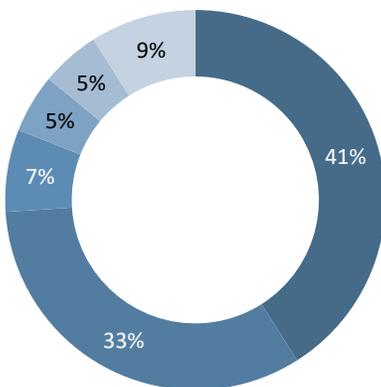
### BUILT IN GROWTH

- Supports growth of leading portfolio companies and enhances credit quality
- Informational advantages

OVER 50% OF COMMITMENTS OVER THE PAST 5 YEARS WERE TO EXISTING BORROWERS<sup>11</sup>

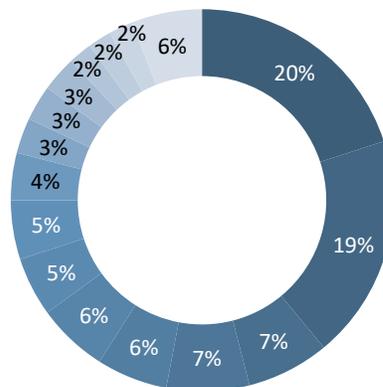
## PORTFOLIO CHARACTERISTICS

### Over 80% Senior Debt<sup>12</sup> (Portfolio by Asset Class)



- First Lien Senior Secured Loans - 41%
- Second Lien Senior Secured Loans - 33%
- Senior Direct Lending Program, LLC - 7%<sup>13</sup>
- Senior Subordinated Loans - 5%
- Preferred Equity - 5%
- Other Equity - 9%

### Targeting Stable & Growth Companies in Defensive Industries<sup>12</sup> (ARCC Portfolio by Industry)



- Healthcare Services - 20%
- Consumer Products - 7%
- Business Services - 19%
- Financial Services - 6%
- Senior Direct Lending Program - 7%<sup>13</sup>
- Other Services - 5%
- Power Generation - 6%
- Automotive Services - 4%
- Manufacturing - 5%
- Food and Beverage - 3%
- Restaurants and Food Services - 3%
- Wholesale Distribution - 2%
- Oil and Gas - 3%
- Education - 2%
- Containers and Packaging - 2%
- Remaining - 6%

"We would like to thank our investors for their support over the past 15 years. During this time, we believe we have been good stewards of capital and have developed a track record of both growing our dividends and increasing NAV, which is the ultimate measure of our performance as a company. We look forward to continuing the strong momentum and using our long tenured team, national footprint, and \$13 billion balance sheet to finance strong middle market companies and deliver great results for our shareholders."

— Kipp deVeer, CEO

## INVESTMENT ADVISER'S LONG TENURED & HIGHLY EXPERIENCED LEADERSHIP TEAM

| Partners            | Michael Arougheti            | Kipp deVeer                          | Mitch Goldstein | Michael Smith | Penni Roll              | Mark Affolter                           | Jim Miller                              | Kort Schnabel                           | Dave Schwartz                           |
|---------------------|------------------------------|--------------------------------------|-----------------|---------------|-------------------------|---|---|---|---|
| Role                | Co-Chairman and Executive VP | Chief Executive Officer and Director | Co-President    | Co-President  | Chief Financial Officer | Partner, Co-Head of U.S. Direct Lending |
| Industry Experience | 26 Years                     | 24 Years                             | 25 Years        | 24 Years      | 24 years                | 30 Years                                | 20 Years                                | 21 Years                                | 18 Years                                |
| Years with Ares     | 15 Years                     | 15 Years                             | 14 Years        | 15 Years      | 9 years                 | 11 Years                                | 13 Years                                | 18 Years                                | 15 Years                                |

OUR INVESTMENT ADVISER'S LEADERSHIP TEAM ON AVERAGE HAS 23 YEARS OF EXPERIENCE AND HAS BEEN WITH ARES FOR 14 YEARS

## Endnotes

1. Based on market prices as of September 24, 2019. Dividend yield includes additional dividend of \$0.02 per share to be paid quarterly in 2019.
2. By both market capitalization and total assets as of June 30, 2019.
3. Ares' U.S. Direct Lending team has over 110 investment professionals and is the largest team in the BDC industry to our knowledge.
4. Includes invested capital from inception on October 8, 2004 through June 30, 2019. 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.
5. Based on net realized gains/(loss) rate for ARCC and the BDC peers. 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 June 30, 2019 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. The BDC peer group consists of BDCs with a market capitalization of \$400 million or greater as June 30, 2019, who have been public for at least one year or who are under common management with a BDC that meets these criteria. This includes: AINV, BBDC, BKCC, CGBD, OCSI, OCSL, FSK, GBDC, GSBD, HTGC, MAIN, NMFC, PFLT, PNNT, PSEC, SLRC, SUNS, TCPC and TSLX.
6. Generated 36% realized IRR exited investments from the American Capital portfolio based on original amounts invested of approximately \$1.7 billion and total proceeds from such exited investments of approximately \$2.3 billion from January 3, 2017 through March 31, 2019. The realized IRR excludes a net realized gain of \$46 million in connection with the receipt of a litigation judgment payment related to a former portfolio company of American Capital. 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 management fees and expenses related to investments as these fees and expenses are not allocable to specific investments. The effect of such management and other 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.
7. Source: SNL Financial. As of June 30, 2019. Hypothetical value of \$1 invested in ARCC's IPO in October 2004 and kept invested through June 30, 2019, assuming reinvestment of income. Graph shown for illustrative purposes only and is not indicative of any investment. Past performance is no 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 indices shown represent investments in the U.S. equity market and are presented for illustrative purposes only, and are not indicative of any investment. Indices 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 (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 differ from ARCC. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. No representation is being made as to the risk profile of any benchmark or index relative to the risk profile of ARCC. The indices shown are unmanaged, not investable, have no expenses and reflect reinvestment of dividends and distributions. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this factsheet, will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for a portfolio. The S&P 500 Index is a capital weighted index that includes 500 stocks representing all major industries. Returns are denominated in U.S. dollar and include dividends. The Index is a proxy of the performance of a broad U.S. economy through changes in aggregate market value. The S&P 500 index comparison provided herein is solely for informational purposes as an indication of returns that could be earned by investors making similar investments in the S&P 500 Index and should not be relied upon for any purpose. Bank returns measured by the KBW Nasdaq Bank Index (BKX), which is a modified market capitalization weighted index designed to track the performance of leading banks and thrifts that are publicly traded in the U.S. The BKX index includes banking stocks representing large U.S. national money centers, regional banks and thrift institutions. An investor cannot invest directly in an index.
8. As of June 30, 2019. 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.
9. Based on original cash invested, net of syndications, of approximately \$26.0 billion and total proceeds from such exited investments of approximately \$33.2 billion from inception on October 8, 2004 through June 30, 2019. 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 management fees and expenses related to investments as these fees and expenses are not allocable to specific investments. The effect of such management and other 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.
10. 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.
11. Calculated based on the total commitments completed during each quarter.
12. At fair value as of June 30, 2019.
13. 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 June 30, 2019, the Senior Direct Lending Program, LLC's (the "SDLP") loan portfolio totaled approximately \$3.8 billion in aggregate principal amount and had loans to 23 different borrowers. As of June 30, 2019, the SDLP's largest loan to a single borrower was \$350 million in aggregate principal amount and the five largest loans to borrowers totaled \$1.4 billion in aggregate principal amount. The portfolio companies in the SDLP are in industries similar to companies in Ares Capital's portfolio.

REF: DLUS-00566