

# The Ares Dynamic Credit Allocation Fund

## Important Information Regarding Your Fund's Distribution

### February 28, 2014:

The following table provides an estimate of the source of the February 28, 2014 distribution made by Ares Dynamic Credit Allocation Fund, Inc. (the "Fund"), based on the Fund's fiscal year-to-date activity. This information is being provided pursuant to Section 19(a) of the Investment Company Act of 1940, as amended. This estimate is based on U.S. generally accepted accounting principles ("U.S. GAAP"), and is not intended to be used, nor should it be used, by stockholders in preparing any tax return, determining the amount of any tax due, or for any other tax reporting purposes.

| <i>Payable Date</i> | <i>Per Share Distribution</i> | <i>Net Investment Income</i> | <i>Short-Term Gains<sup>(1)</sup></i> | <i>Long-Term Gains<sup>(1)</sup></i> | <i>Return of Capital<sup>(2)</sup></i> |
|---------------------|-------------------------------|------------------------------|---------------------------------------|--------------------------------------|--|
| 02/28/2014          | \$0.117                       | \$0.096                      | \$0.021                               | \$ --                                | \$ --                                  |

<sup>(1)</sup> May represent current period realized capital gains, which are subject to change based on the Fund's investment activity through its fiscal year end. Should the Fund's net income or capital gains position change, the fiscal year-to-date amounts will be updated to reflect those changes.

<sup>(2)</sup> This amount may represent a return of the stockholders' principal, unrealized capital gains that may be recognized prior to the Fund's fiscal year-end, or some combination thereof. Should the Fund's net income or capital gains position change, the fiscal year-to-date amounts will be updated to reflect those changes.

In 2015, the Fund will send to stockholders such tax information reporting forms (e.g., Internal Revenue Service Form 1099-DIV) as are required by applicable law. Those tax information reporting forms will contain information that the tax authorities require the Fund to provide to stockholders, which includes information about how the Fund is reporting the character of distributions paid by the Fund to the applicable tax authorities along with other information required to be reported under applicable law.

**The Fund does not provide tax advice. Stockholders should consult with their own tax advisors as to the tax consequences of the source of any distributions by the Fund, or any other aspect of holding stock in the Fund.** Any statements as to U.S. tax matters contained in the notice were not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.