

Seeks attractive risk-adjusted total returns with a focus on high current income and an opportunity for capital appreciation.

## Fund Highlights as of 9.30.25

**9.59%**

Distribution Rate<sup>1</sup>

**\$570M**

in Managed Assets<sup>2</sup>

**7.75%**

Weighted Average Coupon

## Ares Credit Group as of 6.30.25

**\$377B**

AUM\*\*

**545+**

Credit Investment Team

**~4,000**

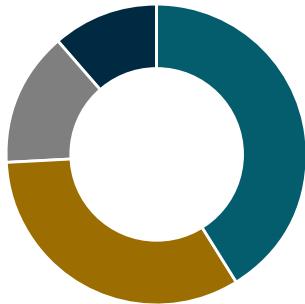
Portfolio Companies

## Investment Approach

- Dynamically allocates across investment opportunities primarily in high yield bonds, senior loans and CLO securities
- Designed to navigate evolving market conditions through deep fundamental credit analysis and in-depth due diligence
- Tenured team with 20+ year track record benefits from the market intelligence, relationships and resources of the Ares platform

## Current Portfolio Mix as of 9.30.25

61.8% Floating Rate<sup>3</sup>



Loan - 42.7%
Bond - 34.1%
CLO Debt - 15.0%
CLO Equity - 11.5%

## Portfolio Management as of 6.30.25

Long tenured portfolio management team with significant expertise in credit investing



Keith Ashton  
Portfolio Manager  
26 Years Experience



Seth Brufsky  
Portfolio Manager  
34 Years Experience



Samantha Milner  
Portfolio Manager  
24 Years Experience



Charles Arduini  
Portfolio Manager  
24 Years Experience

This data is subject to change on a daily basis. As of 9.30.25, the Fund held a negative traded cash balance of -3.4%.

## Performance as of 9.30.25

	1 Month	Year to Date	3 Years	5 Years	Since Inception*
<b>ARDC NAV</b>	0.63%	5.98%	13.24%	8.63%	5.99%
<b>ARDC Market</b>	-3.59%	-0.03%	17.43%	12.02%	6.16%

\*Since Inception of fund (11/27/2012). Source: Ares

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. The NAV total return takes into account the Fund's total annual expenses and does not reflect transaction charges. If transaction charges were reflected, NAV total return would be reduced. Since Inception returns assume a purchase of common shares at the initial offering price of \$20.00 per share for market price returns or initial net asset value (NAV) of \$19.10 per share for NAV returns. Returns for periods of less than one year are not annualized. All distributions are assumed to be reinvested either in accordance with the dividend reinvestment plan (DRIP) for market price returns or NAV for NAV returns.

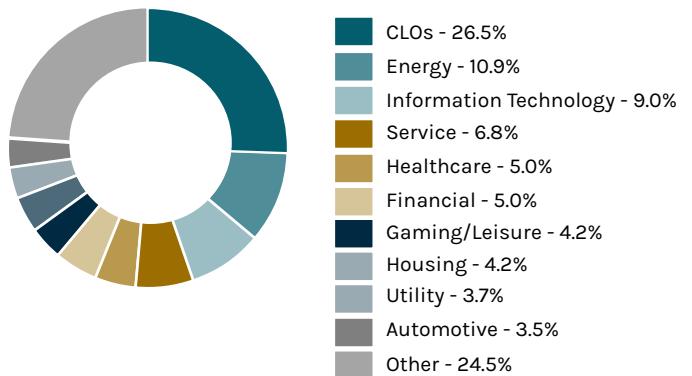
## Fund Overview and Characteristics as of 9.30.25

Ticker	<b>ARDC</b>
Market/Share	<b>\$14.07</b>
NAV/Share	<b>\$14.57</b>
Monthly Dividend	<b>\$0.1125</b>
Number of Issuers	<b>271</b>
Number of Instruments	<b>310</b>
Average Position Size	<b>0.32%</b>
Weighted Average Loan YTM <sup>4</sup>	<b>6.66%</b>
Weighted Average Bond YTM <sup>5</sup>	<b>6.34%</b>
Weighted Average CLO YTM <sup>6</sup>	<b>10.89%</b>
Effective Duration <sup>7</sup>	<b>1.36</b>
Month-End Leverage <sup>8</sup>	<b>38.81%</b>
Asset Coverage <sup>9</sup>	<b>4.70</b>
Preferred Stock Asset Coverage <sup>10</sup>	<b>2.58</b>
Expense Ratio <sup>11</sup>	<b>5.27%</b>
Excess Taxable Income <sup>12</sup>	<b>\$18.6 million</b>
Inception Date	<b>11/27/2012</b>
Common Shares Outstanding <sup>13</sup>	<b>23.9 million</b>
NAV Ticker	<b>XADCX</b>
CUSIP	<b>04014F102</b>

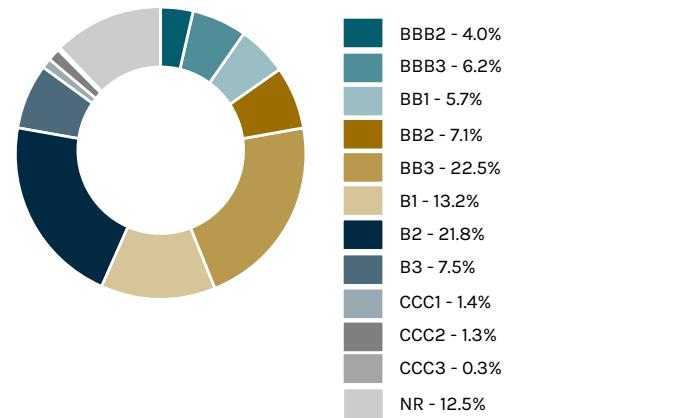
## Investment Strategy

The Fund invests primarily in a broad, dynamically managed portfolio of (i) senior secured loans ("Senior Loans") made primarily to companies whose debt is rated below investment grade; (ii) corporate bonds ("Corporate Bonds") that are primarily high yield issues rated below investment grade; (iii) other fixed-income instruments of a similar nature that may be represented by derivatives; and (iv) securities of collateralized loan obligations ("CLOs") and other asset-backed issuers. The Fund utilizes leverage as part of its investment strategy and may incur leverage in an aggregate amount of up to 33 1/3% of the Fund's Managed Assets by borrowing under a credit facility. Ares Capital Management II LLC, the Fund's investment adviser (the "Adviser"), is an affiliate of Ares Management Corporation ("Ares"). The Adviser will seek to implement the Fund's investment strategy through the application of several techniques, including: (i) investing in a diversified portfolio of loans and other debt investments across a broad range of industries with varying characteristics and return profiles; (ii) adhering to the established credit underwriting processes of Ares and doing substantial pre-investment credit analysis, utilizing publicly available credit and industry information as well as other information about the borrowers and issuers; (iii) monitoring the credit quality of the obligors in the Fund's investments and, as appropriate, on a risk adjusted return basis, selling investments in underperforming issuers; and (iv) holding cash and engaging in derivative credit and interest rate hedges. The Adviser will allocate the Fund's portfolio dynamically among investments in the various targeted credit markets to seek to manage interest rate and credit risk and the duration of the Fund's portfolio.

## Industry Allocation<sup>14</sup> as of 9.30.25



## Ratings Distribution<sup>15</sup> as of 9.30.25



## Top 10 Holdings<sup>16</sup> as of 9.30.25

ATRM 14	1.11%
CommScope Holding Co Inc	0.99%
TransMontaigne	0.95%
Sprint	0.94%
Ford Motor Credit Company	0.91%
Subcom	0.91%
Action Nederland	0.88%
Siaci Diot	0.86%
Williams Cos Inc/The	0.86%
AmericanAxi&Mfg	0.85%

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## About Ares

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager offering clients complementary primary and secondary investment solutions across the credit, private equity, real estate and infrastructure asset classes.

We seek to provide flexible capital to support businesses and create value for our stakeholders and within our communities.

By collaborating across our investment groups, we aim to generate consistent and attractive investment returns throughout market cycles. As of June 30, 2025, Ares Management Corporation's global platform had over \$572 billion of assets under management, with operations across North America, South America, Europe, Asia Pacific and the Middle East. For more information, please visit [www.aresmgmt.com](http://www.aresmgmt.com). The Fund's portfolio management team is comprised of members of the Ares Credit Group.

Ares specializes in managing assets in both the leveraged finance and private equity markets. Ares' leveraged finance activities include the acquisition and management of senior loans, high yield securities, mezzanine debt and special situation investments. Ares' private equity activities focus on providing

flexible, junior capital to middle-market companies. Ares has the ability to invest across a capital structure, from senior floating rate debt to common equity. This flexibility, combined with Ares' "buy and hold" philosophy, enables Ares to structure an investment to meet the specific needs of a company rather than the less flexible demands of the public markets.

\*\*AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results. As of June 30, 2025, employees of Ares Management owned approximately 4.6% of the Fund's outstanding shares.

## Contact

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**1** Dividend per share annualized and divided by the September 30, 2025 market price per share. The distribution rate alone is not indicative of Fund performance. **2** Total assets of the Fund (including any assets attributable to financial leverage) minus accrued liabilities (other than debt representing financial leverage). **3** Calculated as a percentage of debt securities only. **4** The weighted-average gross yield to maturity on the pool of loans. **5** The weighted-average gross yield to maturity on the pool of bonds. **6** The weighted-average gross yield to maturity on the pool of CLO debt securities. **7** The effective duration measures a bond's sensitivity to interest rates. **8** As a percentage of total managed assets. The Fund utilizes leverage as part of its investment strategy and currently has borrowings under a credit facility as well as mandatory redeemable preferred shares. The Fund's leverage under the credit facility without the use of mandatory redeemable preferred shares was 21.27%. **9** Calculated pursuant to the Investment Company Act of 1940. Represents the ratio of the total assets of the Fund, less all liabilities and indebtedness, divided by total senior securities outstanding. The Fund has \$121 million aggregate principal outstanding on a \$212 million revolving funding facility with an institutional lender, pursuant to which the Fund expects to borrow funds to make additional investments, subject to available borrowing base and leverage limitations. **10** Calculated pursuant to the Investment Company Act of 1940. Represents the ratio of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities, divided by sum of total outstanding debt and aggregate value of the involuntary liquidation preference of the preferred stock of \$100 million. **11** Represents the ratio of annualized expenses, inclusive of interest expense and amortization of debt issuance, to net assets for the period ended June 30, 2025. **12** Represents the estimated excess taxable income from the year ended 2024 for distribution to stockholders in 2025. **13** As of September 30, 2025. **14** Credit Suisse industry classifications weighted by market value. These values may be different than industry classifications in certain regulatory filings. **15** Based on S&P and/or Moody's rating. Credit quality is an assessment of the credit worthiness of an issuer of a security. AAA is the highest rating, meaning the obligor's capacity to meet its financial commitments is strong. As ratings decrease, the obligor is considered more speculative by market participants. Credit ratings apply only to the bonds and preferred securities in the portfolio and not to the shares of the fund which are not rated and will fluctuate in value. **16** Market value percentage may represent multiple instruments by the named issuer and/or multiple issuers being consolidated to the extent they are owned by the same parent company. These values may be different than the issuer concentrations in certain regulatory filings.

## Risk Considerations

Investment and Market Risk-There can be no assurance that the Fund will achieve its investment objective. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value. The Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Some important risks of the Fund are: Senior Loans Risk-The Senior Loans in which the Fund will invest will primarily be rated below investment grade, but may also be unrated and of comparable credit quality. As a result, the risks associated with such Senior Loans are generally similar to the risks of other below investment grade fixed income instruments, although Senior Loans are senior and typically secured in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investments in below investment grade Senior Loans are considered speculative because of the credit risk of the Borrowers. Corporate Bond Risk-The market value of a Corporate Bond generally may be expected to rise and fall inversely with interest rates. The market value of a Corporate Bond also may be affected by factors directly related to the issuer, such as investors' perceptions of the creditworthiness of the issuer, the issuer's financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer's capital structure and use of financial leverage and demand for the issuer's goods and services. CLO Securities Risk-CLO Securities are typically privately offered and sold and may be thinly traded or have a limited trading market. As a result, investments in CLO Securities may be characterized by the Fund as illiquid securities. In addition to the general risks associated with debt securities discussed above, CLOs carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; and (iii) the possibility that the investments in CLOs are subordinate to other classes or tranches of the CLOs. The riskiest portion of the capital structure of a CLO is the subordinated (or residual) tranche (i.e., CLO Equity Securities), which bears the bulk of defaults from the loans in the CLO and serves to protect the other, more senior tranches from default in all but the most severe circumstances. Leverage Risk-The Fund utilizes leverage as part of its investment strategy and may incur leverage in an aggregate amount of up to 33 1/3% of the Fund's Managed Assets by borrowing under a credit facility. The use of borrowings or Derivatives or issuance of preferred shares to leverage the common shares can create risks, including increased variability of the Fund's net income, distributions and/or net asset value in relation to market changes. Changes in the value of the Fund's portfolio, including securities bought with the proceeds of leverage, will be borne entirely by common shareholders. All costs and expenses related to any form of leverage used by the Fund will be borne entirely by common shareholders. Increases and decreases in the value of the Fund's portfolio will be magnified if the Fund uses leverage. In addition to these risks, the Fund is also subject to additional risks including; Interest Rate Risk, Reference Rate Risk, Liquidity Risk, Duration and Maturity Risk, Special Situations and Stressed Investments Risk, Below Investment Grade Rating Risk, European Risk, Market Disruption Risk. Please see [www.arespublicfunds.com](http://www.arespublicfunds.com) for a more detailed discussion about Fund risks and considerations.

Ares Capital Management II LLC is the Fund's investment manager, Destra Capital Advisors LLC, a registered investment advisor, is providing secondary market servicing for the fund.

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