

ARES CAPITAL CORP
Form 10-Q
August 07, 2012
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

- x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2012

OR

- o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period to

Commission File No. 000-50697

ARES CAPITAL CORPORATION

(Exact name of Registrant as specified in its charter)

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Maryland
(State or other jurisdiction of
incorporation or organization)

33-1089684
(I.R.S. Employer
Identification Number)

245 Park Avenue, 44th Floor, New York, NY 10167

(Address of principal executive office) (Zip Code)

(212) 750-7300

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 7, 2012
Common stock, \$0.001 par value	222,150,745

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(in thousands, except per share data)

	June 30, 2012 (unaudited)	As of	December 31, 2011
ASSETS			
Investments at fair value			
Non-controlled/non-affiliate investments	\$ 3,461,544	\$	3,060,084
Non-controlled affiliate company investments	329,333		267,324
Controlled affiliate company investments	1,713,936		1,767,098
Total investments at fair value (amortized cost of \$5,438,184 and \$5,108,663, respectively)	5,504,813		5,094,506
Cash and cash equivalents	101,265		120,782
Interest receivable	101,135		99,078
Receivable for open trades	304		550
Other assets	99,961		72,521
Total assets	\$ 5,807,478	\$	5,387,437
LIABILITIES			
Debt	\$ 2,194,808	\$	2,073,602
Management and incentive fees payable	98,202		92,496
Accounts payable and other liabilities	38,970		47,691
Interest and facility fees payable	28,999		26,383
Total liabilities	2,360,979		2,240,172
Commitments and contingencies (Note 6)			
STOCKHOLDERS EQUITY			
Common stock, par value \$.001 per share, 400,000 common shares authorized 222,151 and 205,130 common shares issued and outstanding, respectively	222		205
Capital in excess of par value	3,657,160		3,390,354
Accumulated overdistributed net investment income	(9,578)		(10,449)
Accumulated net realized loss on investments, foreign currency transactions, extinguishment of debt and other assets	(267,934)		(218,688)
Net unrealized gain (loss) on investments	66,629		(14,157)
Total stockholders equity	3,446,499		3,147,265
Total liabilities and stockholders equity	\$ 5,807,478	\$	5,387,437
NET ASSETS PER SHARE	\$ 15.51	\$	15.34

See accompanying notes to consolidated financial statements.

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	For the three months ended		For the six months ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
INVESTMENT INCOME:				
From non-controlled/non-affiliate company investments:				
Interest	\$ 77,097	\$ 60,435	\$ 149,360	\$ 122,242
Capital structuring service fees	12,568	13,082	20,445	18,500
Dividend income	3,518	521	7,320	2,036
Management and other fees	332	474	660	628
Other income	4,471	880	7,215	2,116
Total investment income from non-controlled/non-affiliate company investments	97,986	75,392	185,000	145,522
From non-controlled affiliate company investments:				
Interest	5,762	8,759	10,259	18,891
Capital structuring service fees	895		895	
Dividend income	323	1,255	639	3,631
Management and other fees	63	188	126	376
Other income	265	62	294	638
Total investment income from non-controlled affiliate company investments	7,308	10,264	12,213	23,536
From controlled affiliate company investments:				
Interest	55,183	42,079	111,308	80,700
Capital structuring service fees	7,804	7,113	17,587	12,706
Dividend income	5,097	4,901	10,198	9,801
Management and other fees	4,117	3,939	8,658	7,046
Other income	60	619	329	687
Total investment income from controlled affiliate company investments	72,261	58,651	148,080	110,940
Total investment income	177,555	144,307	345,293	279,998
EXPENSES:				
Interest and credit facility fees	35,018	28,593	67,794	58,768
Incentive fees	22,733	41,746	49,119	72,687
Base management fees	20,811	17,414	40,797	34,144
Professional fees	3,548	5,514	7,234	8,146
Administrative fees	2,217	2,459	4,537	4,884
Other general and administrative	2,474	2,911	5,275	5,829
Total expenses	86,801	98,637	174,756	184,458

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NET INVESTMENT INCOME BEFORE INCOME TAXES	90,754	45,670	170,537	95,540
Income tax expense, including excise tax	2,853	1,907	5,598	3,954
NET INVESTMENT INCOME	87,901	43,763	164,939	91,586
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS:				
Net realized gains (losses):				
Non-controlled/non-affiliate company investments	(35,040)	(14,223)	(34,578)	58,189
Non-controlled affiliate company investments	68	1,580	71	(2,016)
Controlled affiliate company investments	(3,925)	6,269	(12,061)	22
Net realized gains (losses)	(38,897)	(6,374)	(46,568)	56,195
Net unrealized gains (losses):				
Non-controlled/non-affiliate company investments	33,192	(7,372)	39,209	(20,426)
Non-controlled affiliate company investments	4,038	(9,453)	14,131	(2,906)
Controlled affiliate company investments	7,376	26,817	27,446	55,558
Net unrealized gains	44,606	9,992	80,786	32,226
Net realized and unrealized gains from investments	5,709	3,618	34,218	88,421
REALIZED LOSS ON EXTINGUISHMENT OF DEBT	(2,678)	(10,458)	(2,678)	(19,318)
NET INCREASE IN STOCKHOLDERS' EQUITY RESULTING FROM OPERATIONS	\$ 90,932	\$ 36,923	\$ 196,479	\$ 160,689
BASIC AND DILUTED EARNINGS PER COMMON SHARE (Note 9)	\$ 0.41	\$ 0.18	\$ 0.90	\$ 0.79
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING - BASIC AND DILUTED (Note 9)	221,878	204,752	219,461	204,586

See accompanying notes to consolidated financial statements.

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As of June 30, 2012

(dollar amounts in thousands)

(unaudited)

Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Investment Funds and Vehicles							
AGILE Fund I, LLC (7)(9)	Investment partnership	Member interest (0.50% interest)		4/1/2010	\$ 201	\$ 111(2)	
CIC Flex, LP (9)	Investment partnership	Limited partnership units (0.94 unit)		9/7/2007	2,409	3,608(2)	
Covestia Capital Partners, LP (9)	Investment partnership	Limited partnership interest (47.00% interest)		6/17/2008	1,059	1,135(2)	
Dynamic India Fund IV, LLC (9)	Investment company	Member interest (5.44% interest)		4/1/2010	4,822	3,509(2)	
Firstlight Financial Corporation (6)(9)	Investment company	Senior subordinated loan (\$56,570 par due 12/2016)	5.00% PIK	12/31/2006	56,358	63,517(2)	
		Class A common stock (10,000 shares)		12/31/2006	10,000	(2)	
		Class B common stock (30,000 shares)		12/31/2006	30,000	(2)	
					96,358	63,517	
HCI Equity, LLC (7)(8)(9)	Investment company	Member interest (100.00% interest)		4/1/2010	633	534(2)	
Imperial Capital Private Opportunities, LP (9)	Investment partnership	Limited partnership interest (80.00% interest)		5/10/2007	6,531	5,000(2)	
Ivy Hill Middle Market Credit Fund, Ltd. (7)(8)(9)	Investment company	Subordinated notes (\$16 par due 11/2018)	15.00%	11/20/2007	15,515	16,480	
		Class B deferrable interest notes (\$25,000 par due 11/2018)	6.49% (Libor + 6.00%/Q)	11/20/2007	25,000	23,750	
					40,515	40,230	
Kodiak Funding, LP (9)	Investment partnership	Limited partnership interest (1.52% interest)		4/1/2010	850	695	
Novak Biddle Venture Partners III, L.P. (9)	Investment partnership	Limited partnership interest (2.47% interest)		4/1/2010	83	179(2)	
Partnership Capital Growth Fund I, L.P. (9)	Investment partnership	Limited partnership interest (25.00% interest)		6/16/2006	1,721	4,266(2)	

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Partnership Capital Growth Fund III, L.P. (9)	Investment partnership	Limited partnership interest (2.50% interest)		10/5/2011	1,413	1,270(2)	
Senior Secured Loan Fund LLC (7)(10)(18)	Co-investment vehicle	Subordinated certificates (\$1,110,027 par due 12/2020)	8.47% (Libor + 8.00%/Q)	10/30/2009	1,099,476	1,125,812	
VSC Investors LLC (9)	Investment company	Membership interest (1.95% interest)		1/24/2008	1,398	1,531(2)	
					1,257,469	1,251,397	36.31%
Healthcare-Services							
CCS Group Holdings, LLC	Correctional facility healthcare operator	Class A units (601,937 units)		8/19/2010	602	1,054(2)	
CT Technologies Intermediate Holdings, Inc. and CT Technologies Holdings LLC (6)	Healthcare analysis services	Senior secured loan (\$7,209 par due 3/2017)	7.75% (Libor + 6.50%/Q)	3/15/2011	7,209	6,776(3)(17)	
		Senior secured loan (\$7,604 par due 3/2017)	7.75% (Libor + 6.50%/Q)	3/15/2011	7,604	7,148(2)(17)	
		Class A common stock (9,679 shares)		6/15/2007	4,000	5,276(2)	
		Class C common stock (1,546 shares)		6/15/2007		843(2)	
					18,813	20,043	
INC Research, Inc.	Pharmaceutical and biotechnology consulting services	Common stock (1,410,000 shares)		9/27/2010	1,512	1,024(2)	
Magnacare Holdings, Inc., Magnacare Administrative Services, LLC, and Magnacare, LLC	Healthcare professional provider	Senior secured loan (\$15,573 par due 3/2018)	9.75% (Libor + 8.75%/Q)	9/15/2010	15,573	15,573(2)(17)	
		Senior secured loan (\$43,616 par due 3/2018)	9.75% (Libor + 8.75%/Q)	9/15/2010	43,616	43,616(3)(17)	
		Senior secured loan (\$4,956 par due 3/2018)	9.75% (Libor + 8.75%/Q)	9/15/2010	4,956	4,956(4)(17)	

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		Senior secured loan (\$56,301 par due 3/2018)	9.75% (Libor + 8.75%/Q)	3/16/2012	56,301	56,301(2)(17)	
		Senior secured loan (\$15,859 par due 3/2018)	9.75% (Libor + 8.75%/Q)	3/16/2012	15,859	15,859(3)(17)	
					136,305	136,305	
MW Dental Holding Corp.	Dental services	Senior secured revolving loan (\$1,000 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	1,000	1,000(2)(17)	
		Senior secured loan (\$45,563 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	45,563	45,563(2)(17)	
		Senior secured loan (\$49,501 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	49,501	49,501(3)(17)	
		Senior secured loan (\$9,950 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	9,950	9,950(4)(17)	
					106,014	106,014	
Napa Management Services Corporation	Anesthesia management services provider	Senior secured revolving loan (\$600 par due 4/2016)	7.50% (Libor + 6.00%/M)	4/15/2011	600	600(2)(17)	
		Senior secured revolving loan (\$75 par due 4/2016)	8.25% (Base Rate + 5.00%/Q)	4/15/2011	75	75(2)(17)	
		Senior secured loan (\$21,966 par due 4/2016)	7.50% (Libor + 6.00%/M)	4/15/2011	21,668	21,966(2)(17)	
		Senior secured loan (\$28,875 par due 4/2016)	7.50% (Libor + 6.00%/Q)	4/15/2011	28,875	28,875(3)(17)	
		Common units (5,000 units)		4/15/2011	5,000	5,692(2)	
					56,218	57,208	
NS Merger Sub. Inc. and NS Holdings, Inc.	Healthcare technology provider	Senior subordinated loan (\$579 par due 6/2017)	13.50%	6/21/2010	579	579(2)	
		Senior subordinated loan (\$50,000 par due 6/2017)	13.50%	6/21/2010	50,000	50,000(3)	
		Common stock (2,500,000 shares)		6/21/2010	2,500	3,015(2)	
					53,079	53,594	
OnCURE Medical Corp.	Radiation oncology care provider	Common stock (857,143 shares)		8/18/2006	3,000	707(2)	
Passport Health Communications, Inc., Passport Holding Corp. and Prism Holding Corp.	Healthcare technology provider	Series A preferred stock (1,594,457 shares)		7/30/2008	11,156	10,144(2)	
		Common stock (16,106 shares)		7/30/2008	100	(2)	
					11,256	10,144	
				4/19/2012	45,000	45,000(2)(17)	

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PG Mergersub, Inc. and PGA Holdings, Inc.	Provider of patient surveys, management reports and national databases for the integrated healthcare delivery system	Junior secured loan (\$45,000 par due 10/2018)	8.25% (Libor + 7.00%/S)			
		Preferred stock (333 shares)		3/12/2008	125	16(2)
		Common stock (16,667 shares)		3/12/2008	167	786(2)
					45,292	45,802
PRA Holdings, Inc.	Drug testing services	Senior secured loan (\$11,330 par due 12/2014)	4.25% (Libor + 4.00%/M)	12/14/2007	11,081	11,103(4)
		Senior secured loan (\$12,000 par due 12/2014)	4.25% (Libor + 4.00%/M)	12/14/2007	11,732	11,760(2)
					22,813	22,863
RCHP, Inc.	Operator of general acute care hospitals	Junior secured loan (\$15,000 par due 5/2019)	11.50% (Libor + 10.00%/Q)	11/4/2011	15,000	15,000(2)(17)
		Junior secured loan (\$50,000 par due 5/2019)	11.50% (Libor + 10.00%/Q)	11/4/2011	50,000	50,000(3)(17)
					65,000	65,000
Reed Group, Ltd.	Medical disability management services provider	Senior secured revolving loan (\$1,482 par due 12/2013)		4/1/2010	1,080	1,260(2)(16)
		Senior secured loan (\$12,753 par due 12/2013)		4/1/2010	9,285	10,840(2)(16)

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		Senior secured loan (\$27,528 par due 12/2013)		4/1/2010	16,658	1,533(2)(16)	
		Equity interests		4/1/2010	203	(2)	
					27,226	13,633	
Respicardia, Inc.	Developer of implantable therapies to improve cardiovascular health	Senior secured loan (\$6,000 par due 7/2015)	11.00% (11.00%/Q)	6/28/2012	5,962	6,000(2)	
		Warrants to purchase up to 99,094 shares of series C preferred stock		6/28/2012	38	38(2)	
					6,000	6,038	
Soteria Imaging Services, LLC (6)	Outpatient medical imaging provider	Junior secured loan (\$2,809 par due 11/2010)		4/1/2010	2,326	1,683(2)(16)	
		Preferred member units (1,823,179 units)		4/1/2010		(2)	
					2,326	1,683	
Sunquest Information Systems, Inc.	Laboratory software solutions provider	Junior secured loan (\$67,000 par due 6/2017)	9.75% (Libor + 8.50%/Q)	12/16/2010	67,000	67,000(2)(17)	
		Junior secured loan (\$58,000 par due 6/2017)	9.75% (Libor + 8.50%/Q)	12/16/2010	58,000	58,000(3)(17)	
					125,000	125,000	
U.S. Renal Care, Inc.	Dialysis provider	Senior secured loan (\$7,406 par due 12/2016)	6.25% (Libor + 3.00%/Q)	6/9/2011	7,369	7,406(2)(17)	
		Senior subordinated loan (\$51,081 par due 6/2018)	11.25% Cash, 2.00% PIK	5/24/2010	51,081	53,124(3)	
					58,450	60,530	
Vantage Oncology, Inc.	Radiation oncology care provider	Common stock (62,157 shares)		2/3/2011	4,670	4,560(2)	
					743,576	731,202	21.22%
Education							
American Academy Holdings, LLC	Provider of education, training, certification, networking, and consulting services to medical coders and other healthcare professionals	Senior secured loan (\$16,177 par due 3/2016)	9.50% (Libor + 8.50%/Q)	3/18/2011	16,177	16,177(2)(17)	
		Senior secured loan (\$54,633 par due 3/2016)	9.50% (Libor + 8.50%/Q)	3/18/2011	54,633	54,633(3)(17)	
		Senior secured loan (\$4,927 par due 3/2016)	9.50% (Libor + 8.50%/Q)	3/18/2011	4,927	4,927(4)(17)	
					75,737	75,737	
				2/8/2008	10,520	13,330(2)	

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Campus Management Corp. and Campus Management Acquisition Corp. (6)	Education software developer	Preferred stock (485,159 shares)				
Community Education Centers, Inc.	Offender re-entry and in-prison treatment services provider	Senior secured loan (\$16,429 par due 12/2014)	6.25% (Libor + 5.25%/Q)	12/10/2010	16,429	16,429(2)(15)(17)
		Senior secured loan (\$714 par due 12/2014)	7.50% (Base Rate + 4.25%/M)	12/10/2010	714	714(2)(15)(17)
		Junior secured loan (\$42,263 par due 12/2015)	15.47% (Libor + 11.47% Cash, 4.00% PIK /Q)	12/10/2010	42,263	38,036(2)
		Warrants to purchase up to 578,427 shares		12/10/2010		(2)
					59,406	55,179
eInstruction Corporation	Developer, manufacturer and retailer of educational products	Junior secured loan (\$17,000 par due 7/2014)		4/1/2010	15,257	372(2)(16)
		Senior subordinated loan (\$29,545 par due 1/2015)		4/1/2010	24,151	(2)(16)
		Common stock (2,406 shares)		4/1/2010	926	(2)
					40,334	372
ELC Acquisition Corp., ELC Holdings Corporation, and	Developer, manufacturer and retailer of educational	Preferred stock (99,492 shares)	12.00% PIK	8/1/2011	10,149	8,934(2)

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Excellence Learning Corporation (6)	products	Common stock (50,800 shares)		8/1/2011	51	(2)	
					10,200	8,934	
Infilaw Holding, LLC	Operator of for-profit law schools	Senior secured loan (\$28,847 par due 8/2016)	9.50% (Libor + 8.50%/Q)	8/25/2011	28,847	28,847(3)(17)	
		Series A preferred units (126,928 units)	9.50% (Libor + 8.50%/Q)	8/25/2011	126,928	126,928(2)(17)	
					155,775	155,775	
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.	Private school operator	Series B preferred stock (1,750,000 shares)		8/5/2010	5,000	6,628(2)	
		Series C preferred stock (2,512,586 shares)		6/7/2010	689	949(2)	
		Common stock (20 shares)		6/7/2010		(2)	
					5,689	7,577	
Lakeland Tours, LLC	Educational travel provider	Senior secured revolving loan (\$13,875 par due 12/2016)	6.00% (Libor + 4.50%/S)	10/4/2011	13,875	13,875(2)(17)	
		Senior secured revolving loan (\$7,875 par due 12/2016)	6.75% (Base Rate + 3.50%/Q)	10/4/2011	7,875	7,875(2)(17)	
		Senior secured loan (\$10,512 par due 12/2016)	6.00% (Libor + 4.50%/M)	10/4/2011	10,481	10,512(2)(14)(17)	
		Senior secured loan (\$53,765 par due 12/2016)	10.00% (Libor + 8.50%/M)	10/4/2011	53,608	53,765(2)(17)	
		Senior secured loan (\$9,303 par due 12/2016)	6.00% (Libor + 4.50%/M)	10/4/2011	9,275	9,303(3)(14)(17)	
		Senior secured loan (\$40,362 par due 12/2016)	10.00% (Libor + 8.50%/M)	10/4/2011	40,243	40,362(3)(17)	
		Senior secured loan (\$1,861 par due 12/2016)	6.00% (Libor + 4.50%/M)	10/4/2011	1,855	1,861(4)(14)(17)	
		Senior secured loan (\$8,072 par due 12/2016)	10.00% (Libor + 8.50%/M)	10/4/2011	8,048	8,072(4)(17)	
		Common stock (5,000 shares)		10/4/2011	5,000	4,750(2)	
					150,260	150,375	
R3 Education, Inc. and EIC Acquisitions Corp.	Medical school operator	Senior secured loan (\$3,442 par due 4/2013)	9.00% (Libor + 6.00%/Q)	9/21/2007	3,442	8,688(2)(17)	
		Senior secured loan (\$6,940 par due 4/2013)	13.00% PIK	12/8/2009	5,168	17,516(2)	
				7/30/2008	2,200	1,760(2)	

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		Preferred stock (8,800 shares)					
		Common membership interest (26.27% interest)		9/21/2007	15,800	25,156(2)	
		Warrants to purchase up to 27,890 shares		12/8/2009		(2)	
					26,610	53,120	
					534,531	520,399	15.10%
Restaurants and Food Services							
ADF Capital, Inc. & ADF Restaurant Group, LLC	Restaurant owner and operator	Senior secured revolving loan (\$1,868 par due 11/2013)	6.50% (Libor + 3.50%/Q)	11/27/2006	1,868	1,868(2)(17)	
		Senior secured loan (\$7,060 par due 11/2013)	6.50% (Libor + 3.50%/Q)	11/27/2006	7,060	7,060(2)(17)	
		Senior secured loan (\$11,200 par due 11/2014)	12.50% (Libor + 9.50%/Q)	11/27/2006	11,203	11,200(3)(17)	
		Senior secured loan (\$9,338 par due 11/2014)	12.50% (Libor + 9.50%/Q)	11/27/2006	9,338	9,338(2)(17)	
		Promissory note (\$14,897 par due 11/2016)		11/27/2006	14,887	17,724(2)	
		Warrants to purchase up to 0.61 shares		6/1/2006		1,897(2)	
					44,356	49,087	
Hojeij Branded Foods, Inc.	Airport restaurant operator	Senior secured loan (\$4,000 par due 2/2017)	10.25% (Base Rate + 7.00%/Q)	2/15/2012	4,000	3,920(2)(17)	
		Senior secured loan (\$15,000 par due 2/2017)	9.00% (Libor + 8.00%/Q)	2/15/2012	14,370	14,700(2)(17)	

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		Warrants to purchase up to 324 shares of Class A common stock		2/15/2012	669	808(2)	
		Warrants to purchase up to 7.5% of membership interest		2/15/2012		(2)	
					19,039	19,428	
Orion Foods, LLC (fka Hot Stuff Foods, LLC) (7)	Convenience food service retailer	Senior secured revolving loan (\$9,800 par due 9/2014)	10.75% (Base Rate + 7.50%/M)	4/1/2010	9,800	9,800(2)(17)	
		Senior secured loan (\$33,697 par due 9/2014)	10.00% (Libor + 8.50%/Q)	4/1/2010	33,697	33,697(3)(17)	
		Junior secured loan (\$37,552 par due 9/2014)	14.00%	4/1/2010	26,397	20,370(2)	
		Preferred units (10,000 units)		10/28/2010		(2)	
		Class A common units (25,001 units)		4/1/2010		(2)	
		Class B common units (1,122,452 units)		4/1/2010		(2)	
					69,894	63,867	
OTG Management, Inc.	Airport restaurant operator	Senior secured revolving loan (\$937 par due 8/2016)	8.50% (Libor + 7.00%/Q)	8/9/2011	937	937(2)(17)	
		Senior secured loan (\$22,437 par due 8/2016)	8.50% (Libor + 7.00%/Q)	8/9/2011	22,437	22,437(2)(17)	
		Junior secured loan (\$29,285 par due 8/2016)	14.50% (Libor + 13.00%/M)	8/9/2011	29,285	29,285(2)(17)	
		Junior secured loan (\$2,143 par due 8/2016)	14.50% (Libor + 13.00%/M)	8/9/2011	2,143	2,143(2)(17)	
		Junior secured loan (\$6,000 par due 8/2016)	15.25% (Base Rate + 12.00%/Q)	8/9/2011	6,000	6,000(2)(17)	
		Common units (3,000,000 units)		1/5/2011	3,000	2,801(2)	
		Warrants to purchase up to 189,857 shares of common stock		6/19/2008	100	4,877(2)	
					63,902	68,480	
Restaurant Holding Company, LLC	Fast food restaurant operator	Senior secured loan (\$1,903 par due 2/2017)	9.75% (Base Rate + 6.50%/Q)	2/15/2012	1,867	1,903(2)(17)	
		Senior secured loan (\$51,097 par due 2/2017)	9.00% (Libor + 7.50%/M)	2/15/2012	50,148	51,097(2)(17)	
		Senior secured loan (\$431 par due 2/2017)	9.75% (Base Rate + 6.50%/Q)	2/15/2012	422	431(3)(17)	
				2/15/2012	11,345	11,569(3)(17)	

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		Senior secured loan (\$11,569 par due 2/2017)	9.00% (Libor + 7.50%/M)				
		Senior secured loan (\$359 par due 2/2017)	9.75% (Base Rate + 6.50%/Q)	2/15/2012	352	359(4)(17)	
		Senior secured loan (\$9,641 par due 2/2017)	9.00% (Libor + 7.50%/M)	2/15/2012	9,457	9,641(4)(17)	
					73,591	75,000	
S.B. Restaurant Company	Restaurant owner and operator	Senior secured loan (\$34,173 par due 7/2012)	13.00% (Libor + 11.00% Cash, 2.00% PIK /Q)	4/1/2010	33,899	34,173(2)(17)	
		Preferred stock (46,690 shares)		4/1/2010		(2)	
		Warrants to purchase up to 257,429 shares of common stock		4/1/2010		(2)	
					33,899	34,173	
Vistar Corporation and Wellspring Distribution Corp.	Food service distributor	Junior secured loan (\$50,250 par due 5/2015)	11.00%	5/23/2008	49,402	50,250(2)	
		Junior secured loan (\$50,000 par due 5/2015)	11.00%	5/23/2008	49,653	50,000(3)	
		Class A non-voting common stock (1,366,120 shares)		5/3/2008	7,500	7,247(2)	
					106,555	107,497	
					411,236	417,532	12.12%
Business Services							
Aviation Properties Corporation (7)	Aviation services	Common stock (100 shares)		4/1/2010		(2)	

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Cast & Crew Payroll, LLC	Payroll services provider to the entertainment industry	Senior secured loan (\$70,000 par due 6/2017)	8.50% (Libor + 7.00%/Q)	6/13/2012	70,000	70,000(2)(17)	
		Senior secured loan (\$10,000 par due 6/2017)	8.50% (Libor + 7.00%/Q)	6/13/2012	10,000	10,000(4)(17)	
					80,000	80,000	
CIBT Investment Holdings, LLC	Expedited travel document processing services	Class A shares (2,500 shares)		12/15/2011	2,500	2,886(2)	
CitiPostal Inc. (7)	Document storage and management services	Senior secured revolving loan (\$1,400 par due 12/2013)	6.75% (Base Rate + 3.25%/Q)	4/1/2010	1,400	1,400(2)(17)	
		Senior secured loan (\$513 par due 12/2013)	8.50% Cash, 5.50% PIK	4/1/2010	513	513(2)	
		Senior secured loan (\$52,594 par due 12/2013)	8.50% Cash, 5.50% PIK	4/1/2010	52,594	52,594(3)	
		Senior subordinated loan (\$15,911 par due 12/2015)		4/1/2010	13,038	2,109(2)(16)	
		Common stock (37,024 shares)		4/1/2010		67,545	56,616
Cornerstone Records Management, LLC	Physical records storage and management service provider	Senior secured loan (\$18,573 par due 8/2016)	8.50% (Libor + 7.00%/M)	8/12/2011	18,573	18,202(2)(17)	
Coverall North America, Inc.	Commercial janitorial service provider	Subordinated notes (\$9,529 par due 2/2016)	10.00% Cash, 2.00% PIK	2/22/2011	9,529	9,529(2)	
Diversified Collections Services, Inc.	Collections services	Common stock (478,816 shares)		4/1/2010	1,478	4,319(2)	
		Common stock (128,931 shares)		2/5/2005	306	1,163(2)	
					1,784	5,482	
HCP Acquisition Holdings, LLC (7)	Healthcare compliance advisory services	Class A units (12,287,082 units)		6/26/2008	12,287	3,437(2)	
Impact Innovations Group, LLC	IT consulting and outsourcing services	Member interest (50.00% interest)		4/1/2010		200	
Investor Group Services, LLC (6)	Business consulting for private equity and corporate clients	Limited liability company membership interest (10.00% interest)		6/22/2006		1,009	
Itel Laboratories, Inc.	Data services provider for building materials to property insurance industry	Senior secured revolving loan (\$175 par due 6/2018)	6.25% (Libor + 5.00%/Q)	6/29/2012	175	175(2)(17)	
		Senior secured loan (\$22,350 par due 6/2018)	7.00% (Base Rate + 3.75%/Q)	6/29/2012	22,350	22,350(2)(17)	
		Preferred units (1,798,391 units)		6/29/2012	1,000	1,000(2)	

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					23,525	23,525
Multi-Ad Services, Inc. (6)	Marketing services and software provider	Preferred units (1,725,280 units)		4/1/2010	788	2,329(2)
		Common units (1,725,280 units)		4/1/2010		(2)
					788	2,329
MVL Group, Inc. (7)	Marketing research provider	Senior secured revolving loan (\$940 par due 6/2012)	4.75% (Base Rate + 1.50%/M)	6/28/2012	940	940(2)
		Senior secured loan (\$22,772 par due 7/2012)	12.00%	4/1/2010	22,772	22,772(2)
		Senior subordinated loan (\$36,306 par due 7/2012)	12.00% Cash, 2.50% PIK	4/1/2010	35,737	28,716(2)
		Junior subordinated loan (\$144 par due 7/2012)	10.00%	4/1/2010		(2)
		Common stock (560,716 shares)		4/1/2010		(2)
					59,449	52,428
Pillar Processing LLC and PHL Holding Co. (6)	Mortgage services	Senior secured loan (\$11,600 par due 11/2013)		7/31/2008	11,473	10,672(2)(16)
		Senior secured loan (\$7,375 par due 5/2014)		11/20/2007	7,375	757(2)(16)
		Common stock (85 shares)		11/20/2007	3,768	(2)(16)
					22,616	11,429

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Powersport Auctioneer Holdings, LLC	Powersport vehicle auction operator	Common Units (1,972 units)		3/2/2012	1,000	915(2)	
Prommis Holdings, LLC	Bankruptcy and foreclosure processing services	Class B common units (1,727 units)		6/12/2012		(2)	
Promo Works, LLC	Marketing services	Senior secured loan (\$8,655 par due 12/2013)		4/1/2010	3,738	2,281(2)(16)	
R2 Acquisition Corp.	Marketing services	Common stock (250,000 shares)		5/29/2007	250	89(2)	
Summit Business Media Parent Holding Company LLC	Business media consulting services	Limited liability company membership interest (22.99% interest)		5/20/2011		757(2)	
Tradesmen International, Inc.	Construction labor support	Junior secured loan (\$3,126 par due 5/2014)	13.00% Cash, 1.00% PIK	4/1/2010	2,599	3,126(2)	
		Warrants to purchase up to 771,036 shares		4/1/2010		7,279	
					2,599	10,405	
Tripwire, Inc.	IT security software provider	Senior secured loan (\$20,000 par due 5/2018)	6.00% (Libor + 4.75%/Q)	5/23/2011	20,000	20,000(2)(17)	
		Senior secured loan (\$50,000 par due 5/2018)	6.00% (Libor + 4.75%/Q)	5/23/2011	50,000	50,000(3)(17)	
		Senior secured loan (\$10,000 par due 5/2018)	6.00% (Libor + 4.75%/Q)	5/23/2011	10,000	10,000(4)(17)	
		Class A common stock (2,970 shares)		5/23/2011	2,970	6,727(2)	
		Class B common stock (2,655,638 shares)		5/23/2011	30	68(2)	
					83,000	86,795	
Venturehouse-Cibernet Investors, LLC	Financial settlement services for intercarrier wireless roaming	Equity interest		4/1/2010		(2)	
VSS-Tranzact Holdings, LLC (6)	Management consulting services	Series B preferred units (854 units)		11/7/2011	867	921	
		Common membership interest (8.54% interest)		10/26/2007	10,204	388	
		Warrants to purchase up to 4,206 units		11/7/2011		191	
					11,071	1,500	
					400,254	369,814	10.73%
Financial Services							
AllBridge Financial, LLC (7)	Asset management services	Equity interests		4/1/2010	8,435	11,009(2)	
Callidus Capital Corporation (7)	Asset management services	Common stock (100 shares)		4/1/2010	3,000	1,005	
Ciena Capital LLC (7)	Real estate and small business loan servicer	Senior secured revolving loan (\$14,000 par due 12/2013)	6.00%	11/29/2010	14,000	14,000(2)	
			12.00%	11/29/2010	32,000	32,000(2)	

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		Senior secured loan (\$32,000 par due 12/2015)				
		Equity interests		11/29/2010	53,374	21,622(2)
					99,374	67,622
Commercial Credit Group, Inc.	Commercial equipment finance and leasing company	Senior subordinated loan (\$28,000 par due 5/2018)	12.75%	5/10/2012	28,000	28,000(2)
Cook Inlet Alternative Risk, LLC	Risk management services	Senior subordinated loan (\$3,250 par due 9/2015)	9.00%	9/30/2011	3,250	3,250(2)
Financial Pacific Company	Commercial finance leasing	Preferred stock (6,500 shares)	8.00% PIK	10/13/2010	5,181	8,453(2)
		Common stock (650,000 shares)		10/13/2010		(2)
					5,181	8,453
Imperial Capital Group LLC	Investment services	Class A common units (7,710 units)		5/10/2007	14,997	21,100(2)
		2006 Class B common units (2,526 units)		5/10/2007	3	4(2)
		2007 Class B common units (315 units)		5/10/2007		(2)
					15,000	21,104
Ivy Hill Asset Management, L.P. (7)(9)	Asset management services	Member interest (100.00% interest)		6/15/2009	112,876	204,977

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
					275,116	345,420	10.02%
Consumer Products-Non-durable							
Gilchrist & Soames, Inc.	Personal care manufacturer	Senior secured revolving loan (\$3,500 par due 10/2013)	6.25% (Libor + 5.00%/Q)	4/1/2010	3,500	3,500(2)(17)	
		Senior secured loan (\$21,941 par due 10/2013)	13.44%	4/1/2010	21,564	20,844(2)	
					25,064	24,344	
Implus Footcare, LLC	Provider of footwear and other accessories	Preferred stock (455 shares)	6.00% PIK	10/31/2011	4,729	4,729(2)	
		Common stock (455 shares)		10/31/2011	455	357(2)	
					5,184	5,086	
Insight Pharmaceuticals Corporation (6)	OTC drug products manufacturer	Junior secured loan (\$25,000 par due 8/2017)	13.25% (Libor + 11.75%/Q)	8/26/2011	24,756	24,500(3)(17)	
		Class A common stock (155,000 shares)		8/26/2011	6,035	8,950(2)	
		Class B common stock (155,000 shares)		8/26/2011	6,035	8,950(2)	
					36,826	42,400	
Making Memories Wholesale, Inc. (7)	Scrapbooking branded products manufacturer	Senior secured revolving loan (\$2,250 par due 8/2014)		8/21/2009	2,229	805(2)(16)	
		Common stock (100 shares)		8/21/2009		(2)	
					2,229	805	
Matrixx Initiatives, Inc. and Wonder Holdings Acquisition Corp.	Developer and marketer of over-the-counter healthcare products	Senior secured revolving loan (\$5,500 par due 6/2016)	13.00% (Libor + 12.00%/Q)	6/30/2011	5,500	5,060(2)(17)	
		Senior secured loan (\$40,375 par due 6/2016)	13.00% (Libor + 12.00%/Q)	6/30/2011	40,144	37,145(3)(17)	
		Warrants to purchase up to 1,654,678 shares of common stock		7/27/2011		(2)	
		Warrants to purchase up to 1,489 shares of preferred stock		7/27/2011		335(2)	
					45,644	42,540	
Oak Parent, Inc.	Manufacturer of athletic apparel	Senior secured loan (\$57,000 par due 4/2018)	8.00% (Libor + 7.00%/Q)	4/2/2012	56,742	57,000(2)(17)	
		Senior secured loan (\$10,000 par due 4/2018)	8.00% (Libor + 7.00%/Q)	4/2/2012	9,954	10,000(4)(17)	
					66,696	67,000	

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The Step2 Company, LLC	Toy manufacturer	Junior secured loan (\$27,000 par due 4/2015)	10.00%	4/1/2010	25,922	27,000(2)
		Junior secured loan (\$31,971 par due 4/2015)	10.00% Cash, 5.00% PIK	4/1/2010	30,839	28,134(2)
		Common units (1,116,879 units)		4/1/2010	24	9(2)
		Warrants to purchase up to 3,157,895 units		4/1/2010		25(2)
					56,785	55,168
The Thymes, LLC (7)	Cosmetic products manufacturer	Preferred units (6,283 units)	8.00% PIK	6/21/2007	5,952	6,672
		Common units (5,400 units)		6/21/2007		1,071(2)
Woodstream Corporation	Pet products manufacturer	Senior secured loan (\$3,000 par due 8/2014)	6.50% (Libor + 5.00%/Q)	4/18/2012	3,000	3,000(2)(17)
		Senior secured loan (\$15,000 par due 8/2014)	6.50% (Libor + 5.00%/Q)	4/18/2012	15,000	15,000(4)(17)
		Senior subordinated loan (\$45,000 par due 2/2015)	12.00%	1/22/2010	41,013	45,000(2)
		Common stock (4,254 shares)		1/22/2010	1,222	3,320(2)
					60,235	66,320

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
					304,615	311,406	9.04%
Containers-Packaging							
ICSH, Inc.	Industrial container manufacturer, reconditioner and servicer	Senior secured loan (\$131 par due 8/2016)	8.00% (Base Rate + 7.00%/Q)	8/31/2011	131	131(2)(17)	
		Senior secured loan (\$50,886 par due 8/2016)	8.00% (Libor + 7.00%/Q)	8/31/2011	50,886	50,886(2)(17)	
		Senior secured loan (\$49,618 par due 8/2016)	8.00% (Libor + 7.00%/Q)	8/31/2011	49,618	49,618(3)(17)	
		Senior secured loan (\$14,949 par due 8/2016)	8.00% (Base Rate + 7.00%/Q)	8/31/2011	14,949	14,949(4)(17)	
					115,584	115,584	
Microstar Logistics LLC	Keg management solutions provider	Junior secured loan (\$60,000 par due 8/2016)	10.00% (Libor + 9.00%/Q)	8/5/2011	60,000	60,000(2)(17)	
		Junior secured loan (\$50,000 par due 8/2016)	10.00% (Libor + 9.00%/Q)	8/5/2011	50,000	50,000(3)(17)	
					110,000	110,000	
Pregis Corporation, Pregis Intellipack Corp. and Pregis Innovative Packaging Inc.	Provider of a broad range of highly-customized, tailored protective packaging solutions	Senior secured loan (\$1,000 par due 3/2017)	7.75% (Libor + 6.25%/M)	4/25/2012	1,000	1,000(2)(17)	
					226,584	226,584	6.58%
Services-Other							
Competitor Group, Inc.	Endurance sports media and event operator	Senior secured loan (\$29,489 par due 1/2017)	9.50% (Libor + 8.00%/Q)	1/30/2012	29,489	29,489(2)(17)	
		Senior secured loan (\$4,969 par due 1/2017)	9.50% (Libor + 8.00%/Q)	1/30/2012	4,969	4,969(4)(17)	
					34,458	34,458	
McKenzie Sports Products, LLC	Designer, manufacturer and distributor of taxidermy forms and supplies	Senior secured loan (\$21,784 par due 3/2017)	7.00% (Libor + 5.50%/S)	3/30/2012	21,784	21,784(2)(17)	
		Senior secured loan (\$161 par due 3/2017)	7.75% (Base Rate + 4.50%/M)	3/30/2012	161	161(2)(17)	
		Senior secured loan (\$9,902 par due 3/2017)	7.00% (Libor + 5.50%/S)	3/30/2012	9,902	9,902(4)(17)	
		Senior secured loan (\$73 par due 3/2017)	7.75% (Base Rate + 4.50%/M)	3/30/2012	73	73(4)(17)	
					31,920	31,920	
The Dwyer Group (6)	Operator of multiple franchise concepts primarily related to home maintenance or repairs	Senior subordinated loan (\$25,303 par due 6/2018)	12.00% Cash, 1.50% PIK	12/22/2010	25,303	25,303(2)	

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		Series A preferred units (13,292,377 units)	8.00% PIK	12/22/2010	6,089	12,439(2)	
					31,392	37,742	
Wash Multifamily Laundry Systems, LLC (fka Web Services Company, LLC)	Laundry service and equipment provider	Senior secured loan (\$27,325 par due 8/2014)	7.00% (Base Rate + 3.75%/Q)	6/26/2012	27,220	27,325(2)(17)	
		Junior secured loan (\$40,000 par due 8/2015)	10.88% (Libor + 9.38%/Q)	1/25/2011	40,000	40,000(2)(17)	
		Junior secured loan (\$50,000 par due 8/2015)	10.88% (Libor + 9.38%/Q)	1/25/2011	50,000	50,000(3)(17)	
					117,220	117,325	
					214,990	221,445	6.43%
Manufacturing							
Component Hardware Group, Inc.	Commercial equipment	Junior secured loan (\$3,154 par due 12/2014)	7.00% Cash, 3.00% PIK	8/4/2010	3,154	3,154(2)	
		Senior subordinated loan (\$10,866 par due 12/2014)	7.50% Cash, 5.00% PIK	4/1/2010	7,606	10,866(2)	
		Warrants to purchase up to 1,462,500 shares of common stock		8/4/2010		4,213(2)	
					10,760	18,233	
HOPPY Holdings Corp.	Automotive and recreational vehicle aftermarket products	Senior secured loan (\$13,238 par due 6/2016)	5.00% (Libor + 3.75%/M)	6/3/2011	13,238	12,973(4)(17)	

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
MWI Holdings, Inc.	Highly engineered springs, fasteners, and other precision components	Senior secured loan (\$38,274 par due 6/2017)	10.00% (Libor + 8.00%/Q)	6/15/2011	38,274	38,274(2)(17)	
		Senior secured loan (\$10,000 par due 6/2017)	10.00% (Libor + 8.00%/Q)	6/15/2011	10,000	10,000(4)(17)	
					48,274	48,274	
NetShape Technologies, Inc.	Metal precision engineered components	Senior secured revolving loan (\$648 par due 2/2013)	4.21% (Libor + 3.75%/Q)	4/1/2010	197	549(2)	
					197	549	
Protective Industries, Inc.	Plastic protection products	Senior secured revolving loan (\$233 par due 5/2016)	6.25% (Base Rate + 3.00%/M)	5/23/2011	233	229(2)(17)	
		Senior secured revolving loan (\$933 par due 5/2016)	5.75% (Libor + 4.25%/M)	5/23/2011	933	915(2)(17)	
		Senior secured loan (\$5,561 par due 5/2017)	5.75% (Libor + 4.25%/M)	5/23/2011	5,561	5,449(2)(17)	
		Senior secured loan (\$14 par due 5/2017)	6.25% (Base Rate + 3.00%/M)	5/23/2011	14	14(2)(17)	
		Senior subordinated loan (\$746 par due 5/2018)	8.00% Cash, 7.25% PIK	5/23/2011	746	746(2)	
		Preferred stock (2,379,361 shares)		5/23/2011	2,307	3,759(2)	
					9,794	11,112	
Saw Mill PCG Partners LLC	Metal precision engineered components	Common units (1,000 units)		1/30/2007	1,000	(2)	
Sigma International Group, Inc.	Water treatment parts	Junior secured loan (\$4,151 par due 4/2014)	10.00% (Libor + 5.00% Cash, 5.00% PIK /A)	7/8/2011	4,151	3,487(2)(17)	
SSH Environmental Industries, Inc. and SSH Non-Destructive Testing, Inc.	Magnetic sensors and supporting sensor products	Senior secured loan (\$11,867 par due 12/2016)	9.00% (Libor + 7.50%/Q)	3/23/2012	11,640	11,867(2)(17)	
WP CPP Holdings, LLC	Precision engineered castings	Senior secured loan (\$10,743 par due 10/2017)	8.50% (Libor + 7.00%/M)	10/11/2011	10,696	10,743(2)(17)	
		Senior secured loan (\$49,749 par due 10/2017)	8.50% (Libor + 7.00%/M)	10/11/2011	49,511	49,749(3)(17)	
		Senior secured loan (\$9,975 par due 10/2017)	8.50% (Libor + 7.00%/M)	10/11/2011	9,929	9,975(4)(17)	
					70,136	70,467	
					169,190	176,962	5.14%
Consumer Products- Durable							
Bushnell Inc.	Sports optics manufacturer	Senior secured loan (\$22,886 par due 8/2015)	6.00% (Libor + 4.50%/Q)	4/30/2012	22,886	22,657(2)(17)	
		Senior secured loan (\$26,685 par due 8/2015)	5.75% (Libor + 4.25%/Q)	4/19/2012	26,551	26,285(2)(17)	

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		Junior secured loan (\$56,325 par due 2/2016)	9.00% (Libor + 7.50%/Q)	4/1/2010	49,584	55,198(2)(17)	
		Junior secured loan (\$43,675 par due 2/2016)	9.50% (Libor + 8.00%/Q)	4/30/2012	43,675	43,238(2)(17)	
					142,696	147,378	
					142,696	147,378	4.28%
Grocery							
Grocery Outlet Inc.	Value grocery retailer	Senior secured loan (\$30,000 par due 12/2017)	10.50% (Libor + 9.00%/Q)	12/15/2011	30,000	30,000(2)(17)	
		Senior secured loan (\$1,185 par due 12/2017)	11.25% (Base Rate + 8.00%/Q)	12/15/2011	1,185	1,185(2)(17)	
		Senior secured loan (\$47,619 par due 12/2017)	10.50% (Libor + 9.00%/Q)	12/15/2011	47,619	47,619(3)(17)	
		Senior secured loan (\$1,881 par due 12/2017)	11.25% (Base Rate + 8.00%/Q)	12/15/2011	1,881	1,881(3)(17)	
		Senior secured loan (\$9,524 par due 12/2017)	10.50% (Libor + 9.00%/Q)	12/15/2011	9,524	9,524(4)(17)	
		Senior secured loan (\$376 par due 12/2017)	11.25% (Base Rate + 8.00%/Q)	12/15/2011	376	376(4)(17)	
					90,585	90,585	
					90,585	90,585	2.63%
Telecommunications							
American Broadband Communications, LLC, American Broadband Holding Company and Cameron Holdings of NC, Inc.	Broadband communication services	Senior secured loan (\$8,077 par due 9/2013)	7.50% (Libor + 5.50%/Q)	9/1/2010	8,077	8,077(2)(17)	

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		Senior subordinated loan (\$10,634 par due 11/2014)	12.00% Cash, 2.00% PIK	9/1/2010	10,634	10,208(2)	
		Senior subordinated loan (\$22,816 par due 11/2014)	10.00% Cash, 4.00% PIK	11/7/2007	22,816	21,904(2)	
		Senior subordinated loan (\$33,762 par due 11/2014)	12.00% Cash, 2.00% PIK	11/7/2007	33,762	32,412(3)	
		Warrants to purchase up to 378 shares		11/7/2007		808(2)	
		Warrants to purchase up to 200 shares		9/1/2010		427(2)	
					75,289	73,836	
Dialog Telecom LLC	Broadband communication services	Senior secured loan (\$16,476 par due 12/2013)	12.00% (Libor + 10.50% Cash, 1.50% PIK /Q)	6/20/2011	16,476	16,476(2)(17)	
Startec Equity, LLC (7)	Communication services	Member interest		4/1/2010		(2)	
					91,765	90,312	2.62%
Retail							
Direct Buy Holdings, Inc. and Direct Buy Investors, LP (6)	Membership based buying club franchisor and operator	Limited partnership interest (66,667 shares)		4/1/2010	2,594	(2)	
		Limited partnership interest (83,333 shares)		11/30/2007	8,333	(2)	
					10,927		
Fulton Holdings Corp.	Airport restaurant operator	Senior secured loan (\$40,000 par due 5/2016)	12.50%	5/28/2010	40,000	40,000(3)(12)	
		Common stock (19,672 shares)		5/28/2010	1,967	1,563(2)	
					41,967	41,563	
Savers, Inc. and SAI Acquisition Corporation	For-profit thrift retailer	Common stock (1,218,481 shares)		8/8/2006	4,909	19,834(2)	
Things Remembered Inc. and TRM Holdings Corporation	Personalized gifts retailer	Senior secured loan (\$15,000 par due 5/2018)	8.00% (Libor + 6.50%/Q)	5/24/2012	15,000	15,000(2)(17)	
		Senior secured loan (\$10,000 par due 5/2018)	8.00% (Libor + 6.50%/Q)	5/24/2012	10,000	10,000(4)(17)	
					25,000	25,000	
					82,803	86,397	2.51%
Energy							
EquiPower Resources Holdings, LLC	Gas-fired power generation facilities operator	Junior secured loan (\$22,500 par due 6/2019)	10.00% (Libor + 8.50%/Q)	6/27/2012	22,050	22,050(2)(17)	
La Paloma Generating Company, LLC	Natural gas fired, combined cycle plant operator	Junior secured loan (\$59,000 par due 8/2018)	10.25% (Libor + 8.75%/Q)	8/9/2011	57,840	56,050(2)(17)	
USG Nevada LLC	Geothermal, renewable energy, developer for electrical power and direct uses	Junior secured loan (\$7,500 par due 6/2012)	11.97% (Libor + 11.50%/Q)	11/10/2011	7,500	7,500(2)	

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					87,390	85,600	2.48%
Aerospace and Defense							
PRV Aerospace, LLC	Aerospace precision components manufacturer	Senior secured loan (\$8,500 par due 5/2018)	6.50% (Libor + 5.25%/Q)	5/15/2012	8,416	8,500(4)(17)	
		Junior secured loan (\$68,000 par due 5/2019)	10.50% (Libor + 9.25%/Q)	5/10/2012	68,000	68,000(2)(17)	
					76,416	76,500	
Wyle Laboratories, Inc. and Wyle Holdings, Inc.	Provider of specialized engineering, scientific and technical services	Senior preferred stock (775 shares)	8.00% PIK	1/17/2008	99	99(2)	
		Common stock (1,885,195 shares)		1/17/2008	2,291	2,093(2)	
					2,390	2,192	
					78,806	78,692	2.28%
Oil and Gas							
Geotrace Technologies, Inc.	Reservoir processing, development	Warrants to purchase up to 69,978 shares of common stock		4/1/2010	88	(2)	
		Warrants to purchase up to 210,453 shares of preferred stock		4/1/2010	2,806	1,576(2)	

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
					2,894	1,576	
UL Holding Co., LLC and Universal Lubricants, LLC (6)	Petroleum product manufacturer	Junior secured loan (\$30,211 par due 12/2014)	9.34% (Libor + 7.34% Cash, 2.00% PIK /Q)	4/30/2012	30,211	30,211(2)	
		Junior secured loan (\$20,532 par due 12/2014)	12.00% Cash, 2.00% PIK	4/30/2012	20,532	20,532(2)	
		Junior secured loan (\$5,025 par due 12/2014)	12.00% Cash, 3.00% PIK	4/30/2012	5,025	5,025(2)	
		Junior secured loan (\$2,926 par due 12/2014)	12.00% Cash, 2.00% PIK	4/30/2012	2,926	2,926(3)	
		Class A common units (10,782 units)		6/17/2011	108	82(2)	
		Class B-5 common units (599,200 units)		4/25/2008	5,472	4,541(2)	
		Class B-4 common units (50,000 units)		6/17/2011	500	379(2)	
		Class C common units (618,091 units)		4/25/2008		4,685(2)	
					64,774	68,381	
					67,668	69,957	2.03%
Automotive Services							
Driven Holdings, LLC	Automotive aftermarket car care franchisor	Preferred stock (247,500 units)		12/16/2011	2,475	2,550(2)	
		Common stock (25,000 units)		12/16/2011	25	56(2)	
					2,500	2,606	
Stag-Parkway, Inc. (7)	Automotive aftermarket components supplier	Senior secured loan (\$34,500 par due 12/2014)	12.50% (Libor + 11.00%/Q)	9/30/2010	34,500	34,500(2)(17)	
		Preferred stock (4,200 shares)	16.50% PIK	9/30/2010	2,664	4,200(2)	
		Common stock (10,200 shares)		9/30/2010		23,067(2)	
					37,164	61,767	
					39,664	64,373	1.87%
Printing, Publishing and Media							
Earthcolor Group, LLC (6)	Printing management services	Limited liability company interests (9.30%)		5/18/2012			
National Print Group, Inc.	Printing management services	Senior secured revolving loan (\$1,141 par due 10/2013)	9.00% (Libor + 6.00%/Q)	3/2/2006	1,141	1,096(2)(17)	
		Senior secured revolving loan (\$627 par due 10/2013)	9.00% (Base Rate + 5.00%/M)	3/2/2006	627	602(2)(17)	
		Senior secured loan (\$7,510 par due 10/2013)	10.00% (Libor + 9.00% Cash, 1.00% PIK /Q)	3/2/2006	7,213	7,360(2)(17)	
		Preferred stock (9,344 shares)		3/2/2006	2,000	(2)	
					10,981	9,058	

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The Teaching Company, LLC and The Teaching Company Holdings, Inc.	Education publications provider	Senior secured loan (\$21,531 par due 3/2017)	9.00% (Libor + 7.50%/Q)	9/29/2006	21,531	21,531(2)(17)	
		Senior secured loan (\$10,000 par due 3/2017)	9.00% (Libor + 7.50%/Q)	9/29/2006	10,000	10,000(4)(17)	
		Preferred stock (10,663 shares)		9/29/2006	1,066	4,483(2)	
		Common stock (15,393 shares)		9/29/2006	3	11(2)	
					32,600	36,025	
					43,581	45,083	1.31%
Commercial Real Estate							
Finance							
10th Street, LLC (6)	Real estate holding company	Senior subordinated loan (\$24,706 par due 11/2014)	8.93% Cash, 4.07% PIK	4/1/2010	24,706	24,706(2)	
		Member interest (10.00% interest)		4/1/2010	594	492	
		Option (25,000 units)		4/1/2010	25	25	
							25,325
American Commercial Coatings, Inc.	Real estate property	Commercial mortgage loan (\$2,000 par due 12/2025)		4/1/2010	1,238	2,004(16)	

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Aquila Binks Forest Development, LLC	Real estate developer	Commercial mortgage loan (\$13,477 par due 12/2014)		4/1/2010	11,900	2,966(2)(16)	
		Real estate equity interests		4/1/2010			
					11,900	2,966	
Cleveland East Equity, LLC	Hotel operator	Real estate equity interests		4/1/2010	1,026	2,624	
Commons R-3, LLC	Real estate developer	Real estate equity interests		4/1/2010			
Crescent Hotels & Resorts, LLC and affiliates (7)	Hotel operator	Senior subordinated loan (\$2,236 par due 9/2011)		4/1/2010		(2)(16)	
		Senior subordinated loan (\$2,092 par due 6/2017)		4/1/2010		(2)(16)	
		Common equity interest		4/1/2010			
Hot Light Brands, Inc. (7)	Real estate holding company	Senior secured loan (\$34,239 par due 2/2011)		4/1/2010	2,946	2,566(2)(16)	
		Common stock (93,500 shares)		4/1/2010		(2)	
					2,946	2,566	
NPH, Inc.	Hotel property	Real estate equity interests		4/1/2010	5,291	8,170	
					47,726	43,553	1.26%
Transportation							
PODS Funding Corp.	Storage and warehousing	Junior subordinated loan (\$39,675 par due 5/2017)	12.75% Cash, 2.75% PIK	11/29/2011	39,675	39,675(2)	
United Road Towing, Inc.	Towing company	Warrants to purchase up to 607 shares		4/1/2010			
					39,675	39,675	1.14%
Food and Beverage							
Apple & Eve, LLC and US Juice Partners, LLC (6)	Juice manufacturer	Senior secured loan (\$21,530 par due 10/2013)	13.00% (Libor + 10.00%/M)	10/5/2007	21,530	21,529(2)(17)	
		Senior secured loan (\$4,818 par due 10/2013)	13.00% (Libor + 10.00%/M)	10/5/2007	4,818	4,818(4)(17)	
		Senior units (50,000 units)		10/5/2007	5,000	2,030	
					31,348	28,377	
Charter Baking Company, Inc.	Baked goods manufacturer	Senior subordinated loan (\$8,230 par due 2/2013)	16.00% PIK	2/6/2008	8,230	8,230(2)	
		Preferred stock (6,258 shares)	8.00% PIK	9/1/2006	2,566	1,542(2)	
					10,796	9,772	
Distant Lands Trading Co.	Coffee manufacturer	Class A common stock (1,294 shares)		4/1/2010	980	275(2)	
				4/1/2010		(2)	

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		Class A-1 common stock (2,157 shares)			980	275	
					43,124	38,424	1.11%
Environmental Services							
AWTP, LLC (7)	Water treatment services	Junior secured loan (\$4,212 par due 6/2015)	5.00% Cash, 5.00% PIK	4/18/2011	4,212	4,212(2)	
		Junior secured loan (\$5,826 par due 6/2015)	15.00% PIK	4/18/2011	5,826	5,826(2)	
		Membership interests (90% interest)		4/18/2011		333(2)	
					10,038	10,371	
RE Community Holdings II, Inc. and Pegasus Community Energy, LLC.	Operator of municipal recycling facilities	Preferred stock (1,000 shares)	12.50% PIK	3/1/2011	8,839	5,032(2)	
Waste Pro USA, Inc	Waste management services	Preferred Class A common equity (611,615 shares)		11/9/2006	12,263	22,380(2)	
					31,140	37,783	1.10%
Health Clubs							
Athletic Club Holdings, Inc.	Premier health club operator	Senior secured loan (\$11,500 par due 10/2013)	4.75% (Libor + 4.50%/M)	10/11/2007	11,500	11,385(2)(13)	
					11,500	11,385	0.33%

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Company(1)	Business Description	Investment	Interest (5)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Wholesale Distribution							
BECO Holding Company, Inc.	Wholesale distributor of first response fire protection equipment and related parts	Common stock (25,000 shares)		7/30/2010	2,500	3,455(2)	
					2,500	3,455	0.10%
					\$ 55,438,184	\$ 5,504,813	159.74%

- Other than our investments listed in footnote 7 below (subject to the limitations set forth therein), we do not Control any of our portfolio companies, as defined in the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the Investment Company Act). In general, under the Investment Company Act, we would Control a portfolio company if we owned more than 25% of its outstanding voting securities and/or had the power to exercise control over the management or policies of such portfolio company. All of our portfolio company investments, which as of June 30, 2012 represented 160% of the Company s net assets or 95% of the Company s total assets, are subject to legal restrictions on sales.
- These assets are pledged as collateral for the Revolving Credit Facility and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than the Company s obligations under the Revolving Credit Facility (see Note 5 to the consolidated financial statements).
- These assets are owned by the Company s consolidated subsidiary Ares Capital CP Funding LLC (Ares Capital CP), are pledged as collateral for the Revolving Funding Facility and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than Ares Capital CP s obligations under the Revolving Funding Facility (see Note 5 to the consolidated financial statements).
- These assets are owned by the Company s consolidated subsidiary Ares Capital JB Funding LLC (ACJB), are pledged as collateral for the SMBC Funding Facility and, as a result, are not directly available to the creditors of the Company to satisfy any obligations of the Company other than ACJB s obligations under the SMBC Funding Facility (see Note 5 to the consolidated financial statements).
- Investments without an interest rate are non-income producing.
- As defined in the Investment Company Act, we are deemed to be an Affiliated Person of a portfolio company because we own 5% or more of the portfolio company s outstanding voting securities or we have the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions during the six months ended June 30, 2012 in which the issuer was an Affiliated company (but not a portfolio company that we Control) are as follows:

Company	Purchases (cost)	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)
10th Street, LLC	\$	\$	\$	\$ 1,597	\$	\$	\$	\$	\$ (38)
Apple & Eve, LLC and US Juice Partners, LLC	\$	\$ 5,497	\$	\$ 1,786	\$	\$	\$ 22	\$	\$ (1,297)
Campus Management Corp. and Campus Management Acquisition Corp	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,234
CT Technologies Intermediate Holdings, Inc. and CT Technologies Holdings, LLC	\$	\$ 113	\$	\$ 583	\$	\$	\$	\$	\$ (4,166)
The Dwyer Group	\$	\$	\$	\$ 1,238	\$ 162	\$ 537	\$ 86	\$	\$ 3,751
ELC Acquisition Corp. and ELC Holdings Corporation	\$	\$	\$	\$	\$	\$	\$ 6	\$	\$ (220)
Firstlight Financial Corporation	\$	\$ 15,939	\$	\$ 1,034	\$	\$	\$ 125	\$ 61	\$ 10,480
Insight Pharmaceuticals Corporation	\$	\$	\$	\$ 1,690	\$	\$	\$	\$	\$ (733)
Investor Group Services, LLC	\$	\$	\$	\$	\$	\$ 102	\$ 8	\$	\$ 151
Multi-Ad Services, Inc.	\$	\$	\$	\$	\$	\$	\$	\$	\$ 501
	\$	\$	\$	\$	\$	\$	\$	\$	\$ (493)

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Pillar Processing LLC and PHL Holding Co.															
Soteria Imaging Services, LLC	\$	\$	164	\$	\$	\$	\$	\$	10	\$ (20)					
VSS-Tranzact Holdings, LLC	\$	\$	\$	\$	\$	\$	\$	\$	\$	433					
UL Holding Co., LLC	\$	43,128	\$	13,536	\$	\$	2,331	\$	733	\$	\$	173	\$	\$	3,548

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- (7) As defined in the Investment Company Act, we are deemed to be both an Affiliated Person and Control this portfolio company because we own more than 25% of the portfolio company's outstanding voting securities or we have the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions during the period for the six months ended June 30, 2012 in which the issuer was both an Affiliated company and a portfolio company that we are deemed to Control are as follows:

Company	Purchases	Redemptions (cost)	Sales (cost)	Interest income	Capital structuring service fees	Dividend income	Other income	Net realized gains (losses)	Net unrealized gains (losses)
AGILE Fund I, LLC	\$	\$ 9	\$	\$	\$	\$ 3	\$	\$	\$ (6)
Allied Capital REIT, Inc.	\$	\$	\$ 375	\$	\$	\$ 41	\$	\$ 147	\$ (314)
AllBridge Financial, LLC	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,236
Aviation Properties Corporation	\$	\$	\$	\$	\$	\$	\$	\$	\$
AWTP, LLC	\$	\$	\$	\$ 629	\$	\$	\$	\$	\$ 1,982
BenefitMall Holdings, Inc.	\$	\$ 40,326	\$ 53,510	\$ 2,440	\$	\$	\$ 167	\$ 12,903	\$ (6,479)
Callidus Capital Corporation	\$	\$	\$	\$	\$	\$	\$	\$	\$ 229
Ciena Capital LLC	\$	\$	\$	\$ 2,366	\$	\$	\$	\$	\$ 1,570
Citipostal, Inc.	\$	\$ 1,800	\$	\$ 3,817	\$	\$	\$ 98	\$	\$ 535
Crescent Hotels & Resorts, LLC and affiliates	\$	\$	\$ 2,843	\$ 20	\$	\$	\$	\$ (5,473)	\$ 5,595
HCI Equity, LLC	\$	\$	\$	\$	\$	\$	\$	\$	\$ (21)
HCP Acquisition Holdings, LLC	\$ 1,194	\$	\$	\$	\$	\$	\$	\$	\$ (2,680)
Hot Light Brands, Inc.	\$	\$ 1,000	\$	\$	\$	\$	\$	\$	\$ (126)
Huddle House Inc.	\$	\$ 20,801	\$	\$ 678	\$	\$	\$ 187	\$ (1,404)	\$ 1,701
Ivy Hill Asset Management, L.P.	\$	\$	\$	\$	\$	\$ 9,524	\$	\$	\$ 10,380
Ivy Hill Middle Market Credit Fund, Ltd.	\$	\$	\$ 15,000	\$ 2,473	\$	\$	\$	\$ (750)	\$ 1,230
LVCG Holdings, LLC	\$	\$	\$ 6,600	\$	\$	\$	\$	\$ (6,590)	\$ 6,600
Making Memories Wholesale, Inc.	\$	\$	\$	\$	\$	\$	\$	\$ (11,067)	\$ 10,892
MVL Group, Inc.	\$ 940	\$	\$	\$ 4,019	\$	\$	\$	\$	\$ (5,582)
Orion Foods, LLC	\$ 6,500	\$ 220	\$	\$ 4,972	\$	\$	\$ 406	\$	\$ (10,400)
Senior Secured Loan Fund LLC*	\$ 83,159	\$ 17,937	\$	\$ 87,743	\$ 17,587	\$	\$ 8,004	\$ 173	\$ 1,413
Stag-Parkway, Inc.	\$	\$	\$	\$ 2,151	\$	\$ 388	\$ 125	\$	\$ 7,964
Startec Equity, LLC	\$	\$	\$	\$	\$	\$	\$	\$	\$
The Thymes, LLC	\$	\$	\$	\$	\$	\$ 242	\$	\$	\$ 728

* Together with GE Global Sponsor Finance LLC and General Electric Capital Corporation (together, "GE"), we co-invest through the Senior Secured Loan Fund LLC d/b/a the Senior Secured Loan Program (the "SSLP"). The SSLP is capitalized as transactions are completed and all portfolio decisions and generally all other decisions in respect of the SSLP must be approved by an investment committee of the SSLP consisting of representatives of the Company and GE; therefore, although the Company owns more than 25% of the voting securities of the SSLP, the Company does not believe that it has control over the SSLP (for purposes of the Investment Company Act or otherwise).

- (8) Non-U.S. company or principal place of business outside the U.S. and as a result is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets.
- (9) Excepted from the definition of investment company under Section 3(c) of the Investment Company Act and as a result is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets.
- (10) In the first quarter of 2011, the staff of the Securities and Exchange Commission (the "Staff") informally communicated to certain business development companies the Staff's belief that certain entities, which would be classified as an investment company under the Investment Company Act but for the exception from the definition of investment company set forth in Rule 3a-7 promulgated under the Investment Company Act, could not be treated as eligible portfolio companies (as defined in Section 2(a)(46) of the Investment Company Act). Subsequently, in August 2011 the Securities and Exchange Commission issued a concept release (the "Concept Release")

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which states that [a]s a general matter, the Commission presently does not believe that Rule 3a-7 issuers are the type of small, developing and financially troubled businesses in which Congress intended BDCs primarily to invest and requested comment on whether or not a 3a-7 issuer should be considered an eligible portfolio company. Ares Capital provided a comment letter in respect of the Concept Release and continues to believe that the language of Section 2(a)(46) of the Investment Company Act permits a business development company to treat as eligible portfolio companies entities that rely on the 3a-7 exception. However, given the current uncertainty in this area (including the language in the Concept Release), Ares Capital has, solely for purposes of calculating the composition of its portfolio pursuant to Section 55(a) of the Investment Company Act, identified these entities in our schedule of investments as non-qualifying assets should the Staff ultimately disagree with Ares Capital's position.

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

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- (12) In addition to the interest earned based on the stated interest rate of this security, we are entitled to receive an additional interest amount of 5.00% on \$17 million aggregate principal amount outstanding of the portfolio company's senior term debt previously syndicated by us.
- (13) In addition to the interest earned based on the stated interest rate of this security, we are entitled to receive an additional interest amount of 2.50% on \$12 million aggregate principal amount outstanding of the portfolio company's senior term debt previously syndicated by us.
- (14) In addition to the interest earned based on the stated interest rate of this security, we are entitled to receive an additional interest amount of 4.00% on \$43 million aggregate principal amount outstanding of the portfolio company's senior term debt previously syndicated by us.
- (15) In addition to the interest earned based on the stated interest rate of this security, we are entitled to receive an additional interest amount of 1.13% on \$21 million aggregate principal amount outstanding of the portfolio company's senior term debt.
- (16) Loan was on non-accrual status as of June 30, 2012.
- (17) Loan includes interest rate floor feature.
- (18) In addition to the interest earned based on the stated contractual interest rate of this security, the certificates entitle us to receive a portion of the excess cash flow from the SSLP's loan portfolio, which may result in a return to the Company greater than the contractual stated interest rate.

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As of December 31, 2011

(dollar amounts in thousands)

Company(1)	Business Description	Investment	Interest (4)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
Investment Funds and Vehicles							
AGILE Fund I, LLC (6)(8)	Investment partnership	Member interest (0.50% interest)		4/1/2010	\$ 216	\$ 132	
CIC Flex, LP (8)	Investment partnership	Limited partnership units (0.94 unit)		9/7/2007	2,533	3,130	
Covestia Capital Partners, LP (8)	Investment partnership	Limited partnership interest (47.00% interest)		6/17/2008	1,059	1,111	
Dynamic India Fund IV, LLC (8)	Investment company	Member interest (5.44% interest)		4/1/2010	4,822	4,728	
Firstlight Financial Corporation (5)(8)	Investment company	Senior subordinated loan (\$71,542 par due 12/2016)	1.00% PIK	12/31/2006	71,269	67,947	
		Class A common stock (10,000 shares)		12/31/2006	10,000		
		Class B common stock (30,000 shares)		12/31/2006	30,000		
					111,269	67,947	
HCI Equity, LLC (6)(7)(8)	Investment company	Member interest (100.00% interest)		4/1/2010	808	730	
Imperial Capital Private Opportunities, LP (8)	Investment partnership	Limited partnership interest (80.00% interest)		5/10/2007	6,643	5,120	
Ivy Hill Middle Market Credit Fund, Ltd. (6)(7)(8)	Investment company	Class B deferrable interest notes (\$40,000 par due 11/2018)	6.25% (Libor + 6.00%/Q)	11/20/2007	40,000	38,000	
		Subordinated notes (\$16 par due 11/2018)	15.00%	11/20/2007	15,515	16,000	
					55,515	54,000	
Kodiak Funding, LP (8)	Investment partnership	Limited partnership interest (1.52% interest)		4/1/2010	868	823	
Novak Biddle Venture Partners III, L.P. (8)	Investment partnership	Limited partnership interest (2.47% interest)		4/1/2010	221	196	
Partnership Capital Growth Fund I, L.P. (8)	Investment partnership	Limited partnership interest (25.00% interest)		6/16/2006	1,791	3,726	
Partnership Capital Growth Fund III, L.P. (8)	Investment partnership	Limited partnership interest (2.50% interest)		10/5/2011	1,322	1,250	
Senior Secured Loan Fund LLC (6)(9)(17)	Co-investment vehicle	Subordinated certificates	8.38% (Libor + 8.00%/Q)	10/30/2009	1,034,254	1,059,178	

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		(\$1,044,977 par due 12/2020)					
VSC Investors LLC (8)	Investment company	Membership interest (1.95% interest)		1/24/2008	1,139	997	
					1,222,460	1,203,068	38.23%
Healthcare-Services							
BenefitMall Holdings Inc. (6)	Employee benefits broker services company	Senior subordinated loan (\$40,326 par due 6/2014)	18.00%	4/1/2010	40,326	40,326	
		Common stock (39,274,290 shares)		4/1/2010	53,510	59,990	
		Warrants		4/1/2010	93,836	100,316	
CCS Group Holdings, LLC	Correctional facility healthcare operator	Class A units (601,937 units)		8/19/2010	602	1,158	
CT Technologies Intermediate Holdings, Inc. and CT Technologies Holdings LLC (5)	Healthcare analysis services	Senior secured loan (\$7,245 par due 3/2017)	7.75% (Libor + 6.50%/Q)	3/15/2011	7,245	6,883(2)(16)	
		Senior secured loan (\$18 par due 3/2017)	8.75% (Base Rate + 5.50%/Q)	3/15/2011	18	17(2)(16)	
		Senior secured loan (\$7,642 par due 3/2017)	7.75% (Libor + 6.50%/Q)	3/15/2011	7,642	7,260(3)(16)	
		Senior secured loan (\$19 par due 3/2017)	8.75% (Base Rate + 5.50%/Q)	3/15/2011	19	18(3)(16)	
		Class A common stock (9,679 shares)		6/15/2007	4,000	8,745	
		Class C common stock (1,546 shares)		6/15/2007		1,397	
					18,924	24,320	

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Company(1)	Business Description	Investment	Interest (4)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
INC Research, Inc.	Pharmaceutical and biotechnology consulting services	Common stock (1,410,000 shares)		9/27/2010	1,512	1,403	
Magnacare Holdings, Inc., Magnacare Administrative Services, LLC, and Magnacare, LLC	Healthcare professional provider	Senior secured loan (\$12,638 par due 9/2016)	9.75% (Libor + 8.75%/Q)	9/15/2010	12,638	12,638(16)	
		Senior secured loan (\$44,393 par due 9/2016)	9.75% (Libor + 8.75%/Q)	9/15/2010	44,393	44,393(2)(16)	
		Senior secured loan (\$8,257 par due 9/2016)	9.75% (Libor + 8.75%/Q)	9/15/2010	8,257	8,257(3)(16)	
					65,288	65,288	
MW Dental Holding Corp.	Dental services	Senior secured revolving loan (\$1,700 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	1,700	1,700(16)	
		Senior secured loan (\$15,384 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	15,384	15,384(16)	
		Senior secured loan (\$49,750 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	49,750	49,750(2)(16)	
		Senior secured loan (\$2,686 par due 4/2017)	8.50% (Libor + 7.00%/M)	4/12/2011	2,686	2,686(3)(16)	
					69,520	69,520	
Napa Management Services Corporation	Anesthesia management services provider	Senior secured loan (\$10,892 par due 4/2016)	8.50% (Libor + 7.00%/Q)	4/15/2011	10,563	10,892(16)	
		Senior secured loan (\$29,437 par due 4/2016)	8.50% (Libor + 7.00%/Q)	4/15/2011	29,437	29,437(2)(16)	
		Senior secured loan (\$7,752 par due 4/2016)	8.50% (Libor + 7.00%/Q)	4/15/2011	7,752	7,752(3)(16)	
		Common units (5,000 units)		4/15/2011	5,000	5,513	
					52,752	53,594	
NS Merger Sub. Inc. and NS Holdings, Inc.	Healthcare technology provider	Senior subordinated loan (\$579 par due 6/2017)	13.50%	6/21/2010	579	579	
		Senior subordinated loan (\$50,000 par due 6/2017)	13.50%	6/21/2010	50,000	50,000(2)	
		Common stock (2,500,000 shares)		6/21/2010	2,500	2,985	
					53,079	53,564	
OnCURE Medical Corp.	Radiation oncology care provider	Common stock (857,143 shares)		8/18/2006	3,000	3,073	
Passport Health Communications, Inc., Passport Holding Corp. and Prism Holding Corp.	Healthcare technology provider	Series A preferred stock (1,594,457 shares)		7/30/2008	11,156	9,218	
		Common stock (16,106 shares)		7/30/2008	100		
					11,256	9,218	

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PG Mergersub, Inc. and PGA Holdings, Inc.	Provider of patient surveys, management reports and national databases for the integrated healthcare delivery system	Senior secured loan (\$9,108 par due 11/2015)	6.75% (Libor + 5.00%/Q)	11/3/2010	9,085	9,108(3)(16)
		Senior subordinated loan (\$4,000 par due 3/2016)	12.50%	3/12/2008	3,956	4,000
		Preferred stock (333 shares)		3/12/2008	125	15
		Common stock (16,667 shares)		3/12/2008	167	754
					13,333	13,877

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Company(1)	Business Description	Investment	Interest (4)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
PRA Holdings, Inc.	Drug testing services	Senior secured loan (\$11,330 par due 12/2014)	4.56% (Libor + 4.00%/Q)	12/14/2007	11,034	11,103(2)	
		Senior secured loan (\$12,000 par due 12/2014)	4.56% (Libor + 4.00%/Q)	12/14/2007	11,682	11,760(3)	
					22,716	22,863	
RCHP, Inc.	Operator of general acute care hospitals	Junior secured loan (\$15,000 par due 5/2019)	11.50% (Libor + 10.00%/Q)	11/4/2011	15,000	15,000(16)	
		Junior secured loan (\$50,000 par due 5/2019)	11.50% (Libor + 10.00%/Q)	11/4/2011	50,000	50,000(2)(16)	
					65,000	65,000	
Reed Group, Ltd.	Medical disability management services provider	Senior secured revolving loan (\$1,650 par due 12/2013)		4/1/2010	1,497	1,402(15)	
		Senior secured loan (\$10,755 par due 12/2013)		4/1/2010	9,129	9,142(15)	
		Senior secured loan (\$20,777 par due 12/2013)		4/1/2010	15,918	2,431(15)	
		Equity interests		4/1/2010	203		
					26,747	12,975	
Soteria Imaging Services, LLC (5)	Outpatient medical imaging provider	Junior secured loan (\$1,189 par due 11/2010)	14.50%	4/1/2010	1,057	808	
		Junior secured loan (\$1,699 par due 11/2010)	12.50%	4/1/2010	1,529	1,154	
		Preferred member units (1,823,179 units)		4/1/2010			
					2,586	1,962	
Sunquest Information Systems, Inc.	Laboratory software solutions provider	Junior secured loan (\$75,000 par due 6/2017)	9.75% (Libor + 8.50%/Q)	12/16/2010	75,000	74,250(16)	
		Junior secured loan (\$50,000 par due 6/2017)	9.75% (Libor + 8.50%/Q)	12/16/2010	50,000	49,500(2)(16)	
					125,000	123,750	
U.S. Renal Care, Inc.	Dialysis provider	Senior secured loan (\$7,444 par due 12/2016)	5.50% (Libor + 4.00%/Q)	6/9/2011	7,407	7,295(16)	
		Senior subordinated loan (\$50,569 par due 6/2018)	11.25% Cash, 2.00% PIK	5/24/2010	50,569	50,569(2)	
					57,976	57,864	
Vantage Oncology, Inc.	Radiation oncology care provider	Common stock (62,157 shares)		2/3/2011	4,670	5,057	
					687,797	684,802	21.76%
Education				3/18/2011	100	100(16)	

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American Academy Holdings, LLC	Provider of education, training, certification, networking, and consulting services to medical coders and other healthcare professionals	Senior secured revolving loan (\$100 par due 3/2016)	9.50% (Libor + 8.50%/Q)			
		Senior secured loan (\$26,199 par due 3/2016)	9.50% (Libor + 8.50%/Q)	3/18/2011	26,199	26,199(16)
		Senior secured loan (\$53,468 par due 3/2016)	9.50% (Libor + 8.50%/Q)	3/18/2011	53,468	53,468(2)(16)
					79,767	79,767
Campus Management Corp. and Campus Management Acquisition Corp. (5)	Education software developer	Preferred stock (485,159 shares)		2/8/2008	10,520	11,096
Community Education Centers, Inc.	Offender re-entry and in-prison treatment services provider	Senior secured loan (\$17,857 par due 12/2014)	6.25% (Libor + 5.25%/Q)	12/10/2010	17,857	17,857(16)

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Company(1)	Business Description	Investment	Interest (4)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
		Junior secured loan (\$31,835 par due 12/2015)	15.40% (Libor + 11.00% Cash, 4.00% PIK /Q)	12/10/2010	31,835	31,835	
		Junior secured loan (\$9,582 par due 12/2015)	15.46% (Libor + 11.00% Cash, 4.00% PIK /Q)	12/10/2010	9,582	9,582	
		Warrants to purchase up to 578,427 shares		12/10/2010		258	
					59,274	59,532	
eInstruction Corporation	Developer and manufacturer of educational software products	Junior secured loan (\$17,000 par due 7/2014)	12.00% (Base Rate + 8.25%/M)	4/1/2010	15,396	12,410	
		Senior subordinated loan (\$27,281 par due 1/2015)		4/1/2010	24,151	1,467(15)	
		Common stock (2,406 shares)		4/1/2010	926		
					40,473	13,877	
ELC Acquisition Corp., ELC Holdings Corporation, and Excelligence Learning Corporation (5)	Developer, manufacturer and distributor of educational products	Preferred stock (99,492 shares)		8/1/2011	10,149	9,154	
		Common stock (50,800 shares)		8/1/2011	51		
					10,200	9,154	
Infilaw Holding, LLC	Operator of for-profit law schools	Senior secured loan (\$29,925 par due 8/2016)	9.50% (Libor + 8.50%/Q)	8/25/2011	29,925	29,925(2)(16)	
		Series A preferred units (131,000 units)	10.75% (Base Rate + 7.50%/Q)	8/25/2011	131,000	131,000(16)	
					160,925	160,925	
Instituto de Banca y Comercio, Inc. & Leeds IV Advisors, Inc.	Private school operator	Series B preferred stock (1,750,000 shares)		8/5/2010	5,000	6,153	
		Series C preferred stock (2,512,586 shares)		6/7/2010	689	303	
		Common stock (20 shares)		6/7/2010			
					5,689	6,456	
JTC Education Holdings, Inc.	Postsecondary school operator	Senior secured revolving loan (\$2,225 par due 12/2014)	12.75% (Base Rate + 9.50%/Q)	12/31/2009	2,225	2,225(16)	
		Senior secured loan (\$20,056 par due 12/2014)	12.50% (Libor + 9.50%/M)	12/31/2009	20,056	20,056(16)	
		Senior secured loan (\$9,714 par due 12/2014)	12.50% (Libor + 9.50%/M)	12/31/2009	9,714	9,714(3)(16)	
					31,995	31,995	
Lakeland Tours, LLC	Educational travel provider	Senior secured revolving loan (\$3,750 par due 12/2016)	6.75% (Base Rate + 3.50%/Q)	10/4/2011	3,750	3,750(16)	

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Senior secured loan (\$64,338 par due 12/2016)	10.00% (Libor + 8.50%/Q)	10/4/2011	64,136	64,338(13)(16)
Senior secured loan (\$15,362 par due 12/2016)	6.00% (Libor + 4.50%/Q)	10/4/2011	15,314	15,362(16)
Senior secured loan (\$40,362 par due 12/2016)	10.00% (Libor + 8.50%/Q)	10/4/2011	40,231	40,362(2)(13)(16)
Senior secured loan (\$9,638 par due 12/2016)	6.00% (Libor + 4.50%/Q)	10/4/2011	9,606	9,638(2)(16)
Common stock (5,000 shares)		10/4/2011	5,000	5,000
			138,037	138,450

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Company(1)	Business Description	Investment	Interest (4)(10)	Acquisition Date	Amortized Cost	Fair Value	Percentage of Net Assets
R3 Education, Inc. and EIC Acquisitions Corp. (7)	Medical school operator	Senior secured loan (\$6,162 par due 4/2013)	9.00% (Libor + 6.00%/Q)	9/21/2007	6,162	11,508(16)	
		Senior secured loan (\$4,819 par due 4/2013)	9.00% (Libor + 6.00%/Q)	9/21/2007	4,819	8,996(3)(16)	
		Senior secured loan (\$6,509 par due 4/2013)	13.00% PIK	12/8/2009	4,030	12,149	
		Preferred stock (8,800 shares)		7/30/2008	2,200	1,650	
		Common membership interest (26.27% interest)		9/21/2007	15,800	23,207	
		Warrants to purchase up to 27,890 shares		12/8/2009			
						33,011	57,510
					569,891	568,762	18.07%
Restaurants and Food Services							
ADF Capital, Inc. & ADF Restaurant Group, LLC	Restaurant owner and operator	Senior secured revolving loan (\$2,010 par due 11/2013)	6.50% (Libor + 3.50%/Q)	11/27/2006	2,010	2,010(16)	
		Senior secured revolving loan (\$258 par due 11/2013)	6.50% (Base Rate + 2.50%/Q)	11/27/2006	258	258(16)	
		Senior secured loan (\$7,305 par due 11/2013)	6.50% (Libor + 3.50%/Q)	11/27/2006	7,305	7,305(16)	
		Senior secured loan (\$64 par due 11/2013)	6.50% (Base Rate + 2.50%/Q)	11/27/2006	64	64(16)	
		Senior secured loan (\$11,277 par due 11/2014)	12.50% (Libor + 9.50%/Q)	11/27/2006	11,280	11,277(2)(16)	
		Senior secured loan (\$9,402 par due 11/2014)	12.50% (Libor + 9.50%/Q)	11/27/2006	9,402	9,402(3)(16)	
		Promissory note (\$14,897,360 par due 11/2016)		6/1/2006	14,886	10,905	
		Warrants to purchase up to 0.61 shares		6/1/2006			
				45,205	41,221		
Huddle House, Inc. (6)	Restaurant owner and operator	Senior subordinated loan (\$20,924 par due 12/2015)	12.00% Cash, 3.00% PIK	4/1/2010	20,641	18,939	
		Common stock (358,279 shares)		4/1/2010			
					20,641	18,939	
Orion Foods, LLC (fka Hot Stuff Foods, LLC) (6)	Convenience food service retailer	Senior secured revolving loan (\$3,300 par due 9/2014)	10.75% (Base Rate + 7.50%/M)	4/1/2010	3,300	3,300(16)	
		Senior secured loan (\$33,917 par due 9/2014)	10.00% (Libor + 8.50%/Q)	4/1/2010	33,917	33,917(2)(16)	
		Junior secured loan (\$37,552 par due 9/2014)	14.00%	4/1/2010	26,111	30,483	

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Preferred units (10,000 units)	10/28/2010		
Class A common units (25,001 units)	4/1/2010		
Class B common units (1,122,452 units)	4/1/2010		
		63,328	67,700