

Apollo Tactical Income Fund Inc.  
Form N-CSRS  
August 26, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number 811-22591

Apollo Tactical Income Fund Inc.

(Exact name of registrant as specified in charter)

9 West 57th Street

New York, New York 10019

(Address of principal executive offices) (Zip code)

Joseph Moroney, President

9 West 57th Street

New York, New York 10019

(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 515-3200

Date of fiscal year end: December 31

Date of reporting period: June 30, 2016

**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

Apollo Senior Floating Rate Fund Inc. (NYSE: AFT) Apollo Tactical Income Fund Inc. (NYSE: AIF)

Semi-Annual Report

June 30, 2016

(unaudited)

TABLE OF CONTENTS

<u>Manager Commentary</u>	4
Financial Data	
<u>Apollo Senior Floating Rate Fund Inc.</u>	5
<u>Apollo Tactical Income Fund Inc.</u>	6
Schedule of Investments	
<u>Apollo Senior Floating Rate Fund Inc.</u>	7
<u>Apollo Tactical Income Fund Inc.</u>	16
<u>Statements of Assets and Liabilities</u>	25
<u>Statements of Operations</u>	26
Statements of Changes in Net Assets	
<u>Apollo Senior Floating Rate Fund Inc.</u>	27
<u>Apollo Tactical Income Fund Inc.</u>	28
Statement of Cash Flows	
<u>Apollo Senior Floating Rate Fund Inc.</u>	29
<u>Apollo Tactical Income Fund Inc.</u>	30
Financial Highlights	
<u>Apollo Senior Floating Rate Fund Inc.</u>	31
<u>Apollo Tactical Income Fund Inc.</u>	32
<u>Notes to Financial Statements</u>	33
<u>Additional Information</u>	48
<u>Important Information About This Report</u>	51

Economic and market conditions change frequently.

There is no assurance that the trends described in this report will continue or commence.

**This report, including the financial information herein, is transmitted to shareholders of the Funds for their information. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. Statements and other information herein are as dated and are subject to change.**

**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Manager Commentary (unaudited)**

**As of June 30, 2016**

Dear Shareholders,

We would like to start by saying thank you for your interest in the Apollo Senior Floating Rate Fund Inc. and the Apollo Tactical Income Fund Inc. (the Funds). We appreciate the trust and confidence you have placed with us through your investment in the Funds.

The beginning of 2016 started off much like 2015 had ended for the corporate credit markets, with both leveraged loans and high yield bonds continuing to move lower. This same move lower marked the end of the year prior for very similar reasons, primarily continued weakness in commodity prices and the negative impact this was having on retail demand for loans and bonds. Most of January and the first half of February looked very much like the months that had preceded them with regular selling by credit managers in the secondary market and a frozen primary market marked by equity and commodity price volatility. In mid-February, this dynamic reversed as commodity prices stabilized, equities began to move higher and managers of loan and high yield funds in particular saw inflows to mutual funds. After steadily climbing over the back half of 2015 and into 2016, average yields in the high yield market hit a high of 10.5% in mid-February. This peak, combined with the previously mentioned coinciding factors in equities and commodities, ended up being the point at which capital was committed to the loan and bond markets in enough size to eventually reverse nearly all of the move lower that began in early June 2015. The market movements subsequent to this have been substantial. Since the 2016 lows for high yield, on February 11, and for the loan market, on February 17, these markets are up +15.8%<sup>1</sup> and +6.1%<sup>2</sup> through June 30, respectively.

While this steady improvement has been almost entirely one-directional and lacking in any real volatility, aside from the short-lived period of volatility created by the United Kingdom's referendum to exit European Union membership (Brexit) in late June, it was not without opportunity as it relates to investing on behalf of the Funds. There was a backup in the capital markets early this year created by market volatility that caused the forward calendar of deals scheduled to be syndicated to balloon. As conditions eased, dealers competed to bring substantial financings of many kinds to market, and the pricing and structure for most of these deals represented attractive investment opportunities relative to almost any period in the year preceding. Pricing for loans across the ratings spectrum widened compared to similar credits priced over most of 2015, with generally better terms and call protection as well. These represented opportunities for the Funds to refinance into what we believe are better credit profiles for businesses at greater rates of return, with enhanced lender protection. After the anemic totals of loan issuance in January and February, issuance increased fairly steadily into the summer with June's institutional loan new-issuance volume of \$73.0 billion the third highest on record, and sixth consecutive monthly increase in a row. While the most attractive pricing and terms of the early part of the rally have diminished, this kind of supply is important for the Funds' ability to optimize their positionings and investments and has been healthy in the process of portfolio management.

As it relates to aforementioned Brexit, both the volatility and opportunity this created for the Funds was short-lived. Though we were able to add at the margin to existing positions that we liked at lower levels given initial selling on the event, this selling occurred over only a brief period of time and there was a substantial amount of demand waiting for it which limited the move lower in prices. Over the two weeks that followed, inflows into high yield funds in particular were historically high, and the reversal in any move lower in prices did not take long to play out. If anything, the broader reaction to the event as an immediate buying opportunity suggests a broader theme that we see as only beginning, which is that of a global search for yield in an environment of declining returns increasingly

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

focused on the United States. While we feel the Funds are set up quite well to take advantage of increased demand, we are cognizant that it may create certain distortions in the capital markets and will remain focused on what this may bring.

We appreciate your interest and support in the Funds. If you have any questions about the Funds, please call 1-888-301-3838, or visit our website at [www.agmfunds.com](http://www.agmfunds.com).

Sincerely,

Apollo Credit Management, LLC

<sup>1</sup>JPMorgan Domestic High Yield Index, June 30, 2016

<sup>2</sup>S&P/LSTA Leveraged Loan Total Return Index, June 30, 2016

4 | Semi-Annual Report

**Apollo Senior Floating Rate Fund Inc.****Financial Data**

As of June 30, 2016 (unaudited)

**Portfolio Composition (as % of Current Market Value of Investment Securities)**

Loans	93.1%
High Yield Bonds	5.9%
Equity/Other	1.0%

**Portfolio Characteristics <sup>(a)</sup>**

Weighted Average Floating-Rate Spread	4.79%
Weighted Average Fixed-Rate Coupon	8.23%
Weighted Average Maturity (in years) (floating assets)	4.69
Weighted Average Maturity (in years) (fixed assets)	5.36
Weighted Average Modified Duration (in years) (fixed assets)	3.63
Average Position Size	\$ 2,068,715
Number of Positions	201
Weighted Average S&P Rating	B
Weighted Average Rating Factor (Moody <sup>(b)</sup> )	2,925

**Credit Quality <sup>(b)</sup>**

BBB	1.3%
BB	12.2%
B	68.0%
CCC+ or Lower	13.5%
Not Rated	5.0%

**Top 5 Industries (as % of Current Market Value of Investment Securities) <sup>(c)</sup>**

High Tech Industries	12.1%
Healthcare & Pharmaceuticals	10.2%
Banking, Finance, Insurance & Real Estate	10.0%
Media: Broadcasting & Subscription	9.6%
Services: Business	8.3%
<b>Total</b>	<b>50.2%</b>

**Top 10 Issuers (as % of Current Market Value of Investment Securities) <sup>(d)</sup>**

Scientific Games International, Inc.	1.5%
Amwins Group, LLC	1.5%

BWay Intermediate Company, Inc.	1.4%
Asurion, LLC	1.4%
Valeant Pharmaceuticals International, Inc.	1.4%
NVA Holdings, Inc.	1.4%
First Data Corp.	1.3%
DAE Aviation Holdings, Inc.	1.3%
NVLX Acquisition, LLC	1.3%
Kronos, Inc.	1.3%
<b>Total</b>	<b>13.8%</b>

## Performance Comparison

	Six Months Ended June 30, 2016	Since Inception on February 23, 2011, to June 30, 2016
AFT - Market Price	8.10% <sup>(e)</sup>	2.63% <sup>(e)(f)</sup>
AFT - NAV	7.39% <sup>(e)</sup>	5.55% <sup>(e)(f)</sup>
S&P/LSTA Leveraged Loan Index <sup>(g)</sup>	4.51%	3.54% <sup>(f)</sup>

- (a) Averages based on par value of investment securities, except for the weighted average modified duration, which is based on market value. The weighted average rating factor per Moody's Investors Service (Moody's) excludes securities with no rating or in default as of June 30, 2016.
- (b) Credit quality is calculated as a percentage of fair value of investment securities at June 30, 2016. The quality ratings reflected were issued by Standard & Poor's Ratings Group (S&P), a nationally recognized statistical rating organization. Credit quality ratings reflect the rating agency's opinion of the credit quality of the underlying positions in the Fund's portfolio and not that of the Fund itself. Credit quality ratings are subject to change.
- (c) The industry classifications reported are from widely recognized market indexes or rating group indexes, and/or as defined by Fund management, with the primary source being Moody's, a nationally recognized statistical rating organization.
- (d) Holdings are subject to change and are provided for informational purposes only.
- (e) Performance reflects total return assuming all distributions were reinvested at the dividend reinvestment rate. Past performance does not necessarily indicate how the Fund will perform in the future. The performance information provided does not reflect the deduction of taxes that a shareholder would pay on distributions received from the Fund.
- (f) Annualized.
- (g) The S&P/LSTA Leveraged Loan Index is a broad index designed to reflect the performance of the U.S. dollar facilities in the leveraged loan market.
- (h) Excludes securities with no rating or in default as of June 30, 2016.



**Apollo Tactical Income Fund Inc.****Financial Data**

As of June 30, 2016 (unaudited)

**Portfolio Composition (as % of Current Market Value of Investment Securities)**

Loans	73.6%
High Yield Bonds	15.3%
Structured Products	10.0%
Equity/Other	1.1%

**Portfolio Characteristics <sup>(a)</sup>**

Weighted Average Floating-Rate Spread	5.38%
Weighted Average Fixed-Rate Coupon	7.55%
Weighted Average Maturity (in years) (floating assets)	5.67
Weighted Average Maturity (in years) (fixed assets)	5.22
Weighted Average Modified Duration (in years) (fixed assets)	3.75
Average Position Size	\$ 2,023,004
Number of Positions	199
Weighted Average S&P Rating	B
Weighted Average Rating Factor (Moody <sup>(h)</sup> )	2,995

**Credit Quality <sup>(b)</sup>**

BBB	0.8%
BB	16.5%
B	54.2%
CCC+ or Lower	17.0%
Not Rated	11.5%

**Top 5 Industries (as % of Current Market Value of Investment Securities) <sup>(c)</sup>**

High Tech Industries	10.2%
Healthcare & Pharmaceuticals	8.9%
Media: Broadcasting & Subscription	8.2%
Retail	8.0%
Banking, Finance, Insurance & Real Estate	7.6%
<b>Total</b>	<b>42.9%</b>

**Top 10 Issuers (as % of Current Market Value of Investment Securities) <sup>(d)</sup>**

Anchorage Capital CLO, Ltd.	1.9%
OCP CLO, Ltd.	1.8%
Land O Lakes Capital Trust I	1.4%

Laureate Education, Inc.	1.4%
Riverbed Technology, Inc.	1.4%
Valeant Pharmaceuticals International, Inc.	1.4%
Onex Carestream Finance, L.P.	1.4%
TPC Group, Inc. (Texas Petrochemical)	1.3%
EIG Investors Corp.	1.3%
Pike Corp.	1.2%
<b>Total</b>	<b>14.5%</b>

### Performance Comparison

	Six Months Ended June 30, 2016	Since Inception on February 25, 2013, to June 30, 2016
AIF - Market Price	9.29% <sup>(e)</sup>	-0.72% <sup>(e)(f)</sup>
AIF - NAV	6.72% <sup>(e)</sup>	4.22% <sup>(e)(f)</sup>
S&P/LSTA Leveraged Loan Index <sup>(g)</sup>	4.51%	2.80% <sup>(f)</sup>

- (a) Averages based on par value of investment securities, except for the weighted average modified duration, which is based on market value. The weighted average rating factor per Moody's excludes securities with no rating or in default as of June 30, 2016.
- (b) Credit quality is calculated as a percentage of fair value of investment securities at June 30, 2016. The quality ratings reflected were issued by S&P, a nationally recognized statistical rating organization. Credit quality ratings reflect the rating agency's opinion of the credit quality of the underlying positions in the Fund's portfolio and not that of the Fund itself. Credit quality ratings are subject to change.
- (c) The industry classifications reported are from widely recognized market indexes or rating group indexes, and/or as defined by Fund management, with the primary source being Moody's, a nationally recognized statistical rating organization. The Top 5 Industries table above excludes Structured Products which represent 10.0% of the portfolio as of June 30, 2016.
- (d) Holdings are subject to change and are provided for informational purposes only.
- (e) Performance reflects total return assuming all distributions were reinvested at the dividend reinvestment rate. Past performance does not necessarily indicate how the Fund will perform in the future. The performance information provided does not reflect the deduction of taxes that a shareholder would pay on distributions received from the Fund.
- (f) Annualized.
- (g) The S&P/LSTA Leveraged Loan Index is a broad index designed to reflect the performance of the U.S. dollar facilities in the leveraged loan market.
- (h) Excludes securities with no rating or in default as of June 30, 2016.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments****June 30, 2016 (unaudited)**

	<b>Principal</b>	
	<u>Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans - 134.1%<sup>(a)</sup></b>		
<b>AEROSPACE &amp; DEFENSE - 5.0%</b>		
Camp International Holding Co. 2013 First Lien Replacement		
Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 05/31/19 <sup>(b)</sup>	2,381,107	2,374,416
2013 Second Lien Replacement		
Term Loan, (LIBOR + 7.25%, 1.00% Floor), 8.25%, 11/29/19 <sup>(b)</sup>	1,000,000	980,000
DAE Aviation Holdings, Inc. Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 07/07/22 <sup>(b)</sup>		
Photonis Technologies SAS (France)	5,072,257	5,069,898
First Lien Initial Dollar Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 09/18/19 <sup>(b)(c)</sup>		
TASC, Inc. First Lien New Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 05/22/20 <sup>(b)</sup>	1,897,815	1,698,544
First Lien Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%,	521,575	522,879
	1,433,344	1,436,927

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

05/22/20<sup>(b)</sup>

Second Lien Term Loan,

12.00%, 05/21/21<sup>(d)</sup>

1,637,357

1,649,637

13,732,301

**AUTOMOTIVE - 2.7%**

American Tire Distributors, Inc.

Initial Term Loan, (LIBOR +

4.25%, 1.00% Floor), 5.25%,

09/01/21<sup>(b)</sup>

3,989,899

3,865,235

KAR Auction Services, Inc.

Tranche B-3 Term Loan, (LIBOR

+ 3.50%, 0.75% Floor), 4.25%,

03/09/23<sup>(b)</sup>

997,500

1,002,069

U.S. Farathane, LLC

Term Loan B-2, (LIBOR + 4.75%,

1.00% Floor), 5.75%,

12/23/21<sup>(b)(e)</sup>

2,349,737

2,352,674

7,219,978

**BANKING, FINANCE, INSURANCE & REAL ESTATE - 12.9%**

Alliant Holdings I, LLC

Initial Term Loan, (LIBOR +

3.50%, 1.00% Floor), 4.50%,

08/12/22<sup>(b)</sup>

1,705,979

1,684,654

Amwins Group, LLC

First Lien Term Loan, (LIBOR +

3.75%, 1.00% Floor), 4.75%,

09/06/19<sup>(b)</sup>

4,053,215

4,055,383

Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%,

09/04/20<sup>(b)</sup>

1,764,500

1,768,911

**Principal**

Amount (\$)

Value (\$)

**BANKING, FINANCE, INSURANCE & REAL ESTATE (continued)**

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

AqGen Island Intermediate Holdings, Inc.

First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%,

12/05/22<sup>(b)</sup> 2,469,136 2,439,815

Asurion, LLC  
Incremental Tranche B-1 Term

Loan, (LIBOR + 3.75%, 1.25%

Floor), 5.00%, 05/24/19<sup>(b)</sup> 4,336,273 4,321,834

Second Lien Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%,

03/03/21<sup>(b)</sup> 1,399,109 1,352,938

First Data Corp.  
2021 New Dollar Term Loan,

(LIBOR + 4.00%, 0.00% Floor),

4.44%, 03/24/21<sup>(b)</sup> 5,302,959 5,294,130

Global Payments, Inc.  
Initial Term Loan, (LIBOR +

3.50%, 0.00% Floor), 3.94%,

04/22/23<sup>(b)</sup> 1,096,639 1,105,412

Hyperion Insurance Group, Ltd.  
(United Kingdom)

Initial Term Loan, (LIBOR +

4.50%, 1.00% Floor), 5.50%,

04/29/22<sup>(b)(c)</sup> 488,528 464,102

iStar, Inc.  
Term Loan, (LIBOR + 4.50%,

1.00% Floor), 5.50%,

07/01/20<sup>(b)(f)</sup> 1,398,773 1,400,521

Jefferies Finance, LLC (JFIN  
Co-Issuer Corp.)

1,506,522 1,491,456

Term Loan, (LIBOR + 3.50%,

1.00% Floor), 4.50%,

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

05/14/20 <sup>(b)(e)</sup> Medical Card System, Inc. Term Loan, (LIBOR + 0.50%, 1.00% Floor), 1.50%,		
05/31/19 <sup>(b)(e)(g)</sup> MMM Holdings, Inc. MMM Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%,	5,323,315	3,064,118
12/12/17 <sup>(b)(e)</sup> MPH Acquisition Holdings, LLC Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%,	638,237	488,251
06/07/23 <sup>(b)</sup> MSO of Puerto Rico, Inc. MSO Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%,	3,759,494	3,774,532
12/12/17 <sup>(b)(e)</sup> Sedgwick Claims Management Services, Inc. Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 03/01/21 <sup>(b)</sup>	463,995	354,956
	1,933,981	1,938,816

See accompanying Notes to Financial Statements. | 7

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE (continued)</b>		
Walter Investment Management Corp.		
Tranche B Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 12/18/20 <sup>(b)</sup>		
	363,523	292,485
		35,292,314
<b>BEVERAGE, FOOD &amp; TOBACCO - 4.8%</b>		
AdvancePierre Foods, Inc.		
Effective Date Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 06/02/23 <sup>(b)</sup>		
	2,189,189	2,186,452
The Chef's Warehouse, Inc.		
Delayed Draw Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 06/22/22 <sup>(b)</sup>		
	52,575	52,444
Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 06/22/22 <sup>(b)</sup>		
	1,145,384	1,142,520
Dole Food Company, Inc.		
Tranche B Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 11/01/18 <sup>(b)(f)</sup>		
	1,336,386	1,333,673
NBTY, Inc.		
Dollar Term Loan B, (LIBOR + 3.051,903)		
	3,051,903	3,033,378

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

4.00%, 1.00% Floor), 5.00%,

05/05/23<sup>(b)</sup>

PFS Holding Corp.

First Lien Term Loan, (LIBOR +

3.50%, 1.00% Floor), 4.50%,

01/31/21<sup>(b)</sup>

Winebow Holdings, Inc. (The  
Vintner Group, Inc.)

First Lien Term Loan, (LIBOR +

3.75%, 1.00% Floor), 4.75%,

07/01/21<sup>(b)</sup>

Second Lien Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%,

01/02/22<sup>(b)</sup>

**CAPITAL EQUIPMENT - 1.2%**

MTS Systems Corp.

Term Loan B, (LIBOR + 4.25%,

0.75% Floor), 5.00%,

06/28/23<sup>(b)(f)</sup>

**CHEMICALS, PLASTICS & RUBBER - 3.0%**

The Chemours Co.

Tranche B Term Loan, (LIBOR +

3.00%, 0.75% Floor), 3.75%,

05/12/22<sup>(b)</sup>

MacDermid, Inc. (Platform  
Specialty Products Corp.)

Tranche B-2 Term Loan, (LIBOR

+ 4.50%, 1.00% Floor), 5.50%,

06/07/20<sup>(b)</sup>

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
	739,124	731,042



**CHEMICALS, PLASTICS & RUBBER (continued)**

MacDermid, Inc. (Platform  
Specialty Products Corp.)  
(continued)

Tranche B-3 Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 06/07/20 <sup>(b)</sup>	1,122,173	1,109,829
Magnetation, LLC / Mag Finance		

Corp.

Term Loan (12.00% PIK),

12.00%, 07/07/16 <sup>(d)(e)(g)(h)</sup>	263,692	606
--	---------	-----

Nexeo Solutions, LLC

Initial Term Loan, (LIBOR +

4.25%, 1.00% Floor), 5.25%,

06/09/23 <sup>(b)</sup>	1,076,336	1,077,009
-------------------------	-----------	-----------

PetroChoice Holdings, Inc.

First Lien Initial Term Loan,

(LIBOR + 5.00%, 1.00% Floor),

6.00%, 08/19/22 <sup>(b)(e)</sup>	1,007,425	997,351
-----------------------------------	-----------	---------

PQ Corp.

Tranche B-1 Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 11/04/22 <sup>(b)</sup>	1,268,428	1,270,889
--	-----------	-----------

Styrolution US Holding, LLC

First Lien Dollar Tranche B-1

Term Loan, (LIBOR + 5.50%,

1.00% Floor), 6.50%, 11/07/19 <sup>(b)</sup>	2,559,467	2,562,666
--	-----------	-----------

8,301,169

**CONSTRUCTION & BUILDING - 1.1%**

Infiltrator Water Technologies, LLC

First Lien Term Loan, (LIBOR +

4.25%, 1.00% Floor), 5.25%,

05/27/22 <sup>(b)</sup>	2,849,324	2,850,520
-------------------------	-----------	-----------

**CONSUMER GOODS: DURABLE - 0.1%**

Britax US Holdings, Inc.

Initial Dollar Term Loan, (LIBOR	456,534	376,641
----------------------------------	---------	---------

+ 3.50%, 1.00% Floor), 4.50%,

10/15/20<sup>(b)</sup>**CONSUMER GOODS: NON-DURABLE - 2.1%**ABG Intermediate Holdings 2, LLC  
First Lien Term Loan, (LIBOR +

4.50%, 1.00% Floor), 5.50%,

05/27/21<sup>(b)</sup>

3,341,749

3,299,977

Nine West Holdings, Inc.  
Unsecured Initial Term Loan,

(LIBOR + 5.25%, 1.00% Floor),

6.25%, 01/08/20<sup>(b)</sup>

239,923

57,582

Polyconcept Investments B.V.  
Term Loan, (LIBOR + 4.75%,1.25% Floor), 6.00%, 06/28/19<sup>(b)</sup>

2,491,519

2,466,604

5,824,163

**CONTAINERS, PACKAGING & GLASS - 4.4%**BWay Intermediate Company, Inc.  
Initial Term Loan, (LIBOR +

4.50%, 1.00% Floor), 5.52%,

08/14/20<sup>(b)</sup>

5,716,934

5,706,214

8 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>CONTAINERS, PACKAGING &amp; GLASS (continued)</b>		
Hoover Group, Inc. Initial Term Loan, (LIBOR +  6.75%, 1.00% Floor), 7.75%,  01/28/21 <sup>(b)(e)</sup>	1,473,083	1,369,968
NVLX Acquisition, LLC First Lien Term Loan, (LIBOR +  5.00%, 1.00% Floor), 6.00%,  12/05/21 <sup>(b)</sup>	5,024,918	5,045,018
		12,121,200
<b>ENERGY: OIL &amp; GAS - 6.7%</b>		
American Energy - Marcellus, LLC First Lien Initial Term Loan,  (LIBOR + 4.25%, 1.00% Floor),  5.25%, 08/04/20 <sup>(b)</sup>	2,712,161	1,464,567
Azure Midstream Energy, LLC Term Loan, (LIBOR + 6.50%,  1.00% Floor), 7.50%, 11/15/18 <sup>(b)</sup>	498,651	330,356
BlackBrush Oil & Gas, L.P. Closing Date Second Lien Term  Loan, (LIBOR + 6.50%, 1.00%  Floor), 7.50%, 07/30/21 <sup>(b)(f)</sup>	3,363,109	3,358,905
Chelsea Petroleum Products I, LLC		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

Tranche B Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 10/28/22 <sup>(b)</sup> Chief Exploration & Development, LLC	1,727,942	1,702,023
Second Lien Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 05/16/21 <sup>(b)</sup> Drillships Financing Holding, Inc.	1,950,784	1,769,732
Tranche B-1 Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 03/31/21 <sup>(b)</sup> EMG Utica, LLC	997,436	397,977
Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 03/27/20 <sup>(b)</sup> HGIM Corp.	2,181,024	2,080,151
Term Loan A, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 06/18/18 <sup>(b)</sup> Sheridan Investment Partners I, LLC	3,722,011	2,844,230
Tranche B-2 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 10/01/19 <sup>(b)</sup> Sheridan Production Partners I-A, L.P.	276,621	163,035
Tranche B-2 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 10/01/19 <sup>(b)</sup> Sheridan Production Partners I-M, L.P.	36,654	21,603
Tranche B-2 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 10/01/19 <sup>(b)</sup>	22,389	13,196
	<b><u>Principal Amount (\$)</u></b>	<b><u>Value (\$)</u></b>

**ENERGY: OIL & GAS (continued)**

Southcross Energy Partners, L.P. Initial Term Loan, (LIBOR +	1,565,494	1,293,490
---	-----------	-----------

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

4.25%, 1.00% Floor), 5.25%,  08/04/21 <sup>(b)</sup> Southcross Holdings Borrower LP Tranche B Term Loan (5.50%		
PIK), 9.00%, 04/13/23 <sup>(d)(g)</sup> Sprint Industrial Holdings, LLC First Lien Term Loan, (LIBOR +	115,058	98,374
5.75%, 1.25% Floor), 7.00%,  05/14/19 <sup>(b)(e)</sup> W3 Co. First Lien Term Loan, (LIBOR +	2,592,741	1,970,483
4.50%, 1.25% Floor), 5.75%,  03/13/20 <sup>(b)</sup>	908,416	714,242
		18,222,364
<b>ENVIRONMENTAL INDUSTRIES - 1.0%</b>		
Emerald 2, Ltd. (United Kingdom) Facility B-1 Term Loan, (LIBOR +		
4.00%, 1.00% Floor), 4.63%,  05/14/21 <sup>(b)(c)</sup>	2,901,337	2,703,088
<b>FOREST PRODUCTS &amp; PAPER - 1.5%</b>		
Caraustar Industries, Inc. Incremental Term Loan, (LIBOR		
+ 6.75%, 1.25% Floor), 8.00%,  05/01/19 <sup>(b)</sup>	1,830,906	1,830,219
Term Loan, (LIBOR + 6.75%,  1.25% Floor), 8.00%, 05/01/19 <sup>(b)</sup>	2,247,659	2,244,388
		4,074,607
<b>HEALTHCARE &amp; PHARMACEUTICALS - 13.6%</b>		
Alvogen Pharma US, Inc. First Lien Term Loan, (LIBOR +		
5.00%, 1.00% Floor), 6.00%,	2,926,858	2,903,077

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

04/01/22 <sup>(b)</sup> CHG Healthcare Services, Inc. First Lien Term Loan, (LIBOR +  3.75%, 1.00% Floor), 4.75%,		
06/07/23 <sup>(b)(f)</sup> Concentra, Inc. Second Lien Initial Term Loan,  (LIBOR + 8.00%, 1.00% Floor),  9.00%, 06/01/23 <sup>(b)</sup> ExamWorks Group, Inc. Term Loan B, (LIBOR + 3.75%,  1.00% Floor), 4.75%,	548,842	549,701
08/31/23 <sup>(b)(f)</sup> HCR ManorCare, Inc. Initial Term Loan, (LIBOR +  3.50%, 1.50% Floor), 5.00%,	1,488,722	1,489,191
04/06/18 <sup>(b)</sup> InVentiv Health, Inc. Term Loan B-3, (LIBOR + 6.25%,  1.50% Floor), 7.75%, 05/15/18 <sup>(b)</sup> Lanai Holdings II, Inc. First Lien Term Loan B, (LIBOR  + 4.75%, 1.00% Floor), 5.75%,	2,083,684	1,708,621
08/29/22 <sup>(b)(f)</sup>	723,864	722,507
	2,731,706	2,697,560

See accompanying Notes to Financial Statements. | 9

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>HEALTHCARE &amp; PHARMACEUTICALS (continued)</b>		
Lanai Holdings III, Inc. Second Lien Initial Term Loan,  (LIBOR + 8.50%, 1.00% Floor),  9.50%, 08/28/23 <sup>(b)(e)(f)</sup> Nmsc Holdings, Inc. First Lien Term Loan B, (LIBOR  + 5.00%, 1.00% Floor), 6.00%,  04/19/23 <sup>(b)</sup> Opal Acquisition, Inc. Term Loan B, (LIBOR + 4.00%,  1.00% Floor), 5.00%, 11/27/20 <sup>(b)</sup> Premier Dental Services, Inc. New Term Loan, (LIBOR +  6.50%, 1.00% Floor), 7.50%,  11/01/18 <sup>(b)(e)</sup> Smile Brands Group, Inc. Term Loan B (1.50% PIK),  (LIBOR + 7.75%, 1.25% Floor),  9.00%, 08/16/19 <sup>(b)(g)</sup> Steward Health Care System, LLC Term Loan, (LIBOR + 5.50%,  1.25% Floor), 6.75%,  04/10/20 <sup>(b)(e)</sup> Surgery Center Holdings, Inc.	869,565	856,522
	561,524	564,332
	3,499,213	3,074,934
	4,728,833	4,563,324
	3,618,767	3,169,443
	2,734,634	2,707,287

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

First Lien Initial Term Loan,  (LIBOR + 4.25%, 1.00% Floor),  5.25%, 11/03/20 <sup>(b)</sup> U.S. Renal Care, Inc. Term Loan B, (LIBOR + 4.25%,  1.00% Floor), 5.25%, 12/30/22 <sup>(b)</sup> Second Lien Term Loan, (LIBOR  + 8.00%, 1.00% Floor), 9.00%,  12/29/23 <sup>(b)</sup> Valeant Pharmaceuticals International, Inc. (Canada)	3,678,202	3,669,006
Tranche B Term Loan Series  C-2, (LIBOR + 4.00%, 0.75%  Floor), 4.75%, 12/11/19 <sup>(b)(c)</sup> Tranche B Term Loan Series  D-2, (LIBOR + 3.75%, 0.75%  Floor), 4.50%, 02/13/19 <sup>(b)(c)</sup> Tranche B Term Loan Series  E-1, (LIBOR + 4.00%, 0.75%  Floor), 4.75%, 08/05/20 <sup>(b)(c)(f)</sup>	1,543,406	1,502,892
	530,561	517,132
	660,640	642,628
		37,093,989
<b>HIGH TECH INDUSTRIES - 16.9%</b>		
Deltek, Inc. First Lien Term Loan, (LIBOR +  4.00%, 1.00% Floor), 5.00%,  06/25/22 <sup>(b)</sup> Second Lien Term Loan, (LIBOR  + 8.50%, 1.00% Floor), 9.50%,  06/26/23 <sup>(b)</sup> Flexera Software, LLC Second Lien Term Loan, (LIBOR	2,672,290	2,669,378
	1,724,528	1,747,162
	1,999,281	1,929,306



+ 7.00%, 1.00% Floor), 8.00%,

04/02/21<sup>(b)</sup>

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>HIGH TECH INDUSTRIES (continued)</b>		
Informatica Corp. Dollar Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 08/05/22 <sup>(b)</sup>	2,992,462	2,919,790
Kronos, Inc. Second Lien Initial Term Loan, (LIBOR + 8.50%, 1.25% Floor), 9.75%, 04/30/20 <sup>(b)</sup>	4,998,571	5,044,408
Landslide Holdings, Inc. (Crimson Acquisition Corp.) First Lien New Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 02/25/20 <sup>(b)</sup>	2,940,979	2,929,950
Second Lien Term Loan, (LIBOR + 7.25%, 1.00% Floor), 8.25%, 02/25/21 <sup>(b)(e)</sup>	610,438	595,178
Lanyon Solutions, Inc. (Lanyon, Inc.) First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 11/13/20 <sup>(b)</sup>	1,435,886	1,425,713
MSC Software Corp. First Lien Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 05/29/20 <sup>(b)</sup>	1,754,200	1,666,490
ON Semiconductor Corp. First Lien Term Loan B, (LIBOR + 4.50%, 0.75% Floor), 5.25%, 03/31/23 <sup>(b)</sup>	3,096,210	3,113,951
Riverbed Technology, Inc. Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 04/25/22 <sup>(b)</sup>	3,439,865	3,443,924
RP Crown Parent, LLC First Lien New Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 12/21/18 <sup>(b)</sup>	2,231,861	2,105,616
Second Lien Term Loan, (LIBOR + 10.0%, 1.25% Floor), 11.25%, 12/21/19 <sup>(b)(f)</sup>	1,250,000	1,042,712
Sophia, L.P. Closing Date Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%,		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

09/30/22 <sup>(b)</sup> TIBCO Software, Inc. Term Loan, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 12/04/20 <sup>(b)(f)</sup>	2,982,462  3,300,520	2,952,638  3,034,416
VF Holdings Corp. Term Loan B, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 06/30/23 <sup>(b)</sup>	1,475,728	1,472,504
Vision Solutions, Inc. Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 06/16/22 <sup>(b)(e)</sup>	4,000,000	3,980,000
Western Digital Corp. Term Loan B, (LIBOR + 5.50%, 0.75% Floor), 6.25%, 04/29/23 <sup>(b)</sup>	4,000,000	4,021,880
		46,095,016

10 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>HOTEL, GAMING &amp; LEISURE - 7.3%</b>		
CDS U.S. Intermediate Holdings, Inc. First Lien Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/08/22 <sup>(b)</sup>	880,907	859,712
Delta 2 (Lux) S.a.r.l. (Luxembourg) Facility B-3 Term Loan (USD), (LIBOR + 3.75%, 1.00% Floor), 4.75%, 07/30/21 <sup>(b)(c)</sup>	5,105,263	4,924,179
Diamond Resorts Corp. Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 05/09/21 <sup>(b)</sup>	2,488,546	2,490,886
Equinox Holdings, Inc. First Lien New Initial Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 01/31/20 <sup>(b)</sup>	3,692,210	3,687,595
Everi Payments, Inc. Term Loan B, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 12/18/20 <sup>(b)</sup>	1,361,763	1,264,166
The Intertain Group, Ltd. (The Intertain Group Finance, LLC) (Canada) Initial Term Loan B, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 04/08/22 <sup>(b)(c)(e)</sup>	747,069	746,135
Scientific Games International, Inc. Initial Term Loan B-2, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 10/01/21 <sup>(b)</sup>	3,498,223	3,454,932
Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 10/18/20 <sup>(b)</sup>	2,493,606	2,466,339
		19,893,944

**MEDIA: ADVERTISING, PRINTING & PUBLISHING - 2.2%**

ALM Media, LLC First Lien Term Loan B, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 07/31/20 <sup>(b)</sup>	3,555,131	3,412,926
F & W Media, Inc. Initial Term Loan, (LIBOR + 7.50%, 1.25% Floor), 8.75%, 06/30/19 <sup>(b)</sup>	3,135,887	2,587,107
		6,000,033

**MEDIA: BROADCASTING & SUBSCRIPTION - 11.0%**

Emmis Operating Co. Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 06/10/21 <sup>(b)</sup>	1,437,553	1,225,514
Hargray Communications Group, Inc. (HCP Acquisition, LLC) Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 06/26/19 <sup>(b)</sup>	4,154,513	4,159,706

<b>Principal Amount (\$)</b>	<b>Value (\$)</b>
----------------------------------	-------------------

**MEDIA: BROADCASTING & SUBSCRIPTION (continued)**

Hemisphere Media Holdings, LLC (Intermedia Espanol, Inc.) New Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/30/20 <sup>(b)</sup>	2,437,329	2,425,143
Intelsat Jackson Holdings S.A. (Luxembourg) Tranche B-2 Term Loan, (LIBOR + 2.75%, 1.00% Floor), 3.75%, 06/30/19 <sup>(b)(c)(f)</sup>	4,635,849	4,234,848
Neptune Finco Corp. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 10/09/22 <sup>(b)</sup>	4,050,012	4,064,188
Numericable U.S., LLC Term Loan B-7, (LIBOR + 4.25%, 0.75% Floor), 5.00%, 01/15/24 <sup>(b)</sup>	3,155,128	3,138,043
SESAC Holdco II, LLC First Lien Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 02/07/19 <sup>(b)</sup>	1,945,359	1,945,359
Telecommunications Management, LLC		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

First Lien Initial Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 04/30/20 <sup>(b)</sup>	1,199,800	1,139,810
Second Lien Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 10/30/20 <sup>(b)(e)</sup>	710,475	682,056
WideOpenWest Finance, LLC Replacement Term Loan B, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 04/01/19 <sup>(b)(f)</sup>	1,994,949	1,992,316
William Morris Endeavor Entertainment, LLC (IMG Worldwide Holdings, LLC) First Lien Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 05/06/21 <sup>(b)(f)</sup>	4,970,609	4,960,668
		29,967,651

**METALS & MINING - 0.2%**

Global Brass and Copper, Inc. Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 06/16/23 <sup>(b)(f)</sup>	596,026	596,026
---	---------	---------

**RETAIL - 10.2%**

Academy, Ltd. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/01/22 <sup>(b)(f)</sup>	4,145,736	3,917,720
Albertson's, LLC Term Loan B-6, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 06/22/23 <sup>(b)</sup>	1,851,243	1,851,011
Belk, Inc. Closing Date First Lien Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 12/12/22 <sup>(b)</sup>	921,028	739,701

See accompanying Notes to Financial Statements. | 11

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>RETAIL (continued)</b>		
Charming Charlie, LLC Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 12/24/19 <sup>(b)</sup>	3,717,687	2,602,381
David s Bridal, Inc. Initial Term Loan, (LIBOR + 4.00%, 1.25% Floor), 5.25%, 10/11/19 <sup>(b)</sup>	2,000,000	1,800,000
J. Crew Group, Inc. Initial Term Loan, (LIBOR + 3.00%, 1.00% Floor), 4.00%, 03/05/21 <sup>(b)(f)</sup>	1,500,000	1,033,597
J.C. Penney Corp., Inc. 2016 Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 06/23/23 <sup>(b)(f)</sup>	2,813,333	2,794,878
Mattress Holding Corp. Initial Term Loan, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 10/20/21 <sup>(b)</sup>	2,595,566	2,543,655
2016 Incremental Term Loan, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 10/20/21 <sup>(b)</sup>	1,190,549	1,165,994
The Neiman Marcus Group, Inc. Other Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 10/25/20 <sup>(b)(f)</sup>	2,500,000	2,251,987
Petco Animal Supplies, Inc. Tranche B-1 Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 01/26/23 <sup>(b)</sup>	2,319,188	2,311,523
Tranche B-2 Term Loan, (LIBOR + 4.25%, 0.00% Floor), 4.73%, 01/26/23 <sup>(b)</sup>	1,608,871	1,602,982
PetSmart, Inc.		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

Tranche B-1 Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 03/11/22 <sup>(b)</sup>	1,000,000	997,130
Sears Roebuck Acceptance Corp. (K MART Corp.) 2015 Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 06/30/18 <sup>(b)</sup>	1,719,062	1,642,418
Vince, LLC (Vince Intermediate Holding, LLC) Term Loan B, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 11/27/19 <sup>(b)(e)</sup>	514,815	489,074
		27,744,051

**SERVICES: BUSINESS - 12.0%**

Americold Realty Operating Partnership, L.P. Term Loan B, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 12/01/22 <sup>(b)(f)</sup>	3,203,165	3,223,185
---	-----------	-----------

<b>Principal Amount (\$)</b>	<b>Value (\$)</b>
----------------------------------	-------------------

**SERVICES: BUSINESS (continued)**

Carecore National, LLC Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 03/05/21 <sup>(b)</sup>	1,373,148	1,273,595
EIG Investors Corp. Term Loan, (LIBOR + 5.48%, 1.00% Floor), 6.48%, 11/09/19 <sup>(b)</sup>	2,922,543	2,795,895
Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 02/09/23 <sup>(b)(e)</sup>	1,980,000	1,861,200
Evergreen Skills Lux S.a.r.l. First Lien Initial Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 04/28/21 <sup>(b)</sup>	2,076,797	1,656,245
Second Lien Initial Term Loan, (LIBOR + 8.25%, 1.00% Floor), 9.25%, 04/28/22 <sup>(b)</sup>	1,000,000	475,000
Explorer Holdings, Inc. Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 05/02/23 <sup>(b)</sup>	500,000	501,250
GCA Services Group, Inc. First Lien Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%,		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

03/01/23 <sup>(b)</sup> IBC Capital, Ltd. First Lien Initial Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 09/09/21 <sup>(b)</sup>	1,362,103	1,367,211
Infogroup, Inc. Term Loan B, (LIBOR + 5.50%, 1.50% Floor), 7.00%, 05/28/18 <sup>(b)</sup>	3,923,803	3,802,813
Netsmart Technologies, Inc. First Lien Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 04/19/23 <sup>(b)(e)</sup>	1,167,455	1,133,161
Onex Carestream Finance, L.P. 2013 First Lien Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/07/19 <sup>(b)(f)</sup>	586,047	585,314
Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 12/07/19 <sup>(b)</sup>	1,971,014	1,892,174
Packers Holdings, LLC Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 4.00%, 12/02/21 <sup>(b)</sup>	2,415,389	2,198,004
SGS Cayman, L.P. Initial Cayman Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup>	989,975	988,124
SMG Term Loan B, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 02/27/20 <sup>(b)(f)</sup>	426,076	425,011
Solera, LLC (Solera Finance, Inc.) Dollar Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 03/03/23 <sup>(b)(f)</sup>	3,156,339	3,081,376
	3,744,262	3,747,763

12 | See accompanying Notes to Financial Statements.



**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>SERVICES: BUSINESS (continued)</b>		
Sutherland Global Services, Inc. Initial U.S. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup>	1,830,386	1,825,810
		32,833,131
<b>SERVICES: CONSUMER - 3.8%</b>		
Laureate Education, Inc. 2018 New Series Extended Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 06/15/18 <sup>(b)</sup>	5,135,048	4,989,547
NVA Holdings, Inc. First Lien Incremental Term Loan B-1, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 08/14/21 <sup>(b)</sup>	852,918	853,984
First Lien Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 08/14/21 <sup>(b)</sup>	3,156,565	3,148,673
Second Lien Term Loan, (LIBOR + 7.00%, 1.00% Floor), 8.00%, 08/14/22 <sup>(b)</sup>	1,391,776	1,379,598
		10,371,802
<b>TELECOMMUNICATIONS - 5.4%</b>		
Avaya, Inc. Term Loan B-3, (LIBOR + 4.50%, 0.00% Floor), 5.13%, 10/26/17 <sup>(b)(f)</sup>	1,601,294	1,247,672
Ciena Corp. 2016 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%,		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

04/25/21 <sup>(b)(e)</sup> Global Tel*Link Corp. First Lien Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%,	590,674	591,412
05/23/20 <sup>(b)</sup> Grande Communications Networks, LLC Initial Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%,	5,396,800	4,887,477
05/29/20 <sup>(b)</sup> LTS Buyer, LLC (Sidera Networks, Inc.) Second Lien Term Loan, (LIBOR + 6.75%, 1.25% Floor), 8.00%,	2,980,454	2,939,473
04/12/21 <sup>(b)</sup> Securus Technologies Holdings, Inc. First Lien Initial Term Loan, (LIBOR + 3.50%, 1.25% Floor), 4.75%, 04/30/20 <sup>(b)</sup>	1,500,000	1,485,000
Second Lien Initial Term Loan, (LIBOR + 7.75%, 1.25% Floor), 9.00%, 04/30/21 <sup>(b)</sup>	986,295	935,136
	2,800,000	2,524,662
		14,610,832

<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
----------------------------------	-------------------

**TRANSPORTATION: CARGO - 1.3%**

Carrix, Inc. Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 01/07/19 <sup>(b)</sup>	3,847,770	3,645,762
--	-----------	-----------

**TRANSPORTATION: CONSUMER - 0.6%**

Travel Leaders Group, LLC Additional Tranche B Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 12/07/20 <sup>(b)</sup>	1,736,779	1,723,753
---	-----------	-----------

**UTILITIES: ELECTRIC - 3.1%**

EFS Cogen Holdings I, LLC Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 06/28/23 <sup>(b)(f)</sup>	2,620,253	2,630,079
Granite Acquisition, Inc. Second Lien Term Loan B, (LIBOR + 7.25%, 1.00% Floor),		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

8.25%, 12/19/22 <sup>(b)</sup> Pike Corp. First Lien Initial Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 12/22/21 <sup>(b)</sup>	1,112,864	1,054,577
Second Lien Initial Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 06/22/22 <sup>(b)</sup>	2,134,220	2,132,887
	2,500,000	2,518,750
		8,336,293
<b>Total Senior Loans (Cost \$376,576,839)</b>		<b>366,163,407</b>
<b>Corporate Notes and Bonds - 8.6%<sup>(d)</sup></b>		
<b>AUTOMOTIVE - 0.2%</b>		
American Tire Distributors, Inc. 10.25%, 03/01/22 <sup>(i)</sup>	600,000	529,500
<b>CHEMICALS, PLASTICS &amp; RUBBER - 0.0%</b>		
Magnetation, LLC / Mag Finance Corp. 11.00%, 05/15/18 <sup>(e)(h)(i)(j)</sup>	639,000	
<b>CONTAINERS, PACKAGING &amp; GLASS - 0.8%</b>		
Reynolds Group Holdings, Inc. 6.88%, 02/15/21	1,996,000	2,055,880
<b>HEALTHCARE &amp; PHARMACEUTICALS - 1.0%</b>		
Valeant Pharmaceuticals International, Inc. (Canada) 7.50%, 07/15/21 <sup>(c)(i)</sup>	3,200,000	2,838,000
<b>HIGH TECH INDUSTRIES - 0.6%</b>		
Riverbed Technology, Inc. 8.88%, 03/01/23 <sup>(i)</sup>	1,500,000	1,560,000
<b>MEDIA: ADVERTISING, PRINTING &amp; PUBLISHING - 0.3%</b>		
Acosta, Inc. 7.75%, 10/01/22 <sup>(i)</sup>	1,000,000	882,500

See accompanying Notes to Financial Statements. | 13

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Corporate Notes and Bonds<sup>(d)</sup> (continued)</b>		
<b>MEDIA: BROADCASTING &amp; SUBSCRIPTION - 2.9%</b>		
Columbus International, Inc. (Barbados) 7.38%, 03/30/21 <sup>(c)(i)</sup>	1,285,000	1,361,779
Neptune Finco Corp. 10.13%, 01/15/23 <sup>(i)</sup>	105,000	117,862
10.88%, 10/15/25 <sup>(i)</sup>	293,000	335,667
Numericable-SFR S.A. (France) 7.38%, 05/01/26 <sup>(c)(i)</sup>	2,233,000	2,210,670
Radio One, Inc. 7.38%, 04/15/22 <sup>(i)</sup>	1,516,000	1,455,360
9.25%, 02/15/20 <sup>(i)</sup>	1,484,000	1,320,760
WideOpenWest Finance, LLC 10.25%, 07/15/19	1,000,000	1,040,000
		7,842,098
<b>MEDIA: DIVERSIFIED &amp; PRODUCTION - 1.0%</b>		
SiTV, Inc. 10.38%, 07/01/19 <sup>(i)</sup>	3,420,000	2,650,500
<b>RETAIL - 1.1%</b>		
JC PENNEY Corp., Inc. 5.88%, 07/01/23 <sup>(i)</sup>	1,000,000	1,008,750
Jo-Ann Stores, Inc. 8.13%, 03/15/19 <sup>(i)</sup>	2,000,000	1,925,000
		2,933,750
<b>TELECOMMUNICATIONS - 0.7%</b>		
Altice Financing S.A. (Luxembourg) 7.50%, 05/15/26 <sup>(c)(i)</sup>	2,076,000	2,039,670
<b>Total Corporate Notes and Bonds</b>		

**(Cost \$25,232,371)****23,331,898**

	<u>Share Quantity</u>	<u>Value (\$)</u>
<b>Common Stocks - 0.0%</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 0.0%</b>		
Medical Card System, Inc. <sup>(e)(h)</sup>	936,317	
<b>ENERGY: OIL &amp; GAS - 0.0%</b>		
Southcross Holdings Borrower GP LLC <sup>(e)(h)</sup>	129	
Southcross Holdings Borrower LP, Class A-II <sup>(e)(h)</sup>	129	50,310
		50,310
<b>Total Common Stock</b> <b>(Cost \$58,050)</b>		<b>50,310</b>
	<u>Share Quantity</u>	<u>Value (\$)</u>
<b>Preferred Stock - 1.5%</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 1.5%</b>		
Watford Holdings, Ltd. (Bermuda) 8.50% <sup>(c)(e)(i)</sup>	160,000	3,992,960
<b>Total Preferred Stock</b> <b>(Cost \$3,920,000)</b>		<b>3,992,960</b>
<b>Warrants - 0.0%</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 0.0%</b>		
Medical Card System, Inc. 07/26/18 <sup>(e)(h)(i)</sup>	54,913	
<b>Total Warrants</b> <b>(Cost \$ )</b>		
<b>Total Investments - 144.2%</b> <b>(Cost of \$405,787,260)<sup>(k)</sup></b>		<b>393,538,575</b>
<b>Other Assets &amp; Liabilities,</b> <b>Net-5.1%</b>		<b>14,069,561</b>
<b>Loan Outstanding-(49.3)%<sup>(l)(m)</sup></b>		<b>(134,620,923)</b>

**Net Assets (Applicable to  
Common Shares)-100.0%**

**272,987,213**

14 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

- (a) Senior Loans are senior, secured loans made to companies whose debt is rated below investment grade and investments with similar characteristics. Senior Loans typically hold a first lien priority and pay interest at rates that are determined periodically on the basis of a floating base lending rate plus a spread. Unless otherwise identified, all Senior Loans carry a variable rate of interest. These base lending rates are primarily the London Interbank Offered Rate ( LIBOR ) and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate used by commercial lenders. The rates shown represent the weighted average rate at June 30, 2016. Senior Loans are generally not registered under the Securities Act of 1933 (the 1933 Act ) and often contain certain restrictions on resale and cannot be sold publicly. Senior Loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual maturity may be substantially less than the stated maturity shown.

Senior Loan assets may have additional unfunded loan commitments. As of June 30, 2016, the Fund had unfunded loan commitments, which could be extended at the option of the borrower, pursuant to the following loan agreements:

<b>Borrower</b>	<b>Unfunded Loan Commitments</b>
The Chef s Warehouse, Inc.	\$ 135,532
Mitel Networks Corp.	5,700,000
<b>Total unfunded loan commitments</b>	<b>\$ 5,835,532</b>

- (b) The interest rate on this Senior Loan is subject to a base rate plus 1 month or 3 month LIBOR, which at June 30, 2016, was 0.47% and 0.65%, respectively. As the interest rate is subject to a minimum LIBOR floor which was greater than the 1 month or 3 month LIBOR rate at June 30, 2016, the prevailing rate in effect at June 30, 2016, was the base rate plus the LIBOR floor, except as otherwise indicated.
- (c) Foreign issuer traded in U.S. dollars.
- (d) Fixed rate asset.
- (e) Fair Value Level 3 security. All remaining securities are categorized as Level 2.
- (f) All or a portion of this Senior Loan position has not settled. Full contract rates do not take effect until settlement date, therefore, are subject to change.
- (g) Represents a payment-in-kind ( PIK ) security, which may pay interest in additional principal amount.
- (h) Non-income producing asset.

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

- (i) Securities exempt from registration pursuant to Rule 144A under the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. At June 30, 2016, these securities amounted to \$24,228,978, or 8.9% of net assets.
- (j) The issuer is in default of its payment obligations as of May 5, 2015, as such, income is no longer being accrued. The issuer paid a cash dividend to all shareholders on record as of January 6, 2016, which was recorded as a cost basis adjustment.
- (k) The aggregate cost of securities for federal income tax purposes was \$405,954,907. Cost for U.S. federal income tax purposes differs from book basis primarily due to the deferral of losses from wash sales. Unrealized appreciation and depreciation on investments were as follows:

Gross unrealized appreciation	\$ 2,607,720
Gross unrealized depreciation	(15,024,052)
Net unrealized depreciation	\$ (12,416,332)

- (l) The Fund has granted a security interest in substantially all of its assets in the event of default under the credit facility.
- (m) Principal \$135,250,000 less unamortized deferred financing costs of \$629,077.

See accompanying Notes to Financial Statements. | 15



**Apollo Tactical Income Fund Inc.****Schedule of Investments****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans - 113.6%<sup>(a)</sup></b>		
<b>AEROSPACE &amp; DEFENSE - 4.5%</b>		
Camp International Holding Co. 2013 Second Lien Replacement		
Term Loan, (LIBOR + 7.25%,  1.00% Floor), 8.25%, 11/29/19 <sup>(b)</sup> DAE Aviation Holdings, Inc. Initial Term Loan, (LIBOR +  4.25%, 1.00% Floor), 5.25%,  07/07/22 <sup>(b)</sup> Photonis Technologies SAS (France) First Lien Initial Dollar Term  Loan, (LIBOR + 7.50%, 1.00%  Floor), 8.50%, 09/18/19 <sup>(b)(c)</sup> TASC, Inc. First Lien New Term Loan,  (LIBOR + 6.00%, 1.00% Floor),  7.00%, 05/22/20 <sup>(b)</sup> First Lien Term Loan, (LIBOR +  6.00%, 1.00% Floor), 7.00%,  05/22/20 <sup>(b)</sup> Second Lien Term Loan,  12.00%, 05/21/21 <sup>(d)</sup>	1,350,000	1,323,000
	3,985,763	3,983,910
	1,897,815	1,698,544
	521,575	522,879
	1,433,344	1,436,927
	1,637,357	1,649,637
		10,614,897

**AUTOMOTIVE - 1.3%**

American Tire Distributors, Inc.  
Initial Term Loan, (LIBOR +

4.25%, 1.00% Floor), 5.25%,

09/01/21<sup>(b)</sup> 797,980 773,047

U.S. Farathane, LLC

Term Loan B-2, (LIBOR + 4.75%,

1.00% Floor), 5.75%,

12/23/21<sup>(b)(e)</sup> 2,349,737 2,352,674

3,125,721

**BANKING, FINANCE, INSURANCE & REAL ESTATE - 9.2%**

AqGen Island Intermediate  
Holdings, Inc.

First Lien Term Loan, (LIBOR +

4.50%, 1.00% Floor), 5.50%,

12/05/22<sup>(b)</sup> 2,469,136 2,439,815

Asurion, LLC

Incremental Tranche B-4 Term

Loan, (LIBOR + 4.00%, 1.00%

Floor), 5.00%, 08/04/22<sup>(b)</sup> 993,655 981,979

Second Lien Term Loan, (LIBOR

+ 7.50%, 1.00% Floor), 8.50%,

03/03/21<sup>(b)</sup> 2,000,000 1,934,000

First Data Corp.

Dollar Term Loan, (LIBOR +

3.75%, 1.00% Floor), 4.75%,

07/08/22<sup>(b)</sup> 1,750,000 1,737,969

Hyperion Insurance Group, Ltd.  
(United Kingdom)

Initial Term Loan, (LIBOR +

4.50%, 1.00% Floor), 5.50%,

04/29/22<sup>(b)(c)</sup> 488,528 464,102

Value (\$)

**Principal  
Amount (\$)**

**BANKING, FINANCE, INSURANCE & REAL ESTATE (continued)**

iStar, Inc. Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 07/01/20 <sup>(b)(f)</sup> Jefferies Finance, LLC (JFIN Co-Issuer Corp.) Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 05/14/20 <sup>(b)(e)</sup> Medical Card System, Inc. Term Loan, (LIBOR + 0.50%, 1.00% Floor), 1.50%, 05/31/19 <sup>(b)(e)(g)</sup> MMM Holdings, Inc. MMM Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%, 12/12/17 <sup>(b)(e)</sup> MPH Acquisition Holdings, LLC Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/07/23 <sup>(b)</sup> MSO of Puerto Rico, Inc. MSO Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%, 12/12/17 <sup>(b)(e)</sup> Sedgwick Claims Management Services, Inc. Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 03/01/21 <sup>(b)</sup> SquareTwo Financial Corp. Term Loan, (10.50% PIK)	1,398,773	1,400,521
	1,506,522	1,491,456
	4,913,829	2,828,416
	1,100,171	841,631
	3,759,494	3,774,532
	799,818	611,861
	1,933,981	1,938,816
	173,034	173,034

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

(LIBOR + 9.50%, 1.00% Floor),

10.50%, 05/24/19<sup>(b)(e)(g)</sup>

Term Loan, (11.00% PIK)

(LIBOR +10.00%, 1.00% Floor),

11.00%, 05/16/49<sup>(b)(e)(g)</sup>

1,720,550

851,301

21,469,433

**BEVERAGE, FOOD & TOBACCO - 3.3%**

The Chef s Warehouse, Inc.

Delayed Draw Term Loan,

(LIBOR + 4.75%, 1.00% Floor),

5.75%, 06/22/22<sup>(b)</sup>

Term Loan, (LIBOR + 4.75%,

52,575

52,444

1.00% Floor), 5.75%, 06/22/22<sup>(b)</sup>

NBTY, Inc.

Dollar Term Loan B, (LIBOR +

4.00%, 1.00% Floor), 5.00%,

1,145,384

1,142,520

05/05/23<sup>(b)</sup>

PFS Holding Corp.

Second Lien Term Loan, (LIBOR

+ 7.25%, 1.00% Floor), 8.25%,

3,051,903

3,033,378

01/31/22<sup>(b)</sup>

Winebow Holdings, Inc. (The

Vintner Group, Inc.)

First Lien Term Loan, (LIBOR +

3.75%, 1.00% Floor), 4.75%,

499,800

356,732

07/01/21<sup>(b)</sup>

992,405

967,595

16 | See accompanying Notes to Financial Statements.

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>BEVERAGE, FOOD &amp; TOBACCO (continued)</b>		
Winebow Holdings, Inc. (The Vintner Group, Inc.) (continued)		
Second Lien Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 01/02/22 <sup>(b)</sup>		
	2,505,795	2,230,158
		7,782,827
<b>CAPITAL EQUIPMENT - 1.4%</b>		
MTS Systems Corp. Term Loan B, (LIBOR + 4.25%, 0.75% Floor), 5.00%, 06/28/23 <sup>(b)(f)</sup>		
	3,333,333	3,328,133
<b>CHEMICALS, PLASTICS &amp; RUBBER - 3.1%</b>		
The Chemours Co. Tranche B Term Loan, (LIBOR + 3.00%, 0.75% Floor), 3.75%, 05/12/22 <sup>(b)</sup>		
	489,310	474,508
MacDermid, Inc. (Platform Specialty Products Corp.) Tranche B-2 Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 06/07/20 <sup>(b)</sup>		
	491,752	486,375



	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>CONSUMER GOODS: NON-DURABLE (continued)</b>		
Polyconcept Investments B.V. Term Loan, (LIBOR + 4.75%, 1.25% Floor), 6.00%, 06/28/19 <sup>(b)</sup>	2,186,105	2,164,244
		5,622,255
<b>CONTAINERS, PACKAGING &amp; GLASS - 3.3%</b>		
BWay Intermediate Company, Inc. Initial Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.52%, 08/14/20 <sup>(b)</sup>	3,883,202	3,875,921
Hoover Group, Inc. Initial Term Loan, (LIBOR + 6.75%, 1.00% Floor), 7.75%, 01/28/21 <sup>(b)(e)</sup>	765,555	711,967
NVLX Acquisition, LLC First Lien Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 12/05/21 <sup>(b)</sup>	3,192,069	3,204,837
		7,792,725
<b>ENERGY: OIL &amp; GAS - 6.1%</b>		
American Energy - Marcellus, LLC First Lien Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 08/04/20 <sup>(b)</sup>	1,383,515	747,098
Azure Midstream Energy, LLC Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 11/15/18 <sup>(b)</sup>	498,651	330,356
BlackBrush Oil & Gas, L.P. Closing Date Second Lien Term	3,363,109	3,358,905





**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>ENERGY: OIL &amp; GAS (continued)</b>		
Sheridan Production Partners I-M, L.P. Tranche B-2 Term Loan, (LIBOR		
+ 3.50%, 0.75% Floor), 4.25%,		
10/01/19 <sup>(b)</sup>	22,389	13,196
Southcross Energy Partners, L.P. Initial Term Loan, (LIBOR +		
4.25%, 1.00% Floor), 5.25%,		
08/04/21 <sup>(b)</sup>	1,565,494	1,293,490
Southcross Holdings Borrower LP Tranche B Term Loan (5.50%		
PIK), 9.00%, 04/13/23 <sup>(d)(g)</sup>		
Sprint Industrial Holdings, LLC First Lien Term Loan, (LIBOR +		
5.75%, 1.25% Floor), 7.00%,		
05/14/19 <sup>(b)(e)</sup>	2,592,741	1,970,483
Targa Resources Corp. Term Loan, (LIBOR + 4.75%,		
1.00% Floor), 5.75%, 02/27/22 <sup>(b)</sup>		
W3 Co. First Lien Term Loan, (LIBOR +		
4.50%, 1.25% Floor), 5.75%,		
03/13/20 <sup>(b)</sup>	1,089,956	856,978
		14,401,107

**ENVIRONMENTAL INDUSTRIES - 1.1%**

Emerald 2, Ltd. (United Kingdom)  
Facility B-1 Term Loan, (LIBOR +

4.00%, 1.00% Floor), 5.00%,

05/14/21 <sup>(b)(c)</sup>	2,901,337	2,703,088
----------------------------	-----------	-----------

**FOREST PRODUCTS & PAPER - 1.3%**

Caraustar Industries, Inc.  
Incremental Term Loan, (LIBOR

+ 6.75%, 1.25% Floor), 8.00%,

05/01/19 <sup>(b)</sup>	1,331,568	1,331,069
-------------------------	-----------	-----------

Term Loan, (LIBOR + 6.75%,

1.25% Floor), 8.00%, 05/01/19 <sup>(b)</sup>	1,699,372	1,696,900
--	-----------	-----------

3,027,969

**HEALTHCARE & PHARMACEUTICALS - 11.8%**

Alvogen Pharma US, Inc.  
First Lien Term Loan, (LIBOR +

5.00%, 1.00% Floor), 6.00%,

04/01/22 <sup>(b)</sup>	2,117,778	2,100,571
-------------------------	-----------	-----------

CHG Healthcare Services, Inc.  
First Lien Term Loan, (LIBOR +

3.75%, 1.00% Floor), 4.75%,

06/07/23 <sup>(b)(f)</sup>	548,842	549,701
----------------------------	---------	---------

ExamWorks Group, Inc.  
Term Loan B, (LIBOR + 3.75%,

1.00% Floor), 4.75%,

08/31/23 <sup>(b)(f)</sup>	1,488,722	1,489,191
----------------------------	-----------	-----------

HCR ManorCare, Inc.  
Initial Term Loan, (LIBOR +

3.50%, 1.50% Floor), 5.00%,

04/06/18 <sup>(b)</sup>	2,083,684	1,708,621
-------------------------	-----------	-----------

<b>Principal</b>	<b><u>Value (\$)</u></b>
<b><u>Amount (\$)</u></b>	

**HEALTHCARE & PHARMACEUTICALS (continued)**

Lanai Holdings II, Inc. First Lien Term Loan B, (LIBOR  + 4.75%, 1.00% Floor), 5.75%,  08/29/22 <sup>(b)(f)</sup>	2,731,706	2,697,560
Lanai Holdings III, Inc. Second Lien Initial Term Loan,  (LIBOR + 8.50%, 1.00% Floor),  9.50%, 08/28/23 <sup>(b)(e)(f)</sup>	869,565	856,522
Nmsc Holdings, Inc. First Lien Term Loan B, (LIBOR  + 5.00%, 1.00% Floor), 6.00%,  04/19/23 <sup>(b)</sup>	561,524	564,332
Opal Acquisition, Inc. Term Loan B, (LIBOR + 4.00%,  1.00% Floor), 5.00%, 11/27/20 <sup>(b)</sup>	3,499,213	3,074,934
Premier Dental Services, Inc. New Term Loan, (LIBOR +  6.50%, 1.00% Floor), 7.50%,  11/01/18 <sup>(b)(e)</sup>	3,363,933	3,246,195
Smile Brands Group, Inc. Term Loan B (1.50% PIK),  (LIBOR + 7.75%, 1.25% Floor),  9.00%, 08/16/19 <sup>(b)(g)</sup>	3,618,767	3,169,443
Steward Health Care System, LLC Term Loan, (LIBOR + 5.50%,  1.25% Floor), 6.75%,  04/10/20 <sup>(b)(e)</sup>	1,263,406	1,250,772
Surgery Center Holdings, Inc. First Lien Initial Term Loan,  (LIBOR + 4.25%, 1.00% Floor),  5.25%, 11/03/20 <sup>(b)</sup>	1,994,937	1,989,949
U.S. Renal Care, Inc. Term Loan B, (LIBOR + 4.25%,	2,947,434	2,947,449

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

1.00% Floor), 5.25%, 12/30/22<sup>(b)</sup>  
 Valeant Pharmaceuticals  
 International, Inc. (Canada)

Tranche B Term Loan Series

D-2, (LIBOR + 3.75%, 0.75%

Floor), 4.50%, 02/13/19<sup>(b)(c)(f)</sup>

2,182,058

2,126,830

27,772,070

**HIGH TECH INDUSTRIES - 14.0%**

Deltek, Inc.

Second Lien Term Loan, (LIBOR

+ 8.50%, 1.00% Floor), 9.50%,

06/26/23<sup>(b)</sup>

Flexera Software, LLC

Second Lien Term Loan, (LIBOR

+ 7.00%, 1.00% Floor), 8.00%,

04/02/21<sup>(b)</sup>

Landslide Holdings, Inc. (Crimson Acquisition Corp.)

First Lien New Term Loan,

(LIBOR + 4.00%, 1.00% Floor),

5.00%, 02/25/20<sup>(b)</sup>

1,124,528

1,139,287

2,000,000

1,930,000

997,449

993,709

18 | See accompanying Notes to Financial Statements.

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>HIGH TECH INDUSTRIES (continued)</b>		
Landslide Holdings, Inc. (Crimson Acquisition Corp.) (continued) Second Lien Term Loan, (LIBOR + 7.25%, 1.00% Floor), 8.25%, 02/25/21 <sup>(b)(e)</sup>	1,823,726	1,778,132
Lanyon Solutions, Inc. (Lanyon, Inc.) First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 11/13/20 <sup>(b)</sup>	573,885	569,819
Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 11/15/21 <sup>(b)</sup>	2,219,037	2,182,977
MSC Software Corp. First Lien Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 05/29/20 <sup>(b)</sup>	882,980	838,831
Second Lien Initial Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 05/31/21 <sup>(b)(e)</sup>	2,550,000	2,167,500
ON Semiconductor Corp. First Lien Term Loan B, (LIBOR + 4.50%, 0.75% Floor), 5.25%, 03/31/23 <sup>(b)</sup>	3,096,210	3,113,951
Riverbed Technology, Inc. Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 04/25/22 <sup>(b)</sup>	3,430,055	3,434,101
RP Crown Parent, LLC First Lien New Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 12/21/18 <sup>(b)(f)</sup>	2,231,861	2,105,616
Second Lien Term Loan, (LIBOR + 10.0%, 1.25% Floor), 11.25%, 12/21/19 <sup>(b)(f)</sup>	1,250,000	1,042,712
TIBCO Software, Inc. Term Loan, (LIBOR + 5.50%,		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

1.00% Floor), 6.50%, 12/04/20 <sup>(b)(f)</sup> VF Holdings Corp. Term Loan B, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 06/30/23 <sup>(b)(f)</sup> Vision Solutions, Inc. Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 06/16/22 <sup>(b)(e)</sup> Western Digital Corp. Term Loan B, (LIBOR + 5.50%, 0.75% Floor), 6.25%, 04/29/23 <sup>(b)</sup>	3,300,520  1,475,728  4,000,000  3,000,000	3,034,416  1,472,504  3,980,000  3,016,410  32,799,965
--	--	--

**HOTEL, GAMING & LEISURE - 5.5%**

CDS U.S. Intermediate Holdings, Inc. First Lien Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/08/22 <sup>(b)</sup>	880,907	859,712
--	---------	---------

<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
----------------------------------	-------------------

**HOTEL, GAMING & LEISURE (continued)**

Delta 2 (Lux) S.a.r.l. (Luxembourg) Facility B3 Term Loan (USD), (LIBOR + 3.75%, 1.00% Floor), 4.75%, 07/30/21 <sup>(b)(c)(f)</sup> Second Lien, (LIBOR + 6.75%, 1.00% Floor), 7.75%, 07/29/22 <sup>(b)(c)(f)</sup> Diamond Resorts Corp. Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 05/09/21 <sup>(b)</sup> Everi Payments, Inc. Term Loan B, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 12/18/20 <sup>(b)</sup> The Intertain Group, Ltd. (The Intertain Group Finance, LLC) (Canada) Initial Term Loan B, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 04/08/22 <sup>(b)(c)(e)</sup> Scientific Games International, Inc. Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 10/18/20 <sup>(b)</sup>	3,000,000  1,000,000  2,488,546  1,059,284    747,069  3,979,592	2,893,590  953,750  2,490,886  983,365    746,135  3,936,075  12,863,513
--	--	--

**MEDIA: ADVERTISING, PRINTING & PUBLISHING - 2.6%**

ALM Media, LLC First Lien Term Loan B, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 07/31/20 <sup>(b)</sup>	3,555,131	3,412,926
F & W Media, Inc. Initial Term Loan, (LIBOR + 7.50%, 1.25% Floor), 8.75%, 06/30/19 <sup>(b)</sup>	3,135,887	2,587,107
		6,000,033

**MEDIA: BROADCASTING & SUBSCRIPTION - 8.4%**

Emmis Operating Co. Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 06/10/21 <sup>(b)</sup>	1,437,553	1,225,514
Hemisphere Media Holdings, LLC (Intermedia Espanol, Inc.) New Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/30/20 <sup>(b)</sup>	2,437,329	2,425,143
Intelsat Jackson Holdings S.A. (Luxembourg) Tranche B-2 Term Loan, (LIBOR + 2.75%, 1.00% Floor), 3.75%, 06/30/19 <sup>(b)(c)(f)</sup>	3,817,620	3,487,396
Neptune Finco Corp. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 10/09/22 <sup>(b)</sup>	2,050,012	2,057,188
Numericable U.S., LLC Term Loan B-7, (LIBOR + 4.25%, 0.75% Floor), 5.00%, 01/15/24 <sup>(b)</sup>	3,567,146	3,547,830

See accompanying Notes to Financial Statements. | 19

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>MEDIA: BROADCASTING &amp; SUBSCRIPTION (continued)</b>		
SESAC Holdco II, LLC First Lien Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 02/07/19 <sup>(b)</sup>	1,933,172	1,933,172
Telecommunications Management, LLC Second Lien Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 10/30/20 <sup>(b)(e)</sup>	1,065,712	1,023,083
William Morris Endeavor Entertainment, LLC (IMG Worldwide Holdings, LLC) First Lien Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 05/06/21 <sup>(b)(f)</sup>	3,985,126	3,977,156
		19,676,482
<b>METALS &amp; MINING - 0.2%</b>		
Global Brass and Copper, Inc. Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 06/16/23 <sup>(b)(f)</sup>	596,026	596,026
<b>RETAIL - 10.7%</b>		
Academy, Ltd. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/01/22 <sup>(b)(f)</sup>	4,112,679	3,886,482
Albertson's, LLC Term Loan B-6, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 06/22/23 <sup>(b)</sup>	2,920,611	2,920,246
Belk, Inc. Closing Date First Lien Term		



Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 12/12/22 <sup>(b)</sup> Charming Charlie, LLC	921,028	739,701
Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 12/24/19 <sup>(b)</sup> David s Bridal, Inc.	1,120,338	784,237
Initial Term Loan, (LIBOR + 4.00%, 1.25% Floor), 5.25%, 10/11/19 <sup>(b)</sup> J. Crew Group, Inc.	2,000,000	1,800,000
Initial Term Loan, (LIBOR + 3.00%, 1.00% Floor), 4.00%, 03/05/21 <sup>(b)(f)</sup> J.C. Penney Corp., Inc.	1,500,000	1,033,597
2016 Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 06/23/23 <sup>(b)</sup> Mattress Holding Corp.	1,813,333	1,801,438
Initial Term Loan, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 10/20/21 <sup>(b)</sup> 2016 Incremental Term Loan, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 10/20/21 <sup>(b)</sup>	2,595,566	2,543,655
	1,190,549	1,165,994

<b>Principal</b>	
<b><u>Amount (\$)</u></b>	<b><u>Value (\$)</u></b>

**RETAIL (continued)**

The Neiman Marcus Group, Inc. Other Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 10/25/20 <sup>(b)(f)</sup> Petco Animal Supplies, Inc.	2,500,000	2,251,987
Tranche B-1 Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 01/26/23 <sup>(b)</sup> Tranche B-2 Term Loan, (LIBOR + 4.25%, 0.00% Floor), 4.73%, 01/26/23 <sup>(b)</sup> Sears Roebuck Acceptance Corp. (KMART Corp.)	2,319,188	2,311,523
2015 Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 06/30/18 <sup>(b)</sup> Vince, LLC (Vince Intermediate Holding, LLC)	1,608,871	1,602,982
Term Loan B, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 11/27/19 <sup>(b)(e)</sup>	1,806,779	1,726,224
	514,815	489,074

25,057,140

**SERVICES: BUSINESS - 11.4%**

Americold Realty Operating Partnership, L.P. Term Loan B, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 12/01/22 <sup>(b)(f)</sup>	3,203,165	3,223,185
Carecore National, LLC Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 03/05/21 <sup>(b)</sup>	971,723	901,273
EIG Investors Corp. Term Loan, (LIBOR + 5.48%, 1.00% Floor), 6.48%, 11/09/19 <sup>(b)(f)</sup>	1,950,866	1,866,325
Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 02/09/23 <sup>(b)(e)(f)</sup>	2,970,000	2,791,800
Evergreen Skills Lux S.a.r.l. First Lien Initial Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 04/28/21 <sup>(b)</sup>	1,230,665	981,455
Second Lien Initial Term Loan, (LIBOR + 8.25%, 1.00% Floor), 9.25%, 04/28/22 <sup>(b)</sup>	1,000,000	475,000
Explorer Holdings, Inc. Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 05/02/23 <sup>(b)</sup>	500,000	501,250
GCA Services Group, Inc. First Lien Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 03/01/23 <sup>(b)</sup>	1,362,103	1,367,211
Infogroup, Inc. Term Loan B, (LIBOR + 5.50%, 1.50% Floor), 7.00%, 05/28/18 <sup>(b)</sup>	1,126,687	1,093,591

20 | See accompanying Notes to Financial Statements.

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>SERVICES: BUSINESS (continued)</b>		
Netsmart Technologies, Inc. First Lien Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 04/19/23 <sup>(b)(e)</sup>	586,047	585,314
Onex Carestream Finance, L.P. Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 12/07/19 <sup>(b)</sup>	5,448,718	4,958,334
SGS Cayman, L.P. Initial Cayman Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup>	426,076	425,011
SMG 2014 Second Lien Term Loan, (LIBOR + 8.25%, 1.00% Floor), 9.25%, 02/27/21 <sup>(b)(e)</sup>	2,458,634	2,366,435
Solera, LLC (Solera Finance, Inc.) Dollar Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 03/03/23 <sup>(b)</sup>	3,327,341	3,330,452
Sutherland Global Services, Inc. Initial U.S. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup>	1,830,386	1,825,810
		26,692,446
<b>SERVICES: CONSUMER - 2.4%</b>		
Laureate Education, Inc. 2018 New Series Extended Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 06/15/18 <sup>(b)</sup>	4,274,993	4,153,861
NVA Holdings, Inc. Second Lien Term Loan, (LIBOR		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

+ 7.00%, 1.00% Floor), 8.00%,  
08/14/22<sup>(b)</sup> 1,391,776 1,379,598

5,533,459

**TELECOMMUNICATIONS - 3.7%**

Avaya, Inc.

Term Loan B-3, (LIBOR + 4.50%,  
0.00% Floor), 5.13%,  
10/26/17<sup>(b)(f)</sup>

5,000,000

3,895,825

Global Tel\*Link Corp.

First Lien Term Loan, (LIBOR +  
3.75%, 1.25% Floor), 5.00%,  
05/23/20<sup>(b)</sup>

1,173,404

1,062,664

Securus Technologies Holdings, Inc.

Second Lien Initial Term Loan,  
(LIBOR + 7.75%, 1.25% Floor),  
9.00%, 04/30/21<sup>(b)</sup>

4,000,000

3,606,660

8,565,149

**TRANSPORTATION: CARGO - 1.6%**

Carrix, Inc.

Term Loan, (LIBOR + 3.50%,  
1.00% Floor), 4.50%, 01/07/19<sup>(b)</sup>

3,847,770

3,645,762

**Principal  
Amount (\$)**

**Value (\$)**

**TRANSPORTATION: CONSUMER - 0.7%**

Travel Leaders Group, LLC

Additional Tranche B Term Loan,  
(LIBOR + 6.00%, 1.00% Floor),  
7.00%, 12/07/20<sup>(b)</sup>

1,736,779

1,723,753

**UTILITIES: ELECTRIC - 3.6%**

EFS Cogen Holdings I, LLC

Term Loan B, (LIBOR + 4.25%,  
1.00% Floor), 5.25%,  
06/28/23<sup>(b)(f)</sup>

2,620,253

2,630,079

Granite Acquisition, Inc.

Second Lien Term Loan B,  
(LIBOR + 7.25%, 1.00% Floor),  
8.25%, 12/19/22<sup>(b)</sup>

1,112,864

1,054,577

Pike Corp.

First Lien Initial Term Loan,  
(LIBOR + 4.50%, 1.00% Floor),

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

5.50%, 12/22/21 <sup>(b)</sup> Second Lien Initial Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 06/22/22 <sup>(b)</sup>	2,134,220	2,132,887
	2,500,000	2,518,750
		8,336,293
<b>Total Senior Loans</b> <b>(Cost \$276,249,331)</b>		<b>266,299,797</b>
<b>Corporate Notes and Bonds - 23.6%</b> <sup>(d)</sup>		
<b>AUTOMOTIVE - 0.6%</b>		
American Tire Distributors, Inc. 10.25%, 03/01/22 <sup>(i)</sup>	1,628,000	1,436,710
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 0.8%</b>		
National Financial Partners Corp. 9.00%, 07/15/21 <sup>(i)</sup>	2,000,000	1,935,000
<b>BEVERAGE, FOOD &amp; TOBACCO - 2.2%</b>		
Land O Lakes Capital Trust I 7.45%, 03/15/28 <sup>(i)</sup>	4,719,000	5,131,912
<b>CAPITAL EQUIPMENT - 0.6%</b>		
Optimas OE Solutions Holding, LLC 8.63%, 06/01/21 <sup>(i)</sup>	2,000,000	1,410,000
<b>CHEMICALS, PLASTICS &amp; RUBBER - 2.0%</b>		
Magnetation, LLC / Mag Finance Corp. 11.00%, 05/15/18 <sup>(e)(h)(i)(j)</sup>	2,937,000	
TPC Group, Inc. (Texas Petrochemical) 8.75%, 12/15/20 <sup>(i)</sup>	5,966,000	4,698,225
		4,698,225
<b>CONSTRUCTION &amp; BUILDING - 0.9%</b>		
GCP Applied Technologies, Inc. 9.50%, 02/01/23 <sup>(i)</sup>	1,946,000	2,179,520
<b>CONSUMER GOODS: NON-DURABLE - 1.1%</b>		
American Greetings Corp. 7.38%, 12/01/21	2,529,000	2,633,321

See accompanying Notes to Financial Statements. | 21

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Corporate Notes and Bonds<sup>(d)</sup> (continued)</b>		
<b>CONTAINERS, PACKAGING &amp; GLASS - 0.4%</b>		
Reynolds Group Holdings, Inc. 6.88%, 02/15/21	996,000	1,025,880
<b>ENERGY: OIL &amp; GAS - 2.6%</b>		
Northern Oil and Gas, Inc. 8.00%, 06/01/20	1,519,000	1,154,440
Northern Tier Energy, LLC / Northern Tier 7.13%, 11/15/20	1,804,000	1,844,590
Sidewinder Drilling, Inc. 9.75%, 11/15/19 <sup>(i)</sup>	6,000,000	360,000
Summit Midstream Holdings, LLC / Summit Midstream Finance Corp. 7.50%, 07/01/21	2,700,000	2,605,500
		5,964,530
<b>HEALTHCARE &amp; PHARMACEUTICALS - 1.9%</b>		
Team Health Holdings Inc. 7.25%, 12/15/23 <sup>(i)</sup>	1,473,000	1,579,969
Valeant Pharmaceuticals International, Inc. (Canada) 7.50%, 07/15/21 <sup>(c)(i)</sup>	3,200,000	2,838,000
		4,417,969
<b>HIGH TECH INDUSTRIES - 1.7%</b>		
Cimpres NV (Netherlands) 7.00%, 04/01/22 <sup>(c)(i)</sup>	2,391,000	2,379,045
Riverbed Technology, Inc. 8.88%, 03/01/23 <sup>(i)</sup>	1,500,000	1,560,000
		3,939,045

**MEDIA: ADVERTISING, PRINTING & PUBLISHING - 0.4%**

Acosta, Inc. 7.75%, 10/01/22 <sup>(i)</sup>	1,000,000	882,500
--	-----------	---------

**MEDIA: BROADCASTING & SUBSCRIPTION - 4.3%**

Columbus International, Inc. (Barbados) 7.38%, 03/30/21 <sup>(c)(i)</sup>	3,285,000	3,481,279
Neptune Finco Corp. 10.13%, 01/15/23 <sup>(i)</sup>	317,000	355,832
10.88%, 10/15/25 <sup>(i)</sup>	877,000	1,004,709
Numericable-SFR S.A. (France) 7.38%, 05/01/26 <sup>(c)(i)</sup>	1,233,000	1,220,670
Radio One, Inc. 7.38%, 04/15/22 <sup>(i)</sup>	882,000	846,720
9.25%, 02/15/20 <sup>(i)</sup>	2,484,000	2,210,760
WideOpenWest Finance, LLC 10.25%, 07/15/19	1,000,000	1,040,000
		10,159,970

**MEDIA: DIVERSIFIED & PRODUCTION - 1.1%**

SiTV, Inc. 10.38%, 07/01/19 <sup>(i)</sup>	3,420,000	2,650,500
---	-----------	-----------

**RETAIL - 1.7%**

JC Penney Corp., Inc. 5.88%, 07/01/23 <sup>(i)</sup>	1,000,000	1,008,750
---	-----------	-----------

<b>Principal Amount (\$)</b>	<b>Value (\$)</b>
----------------------------------	-------------------

**RETAIL (continued)**

Jo-Ann Stores, Inc. 8.13%, 03/15/19 <sup>(i)</sup>	3,000,000	2,887,500
		3,896,250

**SERVICES: CONSUMER - 0.4%**

Laureate Education, Inc. 10.00%, 09/01/19 <sup>(i)</sup>	1,000,000	880,000
---	-----------	---------

**TELECOMMUNICATIONS - 0.9%**

Altice Financing S.A. (Luxembourg) 7.50%, 05/15/26 <sup>(c)(i)</sup>	2,076,000	2,039,670
---	-----------	-----------

**55,281,002**

**Total Corporate Notes and Bonds**  
**(Cost \$66,781,790)**

**Structured Products - 15.4%<sup>(k)</sup>**

ACAS CLO, Ltd. (Cayman Islands) Series 2016-1A, Class D1, 9.19%, 04/15/25 <sup>(c)(e)(i)(l)</sup>	2,000,000	1,939,650
Anchorage Capital CLO, Ltd. (Cayman Islands) Series 2015-6A, Class E2, 7.46%, 04/15/27 <sup>(c)(e)(i)(l)</sup>	4,400,000	4,034,567
Series 2015-7A, Class E2, 7.73%, 10/15/27 <sup>(c)(e)(i)(l)</sup>	3,000,000	2,829,237
Atlas Senior Loan Fund, Ltd. (Cayman Islands) Series 2012-1A, Class B3L, 8.13%, 08/15/24 <sup>(c)(i)(l)</sup>	5,000,000	3,925,000
Carlyle Global Market Strategies CLO, Ltd. (Cayman Islands) Series 2014-5A, Class E, 6.54%, 10/16/25 <sup>(c)(e)(i)(l)</sup>	1,000,000	735,000
ECP CLO, Ltd. (Cayman Islands) Series 2014-6A, Class D2, 7.18%, 07/15/26 <sup>(c)(i)(l)</sup>	4,000,000	2,626,630
Ivy Hill Middle Market Credit Fund, Ltd. (Cayman Islands) Series 10A, Class D2, 7.93%, 07/18/27 <sup>(c)(i)(l)</sup>	2,350,000	1,955,670
JFIN CLO, Ltd. (Cayman Islands) Series 2013-II, Class E, 6.63%, 01/20/25 <sup>(c)(e)(l)</sup>	2,000,000	1,013,710
Series 2015-1A, Class E, 5.65%, 03/15/26 <sup>(c)(i)(l)</sup>	4,500,000	2,773,283
NXT Capital CLO, LLC (Cayman Islands) Series 2014-1A, Class E, 6.14%, 04/23/26 <sup>(c)(i)(l)</sup>	5,000,000	3,842,645
NZCG Funding, Ltd. (Cayman Islands) Series 2015-2A, Class D, 6.93%, 04/27/27 <sup>(c)(e)(i)(l)</sup>	1,500,000	1,307,740
OCP CLO, Ltd. (Cayman Islands) Series 2014-5A, Class E, 5.89%, 04/26/26 <sup>(c)(i)(l)</sup>	3,000,000	1,548,617
Series 2016-11A, Class D2, 9.64%, 04/26/28 <sup>(c)(e)(i)(l)</sup>	5,000,000	5,009,625

22 | See accompanying Notes to Financial Statements.



**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Structured Products<sup>(k)</sup> (continued)</b>		
Teachers Insurance and Annuity Association of America CLO, Ltd. (Cayman Islands) Series 2016-1A, Class E2, 10.69%, 07/20/28 <sup>(e)(e)(i)(l)</sup>	2,500,000	2,481,887
<b>Total Structured Products (Cost \$43,126,021)</b>		<b>36,023,261</b>

	<u>Share Quantity</u>	<u>Value (\$)</u>
<b>Common Stocks - 0.0%</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 0.0%</b>		
Medical Card System, Inc. <sup>(e)(h)</sup>	864,292	
<b>ENERGY: OIL &amp; GAS - 0.0%</b>		
Southcross Holdings Borrower GP LLC <sup>(e)(h)</sup>	129	
Southcross Holdings Borrower LP, Class A-II <sup>(e)(h)</sup>	129	50,310
		50,310
<b>Total Common Stock (Cost \$58,050)</b>		<b>50,310</b>

**Preferred Stock - 1.7%****BANKING, FINANCE, INSURANCE & REAL ESTATE - 1.7%**

SquareTwo Financial Corp. 11.63%, <sup>(e)</sup>	2,647	
Watford Holdings, Ltd. (Bermuda) 8.50%, <sup>(c)(e)(i)</sup>	160,000	3,992,960

	3,992,960
<b>Total Preferred Stock</b> <b>(Cost \$4,906,669)</b>	<b>3,992,960</b>

	<u>Share Quantity</u>	<u>Value (\$)</u>
<b>Warrants - 0.0%</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 0.0%</b>		
Medical Card System, Inc. 07/26/18 <sup>(e)(h)(i)</sup>	50,689	
<b>Total Warrants</b> <b>(Cost \$ )</b>		
<b>Total Investments-154.3%</b> <b>(Cost of \$391,121,861) <sup>(m)</sup></b>		<b>361,647,330</b>
<b>Other Assets &amp; Liabilities,</b> <b>Net-4.6%</b>		<b>10,695,555</b>
<b>Loan Outstanding-(58.9)% <sup>(n)(o)</sup></b>		<b>(137,963,299)</b>
<b>Net Assets -100.0%</b>		<b>234,379,586</b>

See accompanying Notes to Financial Statements. | 23

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****June 30, 2016 (unaudited)**

- (a) Senior Loans are senior, secured loans made to companies whose debt is rated below investment grade and investments with similar characteristics. Senior Loans typically hold a first lien priority and pay interest at rates that are determined periodically on the basis of a floating base lending rate plus a spread. Unless otherwise identified, all Senior Loans carry a variable rate of interest. These base lending rates are primarily the London Interbank Offered Rate ( LIBOR ) and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate used by commercial lenders. The rates shown represent the weighted average rate at June 30, 2016. Senior Loans are generally not registered under the Securities Act of 1933 (the 1933 Act ) and often contain certain restrictions on resale and cannot be sold publicly. Senior Loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual maturity may be substantially less than the stated maturity shown.

Senior Loan assets may have additional unfunded loan commitments. As of June 30, 2016, the Fund had unfunded loan commitments, which could be extended at the option of the borrower, pursuant to the following loan agreements:

<b>Unfunded Loan</b>	
<b>Borrower</b>	<b>Commitments</b>
The Chef s Warehouse, Inc.	\$ 135,532
Mitel Networks Corp.	5,240,000
SquareTwo Financial Corp.	173,034
 Total unfunded loan commitments	 \$ 5,548,566

- (b) The interest rate on this Senior Loan is subject to a base rate plus 1 month or 3 month LIBOR, which at June 30, 2016, was 0.47% and 0.65%, respectively. As the interest rate is subject to a minimum LIBOR floor which was greater than the 1 month or 3 month LIBOR rate at June 30, 2016, the prevailing rate in effect at June 30, 2016, was the base rate plus the LIBOR floor, except as otherwise indicated.
- (c) Foreign issuer traded in U.S. dollars.
- (d) Fixed rate asset.
- (e) Fair Value Level 3 security. All remaining securities are categorized as Level 2.
- (f) All or a portion of this Senior Loan position has not settled. Full contract rates do not take effect until settlement date, therefore, are subject to change.
- (g) Represents a payment-in-kind ( PIK ) security, which may pay interest in additional principal amount.
- (h) Non-income producing asset.

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

- (i) Securities exempt from registration pursuant to Rule 144A under the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. At June 30, 2016, these securities amounted to \$83,979,782, or 35.8% of net assets.
- (j) The issuer is in default of its payment obligations as of May 5, 2015, as such, income is no longer being accrued. The issuer paid a cash dividend to all shareholders on record as of January 6, 2016, which was recorded as a cost basis adjustment.
- (k) Structured Products include collateralized loan obligations ( CLOs ). A CLO typically takes the form of a financing company (generally called a special purpose vehicle or SPV ), created to reappportion the risk and return characteristics of a pool of assets. While the assets underlying CLOs are often Senior Loans or corporate notes and bonds, the assets may also include (i) subordinated loans; (ii) debt tranches of other CLOs; and (iii) equity securities incidental to investments in Senior Loans. The Fund may invest in lower tranches of CLOs, which typically experience a lower recovery, greater risk of loss or deferral or non-payment of interest than more senior tranches of the CLO. A key feature of the CLO structure is the prioritization of the cash flows from a pool of debt securities among the several classes of the CLO. The SPV is a company founded for the purpose of securitizing payment claims arising out of this asset pool. On this basis, marketable securities are issued by the SPV and the redemption of these securities typically takes place at maturity out of the cash flow generated by the collected claims.
- (l) Floating rate asset. The interest rate shown reflects the rate in effect at June 30, 2016.
- (m) The aggregate cost of securities for federal income tax purposes was \$391,327,232. Cost for U.S. federal income tax purposes differs from book basis primarily due to the deferral of losses from wash sales. Unrealized appreciation and depreciation on investments were as follows:

Gross unrealized appreciation	\$ 3,562,940
Gross unrealized depreciation	(33,242,842)
Net unrealized depreciation	\$ (29,679,902)

- (n) The Fund has granted a security interest in substantially all of its assets in the event of default under the credit facility.
- (o) Principal \$138,000,000 less unamortized deferred financing costs of \$36,701.

24 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Statements of Assets and Liabilities****June 30, 2016 (unaudited)**

	<b>Apollo Senior Floating Rate Fund Inc.</b>	<b>Apollo Tactical Income Fund Inc.</b>
<b>Assets:</b>		
Investment securities at fair value (cost \$405,787,260 and \$391,121,861, respectively)	\$ 393,538,575	\$ 361,647,330
Cash and cash equivalents	8,544,964	12,807,716
Interest and dividends receivable	2,339,173	3,229,547
Receivable for investment securities sold	35,276,463	27,042,415
Unrealized appreciation on unfunded transactions (Note 9)	1,016	4,356
Prepaid expenses	229,280	229,586
Total assets	\$ 439,929,471	\$ 404,960,950
<b>Liabilities:</b>		
Borrowings under credit facility (principal \$135,250,000 and \$138,000,000, respectively, less unamortized deferred financing costs of \$629,077 and \$36,701, respectively) (Note 8)	\$ 134,620,923	\$ 137,963,299
Payable for investment securities purchased	31,164,696	31,437,021
Interest payable	325,850	440,067
Distributions payable to common shareholders	59,581	45,660
Investment advisory fee payable	335,726	306,851
Other payables and accrued expenses due to affiliates	148,539	148,313
Other payables and accrued expenses	286,943	240,153
Total liabilities	166,942,258	170,581,364

Commitments and Contingencies (Note 9)

<b>Net Assets (Applicable to Common Shareholders)</b>	<b>\$ 272,987,213</b>	<b>\$ 234,379,586</b>
---	-----------------------	-----------------------

**Net Assets Consist of:**

Paid-in capital (\$0.001 par value, 999,998,466 and 1,000,000,000 common shares authorized, respectively, and 15,573,061 and 14,464,026 issued and outstanding, respectively) (Note 6)	\$ 296,701,729	\$ 275,624,557
Undistributed net investment income	1,740,518	1,179,969
Accumulated net realized loss from investments	(13,207,365)	(12,954,765)
Net unrealized depreciation on investments and unfunded transactions	(12,247,669)	(29,470,175)

<b>Net Assets (Applicable to Common Shareholders)</b>	<b>\$ 272,987,213</b>	<b>\$ 234,379,586</b>
---	-----------------------	-----------------------

<b>Number of Common Shares Outstanding</b>	<b>15,573,061</b>	<b>14,464,026</b>
<b>Net Asset Value, per Common Share</b>	<b>\$ 17.53</b>	<b>\$ 16.20</b>

See accompanying Notes to Financial Statements. | 25

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Statements of Operations****For the Six Months Ended June 30, 2016 (unaudited)**

	<b>Apollo Senior Floating Rate Fund Inc.</b>	<b>Apollo Tactical Income Fund Inc.</b>
<b>Investment Income:</b>		
Interest	\$ 13,967,326	\$ 14,788,301
Dividends	170,000	170,000
Total investment income	14,137,326	14,958,301
<b>Expenses:</b>		
Investment advisory fee (Note 3)	2,041,898	1,816,357
Interest and commitment fee expense (Note 8)	1,271,179	1,120,291
Professional fees	185,719	176,667
Administrative services of the Adviser (Note 3)	301,788	289,606
Fund administration and accounting services (Note 3)	131,215	126,078
Insurance expense	166,435	166,435
Amortization of deferred financing costs (Note 8)	69,435	21,793
Board of Directors fees (Note 3)	53,691	54,132
Other operating expenses (Note 3)	69,859	63,774
Total expenses	4,291,219	3,835,133
Expense reimbursement waived by the Adviser (Note 3)		
Net expenses	4,291,219	3,835,133
<b>Net Investment Income</b>	<b>9,846,107</b>	<b>11,123,168</b>
<b>Net Realized and Unrealized Gain/Loss on Investments</b>		

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

Net realized loss on investments	(5,474,977)	(8,978,983)
Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions (Note 9)	13,707,411	11,393,937
Net realized and unrealized gain on investments	8,232,434	2,414,954
<b>Net Increase in Net Assets, Applicable to Common Shareholders, Resulting From Operations</b>	<b>\$ 18,078,541</b>	<b>\$ 13,538,122</b>

26 | See accompanying Notes to Financial Statements.



**Apollo Senior Floating Rate Fund Inc.****Statements of Changes in Net Assets**

	<b>Six Months Ended June 30, 2016 (unaudited)</b>	<b>Year Ended December 31, 2015</b>
<b>Increase/(Decrease) in Net Assets from:</b>		
<b>Operations</b>		
Net investment income	\$ 9,846,107	\$ 18,983,488
Net realized loss on investments	(5,474,977)	(4,222,202)
Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions	13,707,411	(17,211,938)
Net increase/(decrease) in net assets from operations	18,078,541	(2,450,652)
<b>Distributions to Common Shareholders</b>		
From net investment income	(8,529,366)	(19,103,474)
Total distributions to common shareholders	(8,529,366)	(19,103,474)
Total increase/(decrease) in net assets	\$ 9,549,175	\$ (21,554,126)
<b>Net Assets Applicable to Common Shares</b>		
Beginning of period	263,438,038	284,992,164
End of period	\$ 272,987,213	\$ 263,438,038
Undistributed net investment income	\$ 1,740,518	\$ 421,196

See accompanying Notes to Financial Statements. | 27

**Apollo Tactical Income Fund Inc.****Statements of Changes in Net Assets**

	<b>Six Months Ended June 30, 2016 (unaudited)</b>	<b>Year Ended December 31, 2015</b>
<b>Increase/(Decrease) in Net Assets from:</b>		
<b>Operations</b>		
Net investment income	\$ 11,123,168	\$ 21,341,121
Net realized loss on investments	(8,978,983)	(3,938,152)
Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions	11,393,937	(27,305,029)
Net increase/(decrease) in net assets from operations	13,538,122	(9,902,060)
<b>Distributions to Common Shareholders</b>		
From net investment income	(10,153,747)	(22,324,878)
From realized gains on investments		(205,727)
Total distributions to common shareholders	(10,153,747)	(22,530,605)
Total increase/(decrease) in net assets	\$ 3,384,375	\$ (32,432,665)
<b>Net Assets Applicable to Common Shares</b>		
Beginning of period	230,995,211	263,427,876
End of period	\$ 234,379,586	\$ 230,995,211
Undistributed net investment income	\$ 1,179,969	\$ 210,201

28 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Statement of Cash Flows****For the Six Months Ended June 30, 2016 (unaudited)****Cash Flows from Operating Activities:**

Net increase in net assets from operations	\$ 18,078,541
--	---------------

**Adjustments to Reconcile Net Increase in Net Assets from Operations to Net Cash Flows Used by Operating Activities:**

Net realized loss on investments	5,474,977
Net change in unrealized (appreciation)/depreciation on investments and unfunded transactions	(13,707,411)
Net amortization/(accretion) of premium/(discount)	(931,396)
Purchase of investment securities	(244,152,544)
Proceeds from disposition of investment securities and principal paydowns	232,169,023
Payment-in-kind interest	(36,500)
Amortization of deferred financing costs	69,435

**Changes in Operating Assets and Liabilities:**

Increase in interest and dividends receivable	(116,982)
Increase in prepaid expenses	(150,476)
Decrease in interest payable	(8,346)
Decrease in investment advisory fee payable	(17,622)
Increase in other payables and accrued expenses due to affiliates	144,676
Increase in other payables and accrued expenses	10,077

Net cash flows used in operating activities	(3,174,548)
---	-------------

**Cash Flows from Financing Activities:**

Proceeds from borrowing	135,250,000
Repayment of credit facility	(149,269,000)
Deferred financing costs	(659,807)
Distributions paid to common shareholders (net of change in distributions payable to common shareholders)	(8,573,878)

Net cash flows used in financing activities	(23,252,685)
---	--------------

<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(26,427,233)</b>
--	---------------------

Cash and cash equivalents, beginning of period	34,972,197
--	------------

Cash and cash equivalents, end of period	\$ 8,544,964
--	--------------

**Supplemental Disclosure of Cash Flow Information**

Cash paid during the period for interest	\$ 1,279,525
--	--------------

See accompanying Notes to Financial Statements. | 29

**Apollo Tactical Income Fund Inc.****Statement of Cash Flows****For the Six Months Ended June 30, 2016 (unaudited)****Cash Flows from Operating Activities:**

Net increase in net assets from operations	\$ 13,538,122
--	---------------

**Adjustments to Reconcile Net Increase in Net Assets from Operations to Net Cash Flows Provided by Operating Activities:**

Net realized loss on investments	8,978,983
Net change in unrealized (appreciation)/depreciation on investments and unfunded transactions	(11,393,937)
Net amortization/(accretion) of premium/(discount)	(1,091,589)
Purchase of investment securities	(196,223,386)
Proceeds from disposition of investment securities and principal paydowns	194,386,480
Payment-in-kind interest	(64,418)
Amortization of deferred financing costs	21,793

**Changes in Operating Assets and Liabilities:**

Decrease in interest and dividends receivable	454,608
Increase in prepaid expenses	(150,673)
Increase in interest payable	91,233
Decrease in investment advisory fee payable	(12,334)
Increase in other payables and accrued expenses due to affiliates	142,695
Decrease in other payables and accrued liabilities	(10,878)

Net cash flows provided by operating activities	8,666,699
---	-----------

**Cash Flows from Financing Activities:**

Deferred financing costs	(45,406)
Distributions paid to common shareholders (net of change in distributions payable to common shareholders)	(10,210,840)

Net cash flows used in financing activities	(10,256,246)
---	--------------

<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(1,589,547)</b>
--	--------------------

Cash and cash equivalents, beginning of period	14,397,263
--	------------

Cash and cash equivalents, end of period	\$ 12,807,716
--	---------------

**Supplemental Disclosure of Cash Flow Information**

Cash paid during the period for interest	\$ 1,029,058
--	--------------

30 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Financial Highlights**

For a Common Share Outstanding throughout the Period

	For the	For the	For the	For the	For the	For the
	Six Months	Year	Year	Year	Year	Year
Per Common Share Operating Performance:	Ended	Ended	Ended	Ended	Ended	Ended
	June 30,	December 31,	December 31,	December 31,	December 31,	December 31,
	2016	2015	2014	2013	2012	2011 <sup>(a)</sup>
	(unaudited)					
<b>Net Asset Value, Beginning of Period</b>	\$ 16.92	\$ 18.30	\$ 19.12	\$ 18.73	\$ 17.68	\$ 19.10 <sup>(b)</sup>
<b>Income from Investment Operations:</b>						
Net investment income <sup>(c)</sup>	0.63	1.22	1.18	1.34	1.39	1.00
Net realized and unrealized gain/(loss) on investments	0.53	(1.37)	(0.75)	0.35	1.10	(1.46)
Distributions from net investment income to Series A Preferred Shareholders			(0.02)	(0.04)	(0.05)	(0.02)
Total from investment operations	1.16	(0.15)	0.41	1.65	2.44	(0.48)
<b>Less Distributions Paid to Common</b>						

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

<b>Shareholders from:</b>						
Net investment income	(0.55)	(1.23)	(1.23)	(1.26)	(1.38)	(0.88)
Net realized gain on investments					(0.01)	(0.02)
Total distributions paid to Common Shareholders	(0.55)	(1.23)	(1.23)	(1.26)	(1.39)	(0.90)
Common Share offering charges to paid-in capital						(0.04)
<b>Net Asset Value, End of Period</b>	\$ 17.53	\$ 16.92	\$ 18.30	\$ 19.12	\$ 18.73	\$ 17.68
<b>Market Value, End of Period</b>	\$ 15.80	\$ 15.15	\$ 16.63	\$ 18.10	\$ 18.77	\$ 16.01
Total return based on net asset value <sup>(d)</sup>	7.39% <sup>(e)</sup>	(0.52)%	2.63%	9.19%	14.23%	(2.43)% <sup>(e)</sup>
Total return based on market value <sup>(d)</sup>	8.10% <sup>(e)</sup>	(1.98)%	(1.48)%	3.14%	26.41%	(15.62)% <sup>(e)</sup>
<b>Ratios to Average Net Assets Applicable to Common Shareholders:</b>						
Ratio of total expenses to average net assets	3.25% <sup>(f)</sup>	3.01%	3.07%	3.00%	3.21%	2.99% <sup>(f)</sup>
Ratio of net expenses to average net assets	3.25% <sup>(f)</sup>	3.01%	3.07%	3.00%	3.18%	2.88% <sup>(f)</sup>
Ratio of net investment income to average net assets	7.46% <sup>(f)</sup>	6.71%	6.22% <sup>(g)</sup>	7.03% <sup>(g)</sup>	7.51% <sup>(g)</sup>	6.49% <sup>(f)(g)</sup>
Ratio of net investment income to			6.13%	6.80%	7.25%	6.33% <sup>(f)</sup>



average net  
assets net of  
distributions to  
Series A  
Preferred  
Shareholders

**Supplemental  
Data:**

Portfolio  
turnover rate 60.3%<sup>(e)</sup> 66.1% 80.0% 72.0% 66.6% 41.5%<sup>(e)</sup>

Net assets at  
end of period  
(000 s) \$272,987 \$263,438 \$284,992 \$297,731 \$290,822 \$273,650

**Senior  
Securities:**

Total Series A  
Preferred  
Shares  
outstanding 1,534 1,534 1,534

Liquidation  
and market  
value per  
Series A  
Preferred  
Shares \$ 20,000 \$ 20,000 \$ 20,000

Asset coverage  
per share<sup>(h)</sup> \$294,078 \$289,574 \$278,380

Principal loan  
outstanding (in  
000 s) \$135,250 \$149,269 \$149,269 \$122,705 \$122,705 \$122,705

Asset coverage  
per \$1,000 of  
loan  
outstanding \$ 3,018<sup>(i)</sup> \$ 2,765<sup>(i)</sup> \$ 2,909<sup>(i)</sup> \$ 3,676<sup>(j)</sup> \$ 3,620<sup>(j)</sup> \$ 3,480<sup>(j)</sup>

(a) From February 23, 2011 (commencement of operations), to December 31, 2011.

(b) Net of sales load of \$0.90 per share of initial offering.

(c) Based on weighted average outstanding shares.

(d) Total return based on net asset value and total return based on market value assuming all distributions reinvested at reinvestment rate.

(e) Not annualized.

(f) Annualized.

(g) Net investment income ratio does not reflect payment to preferred shareholders.

(h) Calculated by subtracting the Fund's total liabilities (not including the Series A Preferred Shares and borrowings outstanding) from the Fund's total assets, and dividing this by the number of Series A Preferred Shares outstanding.

(i) Calculated by subtracting the Fund's total liabilities (not including the borrowings outstanding) from the Fund's total assets, and dividing this by the amount of borrowings outstanding.

(j)

Edgar Filing: Apollo Tactical Income Fund Inc. - Form N-CSRS

Calculated by subtracting the Fund's total liabilities (not including the Series A Preferred Shares and borrowings outstanding) from the Fund's total assets, and dividing this by the amount of borrowings outstanding.

See accompanying Notes to Financial Statements. | 31

---

**Apollo Tactical Income Fund Inc.**
**Financial Highlights****For a Common Share Outstanding throughout the Period**

	<b>For the Six Months Ended June 30, 2016</b>	<b>For the Year Ended December 31, 2015</b>	<b>For the Year Ended December 31, 2014</b>	<b>For the Period Ended December 31, 2013<sup>(a)</sup></b>
<b>Per Common Share Operating Performance:</b>	<b>(unaudited)</b>			
<b>Net Asset Value, Beginning of Period</b>	\$ 15.97	\$ 18.21	\$ 19.51	\$ 19.10 <sup>(b)</sup>
<b>Income from Investment Operations:</b>				
Net investment income <sup>(c)</sup>	0.77	1.48	1.50	1.03
Net realized and unrealized gain/(loss) on investments	0.16	(2.16)	(1.14)	0.39
<b>Total from investment operations</b>	<b>0.93</b>	<b>(0.68)</b>	<b>0.36</b>	<b>1.42</b>
<b>Less Distributions Paid to Common Shareholders from:</b>				
Net investment income	(0.70)	(1.55)	(1.50)	(0.96)
Net realized gain on investments		(0.01)	(0.16)	(0.01)
<b>Total distributions paid to Common Shareholders</b>	<b>(0.70)</b>	<b>(1.56)</b>	<b>(1.66)</b>	<b>(0.97)</b>
Common share offering charges to paid-in capital				(0.04)
<b>Net Asset Value, End of Period</b>	<b>\$ 16.20</b>	<b>\$ 15.97</b>	<b>\$ 18.21</b>	<b>\$ 19.51</b>
<b>Market Value, End of Period</b>	<b>\$ 14.43</b>	<b>\$ 13.89</b>	<b>\$ 15.96</b>	<b>\$ 18.00</b>
Total return based on net asset value <sup>(d)</sup>	6.72% <sup>(e)</sup>	(2.91)%	2.63%	7.94% <sup>(e)</sup>
Total return based on market value <sup>(d)</sup>	9.29% <sup>(e)</sup>	(3.65)%	(2.51)%	(4.90)% <sup>(e)</sup>
<b>Ratios to Average Net Assets Applicable to Common Shareholders:</b>				
Ratio of total expenses to average net assets	3.39% <sup>(f)</sup>	2.97%	2.90%	2.58% <sup>(f)</sup>
Ratio of net expenses to average net assets	3.39% <sup>(f)</sup>	2.97%	2.90%	2.55% <sup>(f)</sup>
Ratio of net investment income to average net assets	9.84% <sup>(f)</sup>	8.22%	7.63%	6.38% <sup>(f)</sup>
<b>Supplemental Data:</b>				
Portfolio turnover rate	58.6% <sup>(e)</sup>	67.6%	78.7%	72.4% <sup>(e)</sup>
Net assets at end of period (000 s)	\$234,380	\$230,995	\$263,428	\$282,177

**Senior Securities:**

Principal loan outstanding (in 000 s)	\$138,000	\$138,000	\$138,000	\$138,000
Asset coverage per \$1,000 of loan outstanding <sup>(g)</sup>	\$ 2,698	\$ 2,674	\$ 2,909	\$ 3,045

(a) From February 25, 2013 (commencement of operations), to December 31, 2013.

(b) Net of sales load of \$0.90 per share of initial offering.

(c) Based on weighted average outstanding shares.

(d) Total return based on net asset value and total return based on market value assuming all distributions reinvested at reinvestment rate.

(e) Not annualized.

(f) Annualized.

(g) Calculated by subtracting the Fund's total liabilities (not including the borrowings outstanding) from the Fund's total assets, and dividing this by the amount of borrowings outstanding.

32 | See accompanying Notes to Financial Statements.

## **Apollo Senior Floating Rate Fund Inc.**

## **Apollo Tactical Income Fund Inc.**

### **Notes to Financial Statements**

**June 30, 2016 (unaudited)**

#### **Note 1. Organization and Operations**

Apollo Senior Floating Rate Fund Inc. ( AFT ) and Apollo Tactical Income Fund Inc. ( AIF ) (individually, a Fund or together, the Funds ) are corporations organized under the laws of the State of Maryland and registered with the U.S. Securities and Exchange Commission (the SEC ) under the Investment Company Act of 1940 (the Investment Company Act ) as non-diversified, closed-end management investment companies. AFT and AIF commenced operations on February 23, 2011, and February 25, 2013, respectively. Prior to that, the Funds had no operations other than matters relating to their organization and the sale and issuance of 5,236 shares of common stock in each Fund to Apollo Credit Management, LLC (the Adviser ) at a price of \$19.10 per share. The Adviser serves as the Funds investment adviser and is an affiliate of Apollo Global Management, LLC ( AGM ). The Funds common shares are listed on the New York Stock Exchange ( NYSE ) and trade under the symbols AFT and AIF , respectively.

#### **Investment Objective**

AFT s investment objective is to seek current income and preservation of capital. AFT seeks to achieve its investment objective by investing primarily in senior, secured loans made to companies whose debt is rated below investment grade ( Senior Loans ) and investments with similar characteristics. Senior Loans typically hold a first lien priority and pay interest at rates that are determined periodically on the basis of a floating base lending rate plus a spread. These base lending rates are primarily the London Interbank Offered Rate ( LIBOR ), and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate used by commercial lenders. Senior Loans are typically made to U.S. and, to a limited extent, non-U.S. corporations, partnerships and other business entities ( Borrower(s) ) that operate in various industries and geographical regions. AFT seeks to generate current income and preservation of capital through a disciplined approach to credit selection and under normal market conditions will invest at least 80% of its managed assets in floating rate Senior Loans and investments with similar economic characteristics. This policy and AFT s investment objective are not fundamental and may be changed by the board of directors of AFT with at least 60 days prior written notice provided to shareholders. Part of AFT s investment objective is to seek preservation of capital. AFT s ability to achieve capital preservation may be limited by its investment in credit instruments that have speculative characteristics. There can be no assurance that AFT will achieve its investment objective.

AIF s primary investment objective is to seek current income with a secondary objective of preservation of capital. AIF seeks to achieve its investment objectives primarily by allocating its assets among different types of credit instruments based on absolute and relative value considerations and its analysis of the credit markets. This ability to dynamically allocate AIF s assets may result in AIF s portfolio becoming concentrated in a particular type of credit instrument (such as Senior Loans or high yield corporate bonds) and substantially less invested in other types of credit instruments. Under normal market conditions, at least 80% of AIF s managed assets will be invested in credit instruments and investments with similar economic characteristics. For purposes of this policy, credit instruments will include Senior Loans, subordinated loans, high yield corporate bonds, notes, bills, debentures, distressed securities, mezzanine securities, structured products (including, without limitation, collateralized debt obligations ( CDOs ), collateralized loan obligations ( CLOs ) and asset-backed securities), bank loans, corporate loans, convertible and preferred securities, government and municipal obligations, mortgage-backed securities, repurchase agreements, and other fixed-income instruments of a similar nature that may be represented by derivatives such as options, forwards,

futures contracts or swap agreements. This policy and AIF's investment objectives are not fundamental and may be changed by the board of directors of AIF (together with the board of directors of AFT, the Board of Directors or Board ) with at least 60 days' prior written notice provided to shareholders. AIF will seek to preserve capital to the extent consistent with its primary investment objective. AIF's ability to achieve capital preservation may be limited by its investment in credit instruments that have speculative characteristics. There can be no assurance that AIF will achieve its investment objectives.

The Funds are classified as non-diversified under the Investment Company Act. As a result, each Fund can invest a greater portion of its assets in obligations of a single issuer than a diversified fund. Each Fund may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political or regulatory occurrence.

## **Note 2. Significant Accounting Policies**

The Funds are investment companies that follow the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Funds' financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ( U.S. GAAP ), which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates and these differences could be material.

**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Notes to Financial Statements (continued)**

**June 30, 2016 (unaudited)**

**Fund Valuation**

Each Fund's net asset value ( NAV ) per share will be determined daily generally as of 4:00 pm on each day that the NYSE is open for trading, or at other times as determined by the Board. The NAV of each Fund's common shares is the total assets of the Fund (including all securities, cash and other assets) minus the sum of the Fund's total liabilities (including accrued expenses, dividends payable, borrowings and the liquidation value of any preferred stock) divided by the total number of common shares of the Fund outstanding.

**Security Valuation**

The Funds value their investments primarily using the mean of the bid and ask prices provided by a nationally recognized security pricing service or broker. Senior Loans, corporate notes and bonds, common stock, structured products, preferred stock and warrants are priced based on valuations provided by an approved independent pricing service or broker, if available. If market or broker quotations are not available, or a price is not available from an independent pricing service or broker, or if the price provided by the independent pricing service or broker is believed to be unreliable, the security will be fair valued pursuant to procedures adopted by the Board. In general, the fair value of a security is the amount that the Funds might reasonably expect to receive upon the sale of an asset or pay to transfer a liability in an orderly transaction between willing market participants at the reporting date. Fair value procedures generally take into account any factors deemed relevant, which may include, among others, (i) the nature and pricing history of the security, (ii) the liquidity or illiquidity of the market for the particular security, (iii) recent purchases or sales transactions for the particular security or similar securities and (iv) press releases and other information published about the issuer. In these cases, a Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAV. Determination of fair value is uncertain because it involves subjective judgments and estimates. There can be no assurance that a Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security.

**Fair Value Measurements**

Each Fund has performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. The levels of fair value inputs used to measure the Funds' investments are characterized into a fair value hierarchy. The three levels of the fair value hierarchy are described below:

*Level 1* Quoted unadjusted prices for identical assets and liabilities in active markets to which the Funds have access at the date of measurement;

*Level 2* Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, but are valued based on executed trades, broker quotations that constitute an executable price, and alternative pricing sources supported by observable inputs which, in each case, are either

directly or indirectly observable for the asset in connection with market data at the measurement date; and

*Level 3* Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Funds have obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Funds' own assumptions that market participants would use to price the asset or liability based on the best available information.

At the end of each reporting period, management evaluates the Level 2 and Level 3 assets, if any, for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from independent pricing services, and the existence of contemporaneous, observable trades in the market.



**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Notes to Financial Statements (continued)**

**June 30, 2016 (unaudited)**

The valuation techniques used by the Funds to measure fair value at June 30, 2016, maximized the use of observable inputs and minimized the use of unobservable inputs. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers into and out of the leve