

Ares Dynamic Credit Allocation Fund, Inc.
Form N-Q
September 26, 2014

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-22535

Ares Dynamic Credit Allocation Fund, Inc.
(Exact name of registrant as specified in charter)

2000 Avenue of the Stars

12th Floor

Los Angeles, California
(Address of principal executive offices)

90067
(Zip code)

Michael D. Weiner

Daniel J. Hall

2000 Avenue of the Stars

12th Floor

Los Angeles, California 90067
(Name and address of agent for service)

Registrant's telephone number, including area code: (310) 201-4200

Date of fiscal year end: October 31, 2014

Date of reporting period: July 31, 2014

ITEM 1. SCHEDULE OF INVESTMENTS.

Edgar Filing: Ares Dynamic Credit Allocation Fund, Inc. - Form N-Q

Ares Dynamic Credit Allocation Fund, Inc.

Schedule of Investments

July 31, 2014 (Unaudited)

	Principal Amount	Value (a)
Floating Rate Term Loans 49.5% (b)		
Aerospace & Defense 1.6%		
DAE Aviation Holdings, Inc., Initial Loan, 7.75%, 08/05/2019	\$ 1,750,000	\$ 1,765,313
DAE Aviation Holdings, Inc., Tranche B-1 Loan (2018), 5.00%, 11/02/2018	249,204	250,918
Doncasters U.S., LLC, Term B Loan, 4.50%, 04/09/2020	1,970,021	1,972,129
Doncasters U.S., LLC, Term Loan 2nd Lien, 9.50%, 10/09/2020	1,241,379	1,258,448
		5,246,808
Automobile 2.3%		
INA Beteiligungsgesellschaft mbH, Term Loan E (EUR), (Denmark), L+3.00%, 05/12/2020 (c)	1,757,961	2,362,978
INA Beteiligungsgesellschaft mbH, Term Loan E (USD), (Denmark), L+3.00%, 05/15/2020 (c)	\$ 1,000,000	997,640
TI Group Automotive Systems, LLC, Term Loan B, 4.25%, 07/01/2021	4,475,777	4,461,813
		7,822,431
Banking, Finance & Insurance 0.5%		
Asurion, LLC, 2nd Lien Term Loan, 8.50%, 03/03/2021	1,600,000	1,638,672
Beverage, Food & Tobacco 1.0%		
Charger OpCo B.V., DEMB EUR Term Loan, (Netherlands), L+3.50%, 07/02/2021 (c)	1,500,000	1,971,269
Charger OpCo B.V., DEMB US Term Loan, (Netherlands), L+3.50%, 07/02/2021 (c)	\$ 1,500,000	1,471,875
		3,443,144
Broadcasting & Entertainment 0.9%		
Salem Communications Corporation, Term Loan, 4.50%, 03/14/2020	2,876,982	2,880,578
Business Equipment & Services 1.7%		
Twelve Beeches Sarl, Facility B, (Luxembourg), 5.50%, 08/02/2019	£ 750,000	1,271,011
Twelve Beeches Sarl, Facility C, (Luxembourg), 5.50%, 08/01/2019	2,500,000	4,238,225
		5,509,236
Cable & Satellite TV 4.1%		
Altice Financing S.A., Term Loan, (Luxembourg), 5.50%, 07/02/2019	\$ 3,482,500	3,547,797
Numericable US LLC, Dollar Denominated Tranche B-1 Loans, 4.50%, 05/21/2020	1,051,213	1,052,358
Promotora de Informaciones, S.A., Prisa Tranche T2, (Spain), L+2.60%, 12/12/2018 (c)	3,250,000	3,990,405
TWCC Holding Corporation, Term Loan 2nd Lien, 7.00%, 06/26/2020	\$ 2,500,000	2,456,250
Virgin Media Investment Holdings, Ltd., Facility E, (Great Britain), 4.25%, 06/30/2023	£ 1,575,000	2,666,226
		13,713,036
Chemicals, Plastics & Rubber 2.6%		
Flint Group Belgium, Tranche B2 Term Facility, (Belgium), 5.65%, 12/30/2016	1,289,920	1,732,181
Flint Group Belgium, Tranche C2 Term Facility, (Belgium), 5.65%, 12/30/2016	1,854,388	2,490,182
Flint Group GmbH, Euro 2nd Lien Term Loan, (Denmark), L+7.25%, 05/02/2021 (c)	1,125,000	1,520,749
Flint Group GmbH, USD 2nd Lien Term Loan, (Denmark), L+7.25%, 05/02/2021 (c)	\$ 1,500,000	1,510,320
Flint Group, Inc., Facility B9 (2016 Extended), 5.37%, 12/28/2016	1,523,940	1,523,940
		8,777,372
Consumer Products 1.0%		
True Religion Apparel, Inc., Initial Term Loan, 5.88%, 07/30/2019	2,902,500	2,679,965
True Religion Apparel, Inc., Initial Term Loan 2nd Lien, 11.00%, 01/30/2020	869,565	817,391
		3,497,356
Diversified & Conglomerate Services 4.0%		
Advantage Sales & Marketing, Inc., 1st Lien Term Loan, L+3.25%, 07/21/2021 (c)	1,935,484	1,923,871
Advantage Sales & Marketing, Inc., 2nd Lien Term Loan, L+6.50%, 07/11/2022 (c)	1,000,000	999,250

Edgar Filing: Ares Dynamic Credit Allocation Fund, Inc. - Form N-Q

Advantage Sales & Marketing, Inc., Delayed Draw Term Loan, L+3.25%, 07/21/2021		
(c)	64,516	64,129
Brickman Group, Ltd., LLC, Term Loan 2nd Lien, 7.50%, 12/17/2021	3,747,750	3,773,984
Language Line, LLC, Tranche B Term Loan, 6.25%, 06/20/2016	1,895,974	1,895,026
Syncreon Group B.V., Term Loan, 5.25%, 10/28/2020	1,990,000	1,985,025

Edgar Filing: Ares Dynamic Credit Allocation Fund, Inc. - Form N-Q

	Principal Amount	Value (a)
Floating Rate Term Loans (b) (continued)		
Diversified & Conglomerate Services (continued)		
Travelport, LLC, Tranche 1 Loan, 9.50%, 01/31/2016	\$ 2,500,000	\$ 2,556,875
		13,198,160
Electronics 1.0%		
Freescall Semiconductor, Inc., Tranche B-5 Term Loan, 5.00%, 01/15/2021	3,374,500	3,373,083
Healthcare, Education & Childcare 2.8%		
AI Garden B.V., Facility B1, (Netherlands), 4.34%, 02/13/2020	4,000,000	5,383,757
BSN Medical Luxembourg Finance Holding Sarl, Term Loan (EUR), (Luxembourg), 4.25%, 08/28/2019	2,344,639	3,161,989
STHI Holdings, Inc., 1st Lien Term Loan B, L+3.50%, 07/30/2021 (c)	\$ 714,286	711,164
		9,256,910
Leisure, Amusement & Entertainment 1.8%		
Delta 2 (Lux) Sarl, Facility B2 (USD), (Luxembourg), 4.50%, 04/30/2019	3,935,150	3,904,653
Delta 2 (Lux) Sarl, Formula 1 2nd Lien Term Loan, (Luxembourg), L+7.00%, 07/29/2022 (c)	2,227,723	2,227,723
		6,132,376
Manufacturing 1.6%		
Alliance Laundry Systems, LLC, Initial Term Loan 2nd Lien, 9.50%, 12/10/2019	1,736,364	1,750,480
Husky Injection Molding Systems, Ltd., 1st Lien Term Loan, (Canada), L+3.25%, 06/10/2021 (c)	1,550,000	1,550,651
Husky Injection Molding Systems, Ltd., 2nd Lien Term Loan, (Canada), L+7.00%, 06/10/2022 (c)		