

Key Information Document Ares Capital Corporation

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product:	Ares Capital Corporation, a specialty finance company that has elected to be regulated as a business development company (“ARCC”)
Manufacturer:	Ares Capital Management LLC (the “Investment Adviser”)
ISIN:	US04010L1035
Contact details:	https://www.arescapitalcorp.com/ Ares Capital Corporation 245 Park Avenue, 44 th Floor New York, NY 10167 Email: IRARCC@aresmgmt.com Phone: (888) 818-5298
Competent Authority:	The U.S. Securities and Exchange Commission (the “SEC”) is responsible for supervising Ares Capital Management LLC
Authorisation:	ARCC is regulated by the SEC
Date of document:	20 August 2024

You are about to purchase a product that is not simple and may be difficult to understand

What is this product?

Type

Ares Capital Corporation (“ARCC”), a Maryland corporation, is a specialty finance company that is a closed-end, non-diversified management investment company.

ARCC has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, and has elected to be treated as a regulated investment company under the Internal Revenue Code of 1986, as amended.

This product relates to ARCC’s common stock which is made available through and traded on The Nasdaq Global Select Market (“Nasdaq”).

Term

ARCC has been established for approximately 20 years. For information on ARCC’s recommended holding period and redemptions, please refer to the section titled “How Long Should I hold It and Can I Take Money Out Early?” below.

Objectives

ARCC seeks to generate both current income and capital appreciation through debt and equity investments. ARCC primarily invests in U.S. middle-market companies and from time to time invests in larger or smaller companies.

ARCC also invests in first lien senior secured loans and second lien senior secured loans. In addition to senior secured loans, ARCC invests in subordinated debt, which can include an equity component and preferred equity.

To a lesser extent, ARCC also makes common equity investments and also may invest up to 30% of its portfolio in non-qualifying assets, as permitted by the Investment Company Act of 1940.

ARCC does employ leverage and uses derivatives for investment and hedging purposes, subject to regulatory limitations.

For information on where to obtain ARCC’s prospectus, annual (Form 10-K) and quarterly (Form 10-Q) reports, please refer to the section titled “Other relevant information” below.

Depository

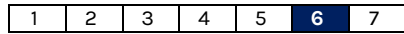
In respect of note issuances, the Investment Adviser has appointed The Depository Trust Company or its nominee as depository of ARCC.

Intended retail investor

Investors in ARCC are expected to be institutional investors, professional investors and high-net-worth investors that have access directly or indirectly through their adviser or broker to Nasdaq and understand the risks involved in investing in ARCC and/or have received advice from their adviser regarding an investment in ARCC.

What are the risks and what could I get in return?

Risk Indicator



Lower Risk

Higher Risk



The risk indicator assumes you keep the product for 10 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that ARCC will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level, and poor market conditions will likely impact our capacity to pay you.

Be aware of currency risk. The Fund is denominated in U.S. Dollars. You may receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other material risks relevant to ARCC are set out in the ARCC’s latest prospectus and its latest annual report (*Form 10-K*) and quarterly report (*Form 10-Q*) under the heading “Risk Factors”. There are no guarantees or assurances regarding the achievement of investment objectives or performance. ARCC does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Investment performance information

ARCC delivered an annualised total shareholder return of 13% since its initial public offering in 2004. The return should be reviewed against ARCC’s stated objectives, set out above on page 1 of this document. Key factors that may affect future performance include: (1) the financial performance of ARCC’s underlying investments, which can be impacted by broader geopolitical and macro-economic factors; (2) the valuation of ARCC’s investments, which is based on their financial performance but can also be impacted by disruption or volatility in the capital markets; and (3) the ability of ARCC to continue to make new investments and exit investments in line with ARCC’s stated objectives.

Other factors that could impact performance include, but are not limited to, the legal and regulatory landscape in which ARCC and its investments and portfolio companies operate.

What could affect my return positively? In addition to the factors noted above, other factors that could affect returns positively include the ability of the Investment Adviser to continue to source attractive investment opportunities and manage its investments to deliver capital appreciation and regular dividends during the recommended holding period. Good investment performance could be supported further by buoyant financial markets.

What could affect my return negatively? In addition to the factors noted above, other factors that could affect return negatively include poor investment decisions made by the Investment Adviser. Negative outcomes could also be caused or exacerbated by volatile financial markets.

Outcomes can also be affected by how long you keep your investment. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Fund’s shares could reduce significantly, potentially to zero.

What happens if the Investment Adviser is unable to pay out?

Investors whose shares are held by a broker or other financial intermediary may face a loss (equal to some or all of the investor’s investments) due to the default of the Investment Adviser and/or ARCC, which would likely lead to the sale of the shares. Such a potential loss is not covered by any investor compensation or guarantee scheme.

What are the costs?

The Reduction in Yield (“RIY”) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest USD 10,000. The figures are estimates and may change in the future.

Costs over time

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Investment USD 10,000			
Scenarios	If you cash in after 1 year	If you cash in after 5 years	If you cash in after 10 years
Total Costs	USD 1,531.00	USD 15,994.00	USD 76,304.00
Impact on return (RIY) per year	12.02%	12.02%	12.02%

Composition of costs

The table shows: (i) the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and (ii) the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio and transaction costs	0.00%	The impact of the costs of buying and selling underlying investments for the product.
	Other ongoing costs	9.12%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	2.90%	The impact of the performance fee.
	Carried interest	0.00%	The impact of carried interests.

How long should I hold it and can I take money out early?

Recommended Holding Period: 10 years.

There is no recommended holding period for ARCC as ARCC's common stock can be traded on a daily basis on the Nasdaq. However, in order to meet the requirements under Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, and make ARCC comparable to others, an illustrative recommended holding period of 10 years has been adopted in this document. The period of years has been chosen because of the nature of the underlying assets that ARCC invests in and takes into consideration the recommended holding periods used for other products with similar investment strategies to ARCC.

ARCC's common stock is listed on the Nasdaq under the symbol "ARCC" and can be traded on a daily basis. Dividends or other distributions are paid on a quarterly basis out of assets legally available for distribution, and from time to time additional dividends or distributions can also be made. There are no pre-emptive, exchange, conversion or redemption rights and ARCC's common stock is freely tradeable, except where the transfer is restricted by U.S. federal and state securities law or by contract.

How can I complain?

If you wish to file a complaint about ARCC, the conduct of the Investment Adviser, please contact us on:

Address: Ares Capital Corporation
245 Park Avenue, 44th Floor
New York, NY 10167

Contact number: (888) 818-5298

Email address: IRARCC@aresmgmt.com

Any complaints concerning the conduct of your advisor or distributor should be addressed to that advisor or distributor.

Other relevant information

The information contained in this Key Information Document is supplemented by ARCC's articles of incorporation and the prospectus, which will be provided to investors before subscription as required by law either directly or through financial intermediaries.

Further information about ARCC, including a copy of the articles of incorporation, prospectus, the latest annual report (*Form 10-K*), any subsequent quarterly report (*Form 10-Q*), the latest price of ARCC shares, as required by law, can be found, free of charge, in English, at www.arescapitalcorp.com.

In arriving at a decision whether or not to invest in ARCC, prospective investors must rely on their own examination of ARCC, including the merits and risks involved. Prospective investors should carefully read and retain the prospectus.