

Ares Dynamic Credit Allocation Fund, Inc.
Form N-Q
September 25, 2015

**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, 2015

Date of reporting period: July 31, 2015

ITEM 1. SCHEDULE OF INVESTMENTS.

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Ares Dynamic Credit Allocation Fund, Inc.

Schedule of Investments

July 31, 2015 (Unaudited)

	Principal Amount	Value (a)
Floating Rate Term Loans 49.5% (b)		
Aerospace & Defense 1.5%		
Doncasters U.S., LLC, Term Loan 2nd Lien, 9.50%, 10/09/2020	\$ 1,372,845	\$ 1,371,994
TASC, Inc., 1st Lien Term Loan, 7.00%, 05/22/2020	1,694,962	1,700,606
TASC, Inc., Term Loan, 7.00%, 05/22/2020	1,455,885	1,460,733
		4,533,333
Automobile 0.8%		
Navistar, Inc., Tranche B Term Loan, 6.75%, 08/17/2017	2,414,785	2,407,734
Banking, Finance & Insurance 1.3%		
Asurion, LLC, 2nd Lien Term Loan, L+ 7.50%, 03/03/2021 (d)	4,000,000	4,020,000
Beverage, Food & Tobacco 1.0%		
Charger OpCo B.V., EUR Term Loan B-2, (Netherlands), 4.25%, 07/23/2021	1,500,000	1,649,464
Charger OpCo B.V., USD Term Loan B-2, (Netherlands), 4.25%, 07/23/2021	\$ 1,500,000	1,485,000
		3,134,464
Broadcasting & Entertainment 1.1%		
Clear Channel Communications, Inc., Tranche D Term Loan, 6.94%, 01/30/2019	1,000,000	917,630
Clear Channel Communications, Inc., Tranche E Term Loan, 7.69%, 07/30/2019	2,500,000	2,317,400
		3,235,030
Buildings & Real Estate 1.3%		
Jeld-Wen, Inc., Term B-1 Loan, 5.00%, 07/01/2022	4,000,000	4,015,000
Cable & Satellite TV 0.3%		
Altice Financing S.A., USD Tranche Loan, (Luxembourg), 5.25%, 01/28/2022	1,000,000	1,008,750
Cargo Transportation 0.5%		
Kenan Advantage Group, Inc., Delayed Draw Term Loan, L+ 3.00%, 01/23/2017 (c)(d)	167,553	261
Kenan Advantage Group, Inc., Term Loan B, L+ 3.00%, 07/23/2022 (d)	1,199,764	1,201,635
Kenan Advantage Group, Inc., Term Loan B, (Canada), L+ 3.00%, 07/22/2022 (d)	382,683	383,280
		1,585,176
Chemicals, Plastics & Rubber 2.6%		
Colouroz Investment 2, LLC, Initial Term B-2 Loan 2nd Lien, 8.25%, 09/05/2022	1,500,000	1,488,750
Flint Group GmbH, Initial Euro Term Loan 2nd Lien, (Denmark), 8.25%, 09/07/2021	784,306	853,139
HII Holding Corporation, Term Loan 2nd Lien, 9.75%, 12/21/2020	\$ 3,250,000	3,233,750
Ineos Finance PLC, 2022 EUR Term Loan, (Great Britain), 4.25%, 03/31/2022	2,144,623	2,347,286
		7,922,925
Consumer Products 0.7%		
True Religion Apparel, Inc., Initial Term Loan, 5.88%, 07/30/2019	\$ 2,895,000	1,826,745
True Religion Apparel, Inc., Initial Term Loan 2nd Lien, 11.00%, 01/30/2020	869,565	391,304
		2,218,049
Diversified & Conglomerate Manufacturing 2.5%		
CommScope, Inc., Incremental Term Loan B, 3.75%, 05/21/2022	1,790,000	1,792,237
Travelport Finance Sarl, Initial Term Loans, (Luxembourg), 5.75%, 09/02/2021	5,963,955	5,977,195
		7,769,432
Diversified & Conglomerate Services 2.7%		
Brickman Group, Ltd., LLC, Term Loan 2nd Lien, 7.50%, 12/17/2021	3,747,750	3,738,381

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Language Line, LLC, Initial Term Loan 1st Lien, 6.50%, 07/07/2021	2,750,000	2,747,415
Syncreon Global Finance (US), Inc., Term Loan, 5.25%, 10/28/2020	1,970,000	1,689,275
		8,175,071
Electronics 1.9%		
Freescale Semiconductor, Inc., Tranche B-5 Term Loan, 5.00%, 01/15/2021	3,340,500	3,353,528
SS&C Technologies, Inc., Term Loan B-1, 4.00%, 07/08/2022	2,040,359	2,054,804

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	Principal Amount	Value (a)
Floating Rate Term Loans (b) (continued)		
Electronics (continued)		
SS&C Technologies, Inc., Term Loan B-2, 4.00%, 07/08/2022	\$ 336,323	\$ 338,704
		5,747,036
Grocery 3.1%		
Albertson's, LLC, Term Loan B-4, 5.50%, 08/25/2021	4,488,750	4,500,735
GOBP Holdings, Inc., 1st Lien Term Loan, 4.75%, 10/21/2021	2,985,000	2,984,940
GOBP Holdings, Inc., 2nd Lien Term Loan, 9.25%, 10/21/2022	1,893,000	1,881,169
		9,366,844
Healthcare, Education & Childcare 1.9%		
Nord Anglia Education Finance, LLC, Initial Term Loan, L+ 4.00%, 03/31/2021 (d)	2,667,000	2,675,348
Par Pharmaceutical Companies, Inc., Term Loan B-3, 4.25%, 09/30/2019	2,992,481	2,990,237
		5,665,585
Hotels, Motels, Inns & Gaming 3.3%		
Mohegan Tribal Gaming Authority, Term Loan B, L+ 4.50%, 11/19/2019 (d)	5,509,873	5,476,428
Scientific Games International, Inc., Initial Term B-2 Loan, 6.00%, 10/01/2021	4,477,500	4,493,037
		9,969,465
Leisure, Amusement & Entertainment 0.7%		
Delta 2 (LUX) Sarl, Term Loan 2nd Lien, (Luxembourg), 7.75%, 07/29/2022	1,000,000	997,500
Regal Cinemas Corporation, Term Loan, 3.75%, 04/01/2022	1,278,882	1,284,368