



#40464

DATE: JANUARY 11, 2017

SUBJECT: AMERICAN CAPITAL, LTD. - CONTRACT ADJUSTMENT
OPTION SYMBOL: ACAS
NEW SYMBOL: ARCC1
FUTURES SYMBOL: ACAS1D changes to ACAS2D
ACAS1W changes to ACAS6W
ACAS1H changes to ACAS6H
ACAS1F changes to ACAS6F
ACAS2M changes to ACAS6M
ACAS2T changes to ACAS6T

DATE: 1/4/17
*****UPDATE*****

Contract Adjustment

DATE: January 4, 2017

OPTION SYMBOL: ACAS changes to ARCC1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 17 yields \$1,700.00)

NEW DELIVERABLE PER CONTRACT:

- 1) 48 Ares Capital Corporation (ARCC) Common Shares
- 2) Cash in lieu of 0.3 fractional ARCC shares
- 3) \$1,006.00 cash (\$10.06 x 100)

CUSIP: ARCC: 04010L103

PRICING

Until the cash in lieu amount is determined, the underlying price for ARCC1 will be determined as follows:

$$\text{ARCC1} = 0.483 (\text{ARCC}) + 10.06$$

DELAYED SETTLEMENT

The ARCC component of the ARCC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ARCC1 deliverable until the cash in lieu of

fractional ARCC shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

Futures Contract Adjustment

DATE: January 4, 2017

FUTURES SYMBOL: ACAS1D changes to ACAS2D
ACAS1W changes to ACAS6W
ACAS1H changes to ACAS6H
ACAS1F changes to ACAS6F
ACAS2M changes to ACAS6M
ACAS2T changes to ACAS6T

NUMBER OF CONTRACTS: No Change

MULTIPLIER 100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE PER CONTRACT: 1) 48 Ares Capital Corporation (ARCC) Common Shares
2) Cash in lieu of 0.3 fractional ARCC shares
3) \$1,006.00 Cash (\$10.06 x 100)

CUSIP: ARCC: 04010L103

PRICING

Until the cash in lieu amount is determined, the underlying price for the ACAS2D/ACAS6W/ACAS6H/ACAS6F/ACAS6M/ACAS6T, expressed in term of current market value, would be calculated as follows:

$$\text{ACAS2D} = 0.483 (\text{ARCC}) + 10.06$$

Please note that the valuation would apply only to the ACAS2D/ACAS6W/ACAS6H/ACAS6F/ACAS6M/ACAS6T deliverable in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

DELAYED SETTLEMENT

The ARCC component of the ACAS2D/ACAS6W/ACAS6H/ACAS6F/ACAS6M/ACAS6T futures deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ACAS2D/ACAS6W/ACAS6H/ACAS6F/ACAS6M/ACAS6T futures deliverables until the cash in lieu of fractional ARCC shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On December 15, 2016, Shareholders of American Capital, Ltd. (ACAS) voted concerning the proposed merger with Ares Capital Corporation (ARCC). The merger was approved and subsequently consummated on January 3, 2017. As a result, each existing ACAS Common Share will be converted into the right to receive 0.483 ARCC Common Shares plus \$10.06 Cash. Cash will be paid in lieu of fractional ARCC shares. Shareholders may be entitled to additional consideration if Ares Capital Corporation declares quarterly dividends after certain dates but before the mergers are completed, as described in the ACAS Proxy Statement dated October 18, 2016 ("Proxy").

Note: The contract adjustment to ACAS options and ACAS1D/ACAS1W/ACAS1H/ACAS1F/ACAS2M/ACAS2T futures will not include any additional consideration related to quarterly dividends, as they are deemed ordinary.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.