

Apollo Tactical Income Fund Inc.  
Form N-CSR  
March 01, 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: December 31, 2015

**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)

Annual Report

December 31, 2015

TABLE OF CONTENTS

<u>Manager Commentary (unaudited)</u>	4
<u>Financial Data</u>	
<u>Apollo Senior Floating Rate Fund Inc. (unaudited)</u>	5
<u>Apollo Tactical Income Fund Inc. (unaudited)</u>	6
<u>Schedule of Investments</u>	
<u>Apollo Senior Floating Rate Fund Inc.</u>	7
<u>Apollo Tactical Income Fund Inc.</u>	16
<u>Statements of Assets and Liabilities</u>	24
<u>Statements of Operations</u>	25
<u>Statements of Changes in Net Assets</u>	
<u>Apollo Senior Floating Rate Fund Inc.</u>	26
<u>Apollo Tactical Income Fund Inc.</u>	27
<u>Statement of Cash Flows</u>	
<u>Apollo Senior Floating Rate Fund Inc.</u>	28
<u>Apollo Tactical Income Fund Inc.</u>	29
<u>Financial Highlights</u>	
<u>Apollo Senior Floating Rate Fund Inc.</u>	30
<u>Apollo Tactical Income Fund Inc.</u>	31
<u>Notes to Financial Statements</u>	32
<u>Report of Independent Registered Public Accounting Firm</u>	46
<u>Additional Information (unaudited)</u>	47
<u>Directors and Officers (unaudited)</u>	48
<u>Important Information About This Report</u>	50

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 December 31, 2015**

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.

2015 represented a difficult year in the corporate credit markets as the performance of both leveraged loans and high yield bonds suffered due to a number of mainly macroeconomic oriented factors. The year started favorably, as January brought buyers back to the market after a commodity and outflow related move lower at the end of 2014 was replaced by buyers of quality bonds and loans seeking value at a discount. This more constructive backdrop continued through the spring before fading into the summer and breaking down more fully into year-end mainly as commodity prices moved lower. WTI crude oil hit a 2015 closing high of \$61.43 per barrel on June 10, 2015; from that point it declined very steadily by 39.7% over the balance of the year and saw its weakening accelerate into the beginning of 2016. This topic is important as it relates to discussing the credit markets in 2015 given it represented what has become an increasingly meaningful overhang on performance, despite the fact that exposure to commodities was not the primary focus of the Funds. However, commodity weakness continues to be the major driver of outflows and outflow related selling in the loan and high yield markets. Continued selling has harmed liquidity and created dislocation in the secondary market for loans and bonds. This dislocation has weighed on performance and created more areas of value and opportunity in the secondary market and widened where we have been able to make investments in the primary market in a manner that has been accretive to the Funds.

Last year was for the most part a period of contrasting themes. After turning negative after a prolonged period of inflows in the spring of 2014, steady outflows from leveraged loan funds persisted throughout 2015 with \$16.4 billion eventually pulled from loan funds during the year. These regularly negative flows created bouts of volatility in the secondary market on forced selling from open-ended funds that allowed us to optimize the portfolios and take advantage of weaker holders and buy credits that we liked at a discount. In contrast to mutual fund flows, CLO creation volumes for the year totaled \$109.6 billion, the second highest annual total on record and trailing only the \$131.9 billion in volume during 2014. This, in turn supported healthy volumes of issuance albeit at levels reduced from that in the years prior, with primary loan volumes of \$326 billion compared to \$467 billion the year prior. These reduced numbers are actually more positive for the Funds than the record levels of issuance in years prior in that they included lower levels of refinancing and repricing of loans and bonds to lower outright coupons, and work against trends towards looser structures with reduced levels of lender protection. Coupled with federal regulation that has really begun to limit the banks ability to sell fully or over leveraged deals, 2015 represented a very attractive time for the Funds to put capital to work in good businesses, in defensive industries at attractive rates of return.

However, despite this opportunity set which grew in variety and attractiveness as the year wore on, concerns over the implications of eventual Fed tightening of monetary policy, weakening prices for not only oil and gas but other mining related commodities and the implications of reduced liquidity in the credit markets combined to create what has become a much more punitive backdrop. Given periods of broad based selling by credit investors during periods of stress the investing environment also contains more opportunity than we have seen in much of our time managing the Funds. We anticipate continued volatility in these markets for the various reasons we have outlined and plan on remaining defensive accordingly, while working to identify opportunities within businesses where we see value when

for market related reasons they become available at attractive prices.

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

Sincerely,

Apollo Credit Management, LLC

4 | Annual Report

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

As of December 31, 2015 (unaudited)

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

Loans	95.9%
High Yield Bonds	3.1%
Equity/Other	1.0%

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

Weighted Average Floating-Rate Spread	4.55%
Weighted Average Fixed-Rate Coupon	8.70%
Weighted Average Maturity (in years) (floating assets)	4.85
Weighted Average Maturity (in years) (fixed assets)	5.07
Weighted Average Modified Duration (in years) (fixed assets)	3.53
Average Position Size	\$ 2,173,635
Number of Positions	200
Weighted Average S&P Rating	B
Weighted Average Rating Factor (Moody's)	2,679

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

BBB	1.2%
BB	17.7%
B	68.7%
CCC+ or Lower	8.3%
Not Rated	4.1%

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

Healthcare & Pharmaceuticals	11.9%
Banking, Finance, Insurance & Real Estate	10.5%
High Tech Industries	10.2%
Media: Broadcasting & Subscription	8.7%
Retail	6.4%
<b>Total</b>	<b>47.7%</b>

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

Valeant Pharmaceuticals International, Inc.	1.6%
Amwins Group, LLC	1.4%
WideOpenWest Finance, LLC	1.4%

Asurion, LLC	1.3%
DAE Aviation Holdings, Inc.	1.3%
Avago Technologies, Ltd.	1.2%
Delta 2 (Lux) S.a.r.l.	1.2%
Opal Acquisition, Inc.	1.2%
Neptune Finco Corp.	1.2%
USI, Inc.	1.2%
<b>Total</b>	<b>13.0%</b>

### Performance Comparison

	Year Ended December 31, 2015	Since Inception on February 23, 2011 to December 31, 2015
AFT - Market Price	(1.98)% <sup>(e)</sup>	1.26% <sup>(e)(f)</sup>
AFT - NAV	(0.52)% <sup>(e)</sup>	4.58% <sup>(e)(f)</sup>
S&P/LSTA Leveraged Loan Index <sup>(g)</sup>	(0.69)%	2.95% <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 December 31, 2015.
- (b) Credit quality is calculated as a percentage of fair value of investment securities at December 31, 2015. 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.



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

As of December 31, 2015 (unaudited)

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

Loans	70.5%
High Yield Bonds	19.7%
Structured Products	8.8%
Equity/Other	1.0%

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

Weighted Average Floating-Rate Spread	5.26%
Weighted Average Fixed-Rate Coupon	8.40%
Weighted Average Maturity (in years) (floating assets)	5.67
Weighted Average Maturity (in years) (fixed assets)	5.36
Weighted Average Modified Duration (in years) (fixed assets)	3.61
Average Position Size	\$ 2,167,004
Number of Positions	188
Weighted Average S&P Rating	B
Weighted Average Rating Factor (Moody's)	2,985

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

BBB	1.2%
BB	14.5%
B	58.2%
CCC+ or Lower	15.5%
Not Rated	10.6%

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

High Tech Industries	10.8%
Healthcare & Pharmaceuticals	10.3%
Energy: Oil & Gas	8.3%
Media: Broadcasting & Subscription	6.8%
Banking, Finance, Insurance & Real Estate	6.3%
<b>Total</b>	<b>42.5%</b>

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

Anchorage Capital CLO, Ltd.	1.8%
Neptune Finco Corp.	1.8%

Valeant Pharmaceuticals International, Inc.	1.4%
Land O Lakes Capital Trust I	1.4%
JFIN CLO Ltd.	1.4%
Onex Carestream Finance, L.P.	1.4%
Laureate Education, Inc.	1.3%
Surgery Center Holdings, Inc.	1.3%
American Greetings Corp.	1.3%
BWay Intermediate Company, Inc.	1.3%
<b>Total</b>	<b>14.4%</b>

### Performance Comparison

	Year Ended December 31, 2015	Since Inception on February 25, 2013 to December 31, 2015
AIF - Market Price	(3.65)% <sup>(e)</sup>	(3.89)% <sup>(e)(f)</sup>
AIF - NAV	(2.91)% <sup>(e)</sup>	2.59% <sup>(e)(f)</sup>
S&P/LSTA Leveraged Loan Index <sup>(g)</sup>	(0.69)%	1.66% <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 December 31, 2015.
- (b) Credit quality is calculated as a percentage of fair value of investment securities at December 31, 2015. 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 8.8% of the portfolio as of December 31, 2015.
- (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.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments****December 31, 2015**

	<b>Principal</b>	
	<u>Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans - 146.8%<sup>(a)</sup></b>		
<b>AEROSPACE &amp; DEFENSE - 7.2%</b>		
B/E Aerospace, Inc.		
Term Loan, (LIBOR + 3.25%,		
0.75% Floor), 4.00%, 12/16/21 <sup>(b)</sup>	2,484,238	2,486,722
Camp International Holding Co.		
2013 First Lien Replacement		
Term Loan, (LIBOR + 3.75%,		
1.00% Floor), 4.75%, 05/31/19 <sup>(b)</sup>	2,393,397	2,330,571
2013 Second Lien Replacement		
Term Loan, (LIBOR + 7.25%,		
1.00% Floor), 8.25%, 11/29/19 <sup>(b)</sup>	1,000,000	935,000
DAE Aviation Holdings, Inc.		
Initial Term Loan, (LIBOR +		
4.25%, 1.00% Floor), 5.25%,		
07/07/22 <sup>(b)</sup>	5,097,810	5,083,153
Photonis Technologies SAS		
First Lien Initial Dollar Term		
Loan, (LIBOR + 7.50%, 1.00%		
Floor), 8.50%, 09/18/19 <sup>(b)</sup>	1,965,660	1,887,034
TASC, Inc.		
First Lien New Term Loan,		
(LIBOR + 6.00%, 1.00% Floor),		
7.00%, 05/22/20 <sup>(b)</sup>	458,769	453,034
First Lien Term Loan, (LIBOR +	1,310,202	1,293,824

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6.00%, 1.00% Floor), 7.00%, 05/22/20 <sup>(b)</sup> Second Lien Term Loan,		
12.00%, 05/21/21 <sup>(c)</sup> US Joiner Holding Co. Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%,	2,233,239	2,294,653
04/16/20 <sup>(b)(d)</sup> Vencore, Inc. Second Lien Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 05/23/20 <sup>(b)</sup>	1,629,932	1,613,633
	606,000	595,395
		18,973,019
<b>AUTOMOTIVE - 1.4%</b>		
American Tire Distributors, Inc. Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 09/01/21 <sup>(b)</sup> U.S. Farathane, LLC Initial Term Loan, (LIBOR + 5.75%, 1.00% Floor), 6.75%, 12/23/21 <sup>(b)(d)(e)</sup>	2,361,072	2,329,599
	1,361,382	1,349,470
		3,679,069
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 14.6%</b>		
Alliant Holdings I, LLC Initial Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 08/12/22 <sup>(b)</sup> Amwins Group, LLC First Lien New Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 09/06/19 <sup>(b)</sup>	3,989,975	3,903,951
	4,347,092	4,343,832

	<b>Principal</b>	
	<u>Amount (\$)</u>	<u>Value (\$)</u>
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE (continued)</b>		
Amwins Group, LLC (continued) Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 09/04/20 <sup>(b)(e)</sup>	1,129,500	1,121,735
AqGen Island Intermediate Holdings, Inc. First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 12/05/22 <sup>(b)</sup>	2,481,176	2,332,306
Asurion, LLC Incremental Tranche B-1 Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 05/24/19 <sup>(b)(e)</sup>	2,490,765	2,340,547
Incremental Tranche B-4 Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 08/04/22 <sup>(b)</sup>	1,867,343	1,712,354
Second Lien Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 03/03/21 <sup>(b)</sup>	1,399,109	1,203,933
Bats Global Markets, Inc. Term Loan, (LIBOR + 3.75%, 0.00% Floor), 4.18%, 03/13/18 <sup>(b)</sup>	1,761,243	1,763,445
First Data Corp. Term Loan C-1, (LIBOR + 3.50%, 0.00% Floor), 3.92%, 03/23/18 <sup>(b)</sup>	4,000,000	3,954,720
Hyperion Insurance Group, Ltd. (United Kingdom) Initial Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 04/29/22 <sup>(b)(f)</sup>	2,031,316	2,011,003
Jefferies Finance, LLC (JFIN Co-Issuer Corp.) Term Loan, (LIBOR + 3.50%, 1.00%	1,514,130	1,504,667

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Floor), 4.50%, 05/14/20 <sup>(b)(d)</sup> Medical Card System, Inc. Term Loan (3.00% PIK), (LIBOR + 10.00%, 2.00% Floor), 11.07%, 03/17/17 <sup>(b)(d)(g)(h)</sup>	4,756,544	3,064,118
MMM Holdings, Inc. MMM Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%, 12/12/17 <sup>(b)(d)</sup>	660,493	393,544
MSO of Puerto Rico, Inc. MSO Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%, 12/12/17 <sup>(b)(d)</sup>	480,175	286,104
National Financial Partners Corp. 2014 Specified Refinancing Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 07/01/20 <sup>(b)</sup>	2,511,476	2,419,380
USI, Inc. Initial Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 12/27/19 <sup>(b)</sup>	4,987,245	4,843,862

See accompanying Notes to Financial Statements. | 7

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<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>	1,439,252	1,245,859
		38,445,360
<b>BEVERAGE, FOOD &amp; TOBACCO - 5.4%</b>		
Charger OpCo B.V. (Oak Tea, Inc.) (Netherlands) Term Loan B-1 (USD), (LIBOR +		
3.50%, 0.75% Floor), 4.25%, 07/02/22 <sup>(b)(f)</sup>	3,646,622	3,637,506
Hearthside Group Holdings, LLC Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 06/02/21 <sup>(b)</sup>		
Performance Food Group, Inc. Second Lien Initial Term Loan,	4,276,231	4,201,397
(LIBOR + 5.25%, 1.00% Floor), 6.25%, 11/14/19 <sup>(b)</sup>	711,203	711,203
PFS Holding Corp. First Lien Term Loan, (LIBOR +		
3.50%, 1.00% Floor), 4.50%, 01/31/21 <sup>(b)</sup>	2,761,808	2,527,054
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>	997,468	972,532
Second Lien Term Loan, (LIBOR +		
7.50%, 1.00% Floor), 8.50%, 01/02/22 <sup>(b)(d)</sup>	2,260,897	2,125,243
		14,174,935
<b>CAPITAL EQUIPMENT - 0.9%</b>		

Zebra Technologies Corp. Initial Term Loan, (LIBOR + 4.00%, 0.75% Floor), 4.75%, 10/27/21 <sup>(b)</sup>	2,250,426	2,256,165
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**CHEMICALS, PLASTICS & RUBBER - 3.3%**

Chemstralia Pty, Ltd. ( Chemstralia Finco, LLC) (Australia) Initial Term Loan, (LIBOR + 6.25%, 1.00% Floor), 7.25%, 02/28/22 <sup>(b)(d)(f)</sup>	2,255,682	2,210,568
Magnetation, LLC / Mag Finance Corp. Term Loan (3.00% PIK), 12.00%, 03/07/16 <sup>(c)(d)(h)</sup>	255,929	129,372
PetroChoice Holdings, Inc. First Lien Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 08/19/22 <sup>(b)</sup>	1,012,500	997,313

<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
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**CHEMICALS, PLASTICS & RUBBER (continued)**

Trinseo Materials Operating S.C.A. (Trinseo Materials Finance, Inc.)  (Luxembourg) First Lien Term Loan B, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 11/05/21 <sup>(b)(f)</sup>	3,078,959	3,040,472
Univar USA, Inc. Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 07/01/22 <sup>(b)</sup>	2,343,073	2,273,425
		8,651,150

**CONSTRUCTION & BUILDING - 0.2%**

Headwaters, Inc. Term Loan B, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 03/24/22 <sup>(b)</sup>	497,500	495,634
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**CONSUMER GOODS: DURABLE - 0.1%**

Britax US Holdings, Inc. Initial Dollar Term Loan, (LIBOR +	459,015	326,426
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3.50%, 1.00% Floor), 4.50%,

10/15/20<sup>(b)</sup>**CONSUMER GOODS: NON-DURABLE - 3.5%**

ABG Intermediate Holdings 2, LLC

First Lien Term Loan, (LIBOR +

4.50%, 1.00% Floor), 5.50%, 05/27/21<sup>(b)</sup>

3,487,876

3,441,382

BRG Sports, Inc.

First Lien Term Loan, (LIBOR +

5.50%, 1.00% Floor), 6.50%, 04/15/21<sup>(b)</sup>

1,359,058

1,343,768

Fender Musical Instruments Corp.

Initial Term Loan, (LIBOR + 4.50%,

1.25% Floor), 5.75%, 04/03/19<sup>(b)</sup>

265,000

262,681

Nine West Holdings, Inc.

Unsecured Initial Term Loan, (LIBOR

+ 5.25%, 1.00% Floor), 6.25%, 01/08/20<sup>(b)</sup>

239,923

121,401

Polyconcept Investments B.V.

Term Loan, (LIBOR + 4.75%,

1.25% Floor), 6.00%, 06/28/19<sup>(b)</sup>

2,893,580

2,875,495

The Topps Company, Inc.

Term Loan, (LIBOR + 6.00%, 1.25%

Floor), 7.25%, 10/02/18<sup>(b)(e)</sup>

1,108,971

1,088,178

9,132,905

**CONTAINERS, PACKAGING & GLASS - 4.8%**

BWay Intermediate Company, Inc.

Initial Term Loan, (LIBOR + 4.50%,

1.00% Floor), 5.50%, 08/14/20<sup>(b)</sup>

4,801,468

4,630,439

Hoover Group, Inc.

Initial Term Loan, (LIBOR + 6.75%,

1.00% Floor), 7.75%, 01/28/21<sup>(b)(d)</sup>

1,480,542

1,384,307

8 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>CONTAINERS, PACKAGING &amp; GLASS (continued)</b>		
NVLX Acquisition, LLC First Lien Term Loan, (LIBOR +  5.00%, 1.00% Floor), 6.00%, 12/05/21 <sup>(b)</sup>	2,534,471	2,535,104
Pelican Products, Inc. First Lien Term Loan, (LIBOR +  4.25%, 1.00% Floor), 5.25%, 04/10/20 <sup>(b)</sup>	1,956,212	1,924,424
Tekni-Plex, Inc. First Lien Tranche B-1 Term Loan,  (LIBOR + 3.50%, 1.00% Floor), 4.50%, 06/01/22 <sup>(b)</sup>	2,266,258	2,236,990
		12,711,264
<b>ENERGY: OIL &amp; GAS - 7.0%</b>		
American Energy - Marcellus, LLC First Lien Initial Term Loan, (LIBOR  + 4.25%, 1.00% Floor), 5.25%, 08/04/20 <sup>(b)</sup>	3,061,946	831,829
Azure Midstream Energy, LLC Term Loan, (LIBOR + 6.50%, 1.00%  Floor), 7.50%, 11/15/18 <sup>(b)(d)</sup>	498,651	296,697
BlackBrush Oil & Gas, L.P. Closing Date Second Lien Term  Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 07/30/21 <sup>(b)(e)</sup>	3,700,224	2,987,931
Chelsea Petroleum Products I, LLC Term Loan B, (LIBOR + 4.25%,  1.00% Floor), 5.25%, 10/28/22 <sup>(b)</sup>	1,761,092	1,717,065
Chief Exploration & Development, LLC Second Lien Term Loan, (LIBOR +	1,950,784	1,333,039

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6.50%, 1.00% Floor), 7.50%, 05/16/21 <sup>(b)</sup> Drillships Financing Holding, Inc. Tranche B-1 Term Loan, (LIBOR +		
5.00%, 1.00% Floor), 6.00%, 03/31/21 <sup>(b)</sup> EMG Utica, LLC Term Loan, (LIBOR + 3.75%, 1.00%	2,683,081	1,090,002
Floor), 4.75%, 03/27/20 <sup>(b)</sup> HGIM Corp. Term Loan A, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/18/18 <sup>(b)(d)</sup>	2,192,039	1,994,755
Sheridan Investment Partners I, LLC Tranche B-2 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 10/01/19 <sup>(b)(e)</sup>	4,113,802	3,147,058
Sheridan Production Partners I-A, L.P. Tranche B-2 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 10/01/19 <sup>(b)(e)</sup>	474,168	278,574
	62,831	36,913

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

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

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)(e)</sup>	38,378	22,547
Southcross Energy Partners, L.P. Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 08/04/21 <sup>(b)(d)</sup>	1,573,481	1,125,039
Southcross Holdings Borrower, L.P. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 08/04/21 <sup>(b)</sup>	858,606	463,647
Sprint Industrial Holdings, LLC First Lien Term Loan, (LIBOR + 5.75%, 1.25% Floor), 7.00%, 05/14/19 <sup>(b)</sup>	2,606,105	2,228,220
W3 Co. First Lien Term Loan, (LIBOR + 4.50%, 1.25% Floor), 5.75%, 03/13/20 <sup>(b)</sup>	913,111	771,579
		18,324,895

**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)(f)</sup>	2,901,337	2,785,283
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**FOREST PRODUCTS & PAPER - 1.5%**

Caraustar Industries, Inc. Incremental Term Loan, (LIBOR + 6.75%, 1.25% Floor), 8.00%, 05/01/19 <sup>(b)</sup>	1,840,192	1,830,228
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Term Loan, (LIBOR + 6.75%, 1.25% Floor), 8.00%, 05/01/19 <sup>(b)</sup>	2,259,641	2,252,580
		4,082,808
<b>HEALTHCARE &amp; PHARMACEUTICALS - 16.9%</b>		
ABB/Con- Cise Optical Group, LLC		
Term Loan B-1, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 02/06/19 <sup>(b)</sup>	1,498,623	1,492,381
Alvogen Pharma US, Inc.		
First Lien Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/01/22 <sup>(b)</sup>	1,235,351	1,209,100
ATI Holdings, Inc.		
Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 12/20/19 <sup>(b)</sup>	1,498,098	1,489,671
Greatbatch, Ltd.		
Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 10/27/22 <sup>(b)</sup>	3,689,270	3,662,763
HC Group Holdings III, Inc.		
First Lien Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/07/22 <sup>(b)</sup>	498,750	496,880
Iasis Healthcare, LLC		
Term Loan B-2, (LIBOR + 3.25%, 1.25% Floor), 4.50%, 05/03/18 <sup>(b)</sup>	527,512	519,071

See accompanying Notes to Financial Statements. | 9

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>HEALTHCARE &amp; PHARMACEUTICALS (continued)</b>		
InVentiv Health, Inc. Term Loan B-3, (LIBOR + 6.25%, 1.50% Floor), 7.75%, 05/15/18 <sup>(b)</sup>	723,864	717,530
Jaguar Holding Co. II /Pharmaceutical Product Development, LLC Initial Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 08/18/22 <sup>(b)</sup>	4,767,670	4,645,499
Lanai Holdings III, Inc. First Lien Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 08/29/22 <sup>(b)(d)</sup>	2,011,364	1,971,137
Opal Acquisition, Inc. Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 11/27/20 <sup>(b)</sup>	5,869,931	4,906,265
Premier Dental Services, Inc. New Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 11/01/18 <sup>(b)</sup>	4,728,833	4,149,551
Smile Brands Group, Inc. Term Loan B (1.5% PIK), (LIBOR + 7.75%, 1.25% Floor), 9.00%, 08/16/19 <sup>(b)</sup>	3,607,211	2,611,621
Steward Health Care System, LLC Term Loan, (LIBOR + 5.50%, 1.25% Floor), 6.75%, 04/10/20 <sup>(b)(d)</sup>	2,748,730	2,707,498
Surgery Center Holdings, Inc. First Lien Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 11/03/20 <sup>(b)(e)</sup>	2,624,215	2,600,151
Second Lien Initial Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 11/03/21 <sup>(b)</sup>	1,509,184	1,433,724

Team Health, Inc. Term Loan B, (LIBOR + 3.75%, 0.75% Floor), 4.50%, 11/23/22 <sup>(b)</sup>	2,884,165	2,879,666
U.S. Renal Care, Inc. Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 12/30/22 <sup>(b)(e)</sup>	3,775,064	3,751,470
Valeant Pharmaceuticals International, Inc. (Canada) Tranche B Term Loan Series D-2, (LIBOR + 2.75%, 0.75% Floor), 3.50%, 02/13/19 <sup>(b)(e)(f)</sup>	1,276,371	1,234,206
Tranche B Term Loan Series F-1, (LIBOR + 3.25%, 0.75% Floor), 4.00%, 04/01/22 <sup>(b)(f)</sup>	2,205,062	2,126,507
		44,604,691

**HIGH TECH INDUSTRIES - 15.5%**

Avago Technologies Cayman Finance, Ltd. (Cayman Islands) 2022 Tranche B Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 11/11/22 <sup>(b)(e)(f)</sup>	5,000,000	4,956,650
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<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
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**HIGH TECH INDUSTRIES (continued)**

Deltek, Inc. First Lien Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/25/22 <sup>(b)</sup>	2,672,290	2,646,677
Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 06/26/23 <sup>(b)</sup>	1,124,528	1,114,688
Flexera Software, LLC Second Lien Term Loan, (LIBOR + 7.00%, 1.00% Floor), 8.00%, 04/02/21 <sup>(b)(e)</sup>	1,728,292	1,631,793
GTCR Valor Companies, Inc. First Lien Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 05/30/21 <sup>(b)</sup>	2,360,143	2,348,342
Informatica Corp. Dollar Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 08/05/22 <sup>(b)</sup>	3,496,252	3,374,513
Kronos, Inc. First Lien Incremental Term		

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Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 10/30/19 <sup>(b)(e)</sup>	3,269,439	3,224,501
Landslide Holdings, Inc. (Crimson Acquisition Corp.) Second Lien Term Loan, (LIBOR + 7.25%, 1.00% Floor), 8.25%, 02/25/21 <sup>(b)(d)</sup>	563,000	517,960
Lanyon Solutions, Inc. (Lanyon, Inc.) First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 11/13/20 <sup>(b)</sup>	1,443,246	1,398,145
MSC.Software Corp. First Lien Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 05/29/20 <sup>(b)</sup>	1,763,150	1,727,887
Riverbed Technology, Inc. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/25/22 <sup>(b)</sup>	2,065,019	2,059,856
RP Crown Parent, LLC First Lien New Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 12/21/18 <sup>(b)</sup>	3,572,602	3,194,924
Second Lien Term Loan, (LIBOR + 10.00%, 1.25% Floor), 11.25%, 12/21/19 <sup>(b)</sup>	1,000,000	825,830
Sophia, L.P. Closing Date Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 09/30/22 <sup>(b)</sup>	3,712,809	3,675,681
SS&C Technologies Holdings		
Europe S.a.r.l. (Luxembourg) Term Loan B-2, (LIBOR + 3.25%, 0.75% Floor), 4.00%, 07/08/22 <sup>(b)(f)</sup>	328,956	327,140
SS&C Technologies, Inc. Term Loan B-1, (LIBOR + 3.25%, 0.75% Floor), 4.00%, 07/08/22 <sup>(b)</sup>	2,235,273	2,222,935

10 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>HIGH TECH INDUSTRIES (continued)</b>		
TIBCO Software, Inc. Term Loan, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 12/04/20 <sup>(b)(e)</sup>	2,799,157	2,550,732
Vision Solutions, Inc. First Lien Term Loan, (LIBOR + 4.50%, 1.50% Floor), 6.00%, 07/23/16 <sup>(b)(d)</sup>	3,272,933	3,174,745
		40,972,999
<b>HOTEL, GAMING &amp; LEISURE - 9.6%</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)(e)</sup>	2,085,200	1,972,245
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)(f)</sup>	5,105,263	4,952,105
Diamond Resorts Corp. Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 05/09/21 <sup>(b)</sup>	2,488,546	2,466,772
Equinox Holdings, Inc. First Lien New Initial Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 01/31/20 <sup>(b)(e)</sup>	3,711,048	3,680,135
Global Cash Access, Inc. Term Loan B, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 12/18/20 <sup>(b)</sup>	1,419,278	1,327,025
The Intertain Group, Ltd. (The Intertain Group Finance, LLC) (Canada) Initial Term Loan B, (LIBOR + 6.50%, 1.00% Floor), 7.50%,		



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04/08/22 <sup>(b)(f)</sup> Planet Fitness Holdings, LLC Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 03/31/21 <sup>(b)</sup>	797,203	795,210
Scientific Games International, Inc. Initial Term Loan B-2, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 10/01/21 <sup>(b)</sup>	3,858,682	3,810,449
Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 10/18/20 <sup>(b)</sup>	3,515,980	3,216,489
Seaworld Parks & Entertainment, Inc. Term Loan B-3, (LIBOR + 3.25%, 0.75% Floor), 4.00%, 05/14/20 <sup>(b)(e)</sup>	1,339,314	1,229,537
	1,850,244	1,806,301
		25,256,268

**MEDIA: ADVERTISING, PRINTING & PUBLISHING - 3.4%**

ALM Media, LLC First Lien Term Loan B, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 07/31/20 <sup>(b)(d)</sup>	3,871,288	3,774,506
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<b>Principal Amount (\$)</b>	<b>Value (\$)</b>
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**MEDIA: ADVERTISING, PRINTING & PUBLISHING (continued)**

F & W Media, Inc. Initial Term Loan, (LIBOR + 7.25%, 1.25% Floor), 8.50%, 06/30/19 <sup>(b)</sup>	3,173,407	3,141,673
Information Resources, Inc. Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 09/30/20 <sup>(b)</sup>	1,969,773	1,959,924
		8,876,103

**MEDIA: BROADCASTING & SUBSCRIPTION - 11.8%**

Emmis Operating Corp. Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 06/10/21 <sup>(b)</sup>	1,487,273	1,301,364
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	4,144,126
Hemisphere Media Holdings, LLC (Intermedia Espanol, Inc.) New Term Loan B, (LIBOR +		

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4.00%, 1.00% Floor), 5.00%, 07/30/20 <sup>(b)</sup> Learfield Communications, Inc. Second Lien Initial Term Loan, (LIBOR + 7.75%, 1.00% Floor), 8.75%, 10/08/21 <sup>(b)</sup>	2,531,899	2,462,272
Neptune Finco Corp. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 10/09/22 <sup>(b)(e)</sup>	4,050,012	4,051,288
Numericable U.S., LLC Dollar Denominated Tranche B-1 Term Loan, (LIBOR + 3.75%, 0.75% Floor), 4.50%, 05/21/20 <sup>(b)(e)</sup>	2,061,932	1,991,445
Dollar Denominated Tranche B-2 Term Loan, (LIBOR + 3.75%, 0.75% Floor), 4.50%, 05/21/20 <sup>(b)(e)</sup>	1,783,852	1,722,871
Numericable-SFR Term Loan B-6 (USD), (LIBOR + 4.00%, 0.75% Floor), 4.75%, 02/10/23 <sup>(b)</sup>	1,271,286	1,224,751
SESAC Holdco II, LLC First Lien Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 02/07/19 <sup>(b)</sup>	1,955,366	1,932,145
Telecommunications Management, LLC First Lien Initial Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 04/30/20 <sup>(b)</sup>	1,121,150	1,098,026
Second Lien Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 10/30/20 <sup>(b)(d)</sup>	710,475	692,713

See accompanying Notes to Financial Statements. | 11

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>MEDIA: BROADCASTING &amp; SUBSCRIPTION (continued)</b>		
WideOpenWest Finance, LLC Replacement Term Loan B, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 04/01/19 <sup>(b)</sup>	5,553,990	5,368,293
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)</sup>	3,978,681	3,919,001
		30,999,664
<b>MEDIA: DIVERSIFIED &amp; PRODUCTION - 1.7%</b>		
Tech Finance & Co S.C.A. (Luxembourg) U.S. Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/11/20 <sup>(b)(f)</sup>	4,620,741	4,564,137
<b>METALS &amp; MINING - 0.8%</b>		
FMG Resources (August 2006) Pty, Ltd. (FMG America Finance, Inc.) (Australia) Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 06/30/19 <sup>(b)(e)(f)</sup>	2,992,347	2,233,907
<b>RETAIL - 9.8%</b>		
Academy, Ltd. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/01/22 <sup>(b)(e)</sup>	2,992,044	2,894,174
Albertson s, LLC Term Loan B-2, (LIBOR + 4.50%,		

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1.00% Floor), 5.50%, 03/21/19 <sup>(b)(e)</sup>	1,154,431	1,152,267
Term Loan B-5, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 12/21/22 <sup>(b)(e)</sup>	2,821,062	2,808,367
At Home Holding III, Inc. Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/03/22 <sup>(b)(d)</sup>	474,553	460,316
Bass Pro Group, LLC 2015 New Term Loan, (LIBOR + 3.25%, 0.75% Floor), 4.00%, 06/05/20 <sup>(b)(e)</sup>	1,712,678	1,654,156
Belk, Inc. Closing Date First Lien Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 12/12/22 <sup>(b)</sup>	2,330,709	2,062,677
Charming Charlie, LLC Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 12/24/19 <sup>(b)</sup>	5,255,297	4,467,003

**Principal  
Amount (\$)**

**Value (\$)**

**RETAIL (continued)**

David s Bridal, Inc. Initial Term Loan, (LIBOR + 4.00%, 1.25% Floor), 5.25%, 10/11/19 <sup>(b)</sup>	1,174,845	978,646
HMK Intermediate Holdings, LLC Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 03/30/19 <sup>(b)</sup>	1,098,972	1,096,225
Mattress Holding Corp. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 10/20/21 <sup>(b)</sup>	2,659,285	2,640,444
PetSmart, Inc. Tranche B-1 Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 03/11/22 <sup>(b)</sup>	2,662,863	2,599,287
Sears Roebuck Acceptance Corp. (KMART Corp.) 2015 Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 06/30/18 <sup>(b)</sup>	2,974,709	2,803,663
Vince, LLC (Vince Intermediate Holding, LLC)		

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Term Loan B, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 11/27/19 <sup>(b)(d)</sup>	373,918	342,135
		25,959,360

**SERVICES: BUSINESS - 8.8%**

Americold Realty Operating Partnership, L.P. Term Loan B, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 12/01/22 <sup>(b)</sup>	1,459,459	1,452,162
Brock Holdings III, Inc. First Lien Term Loan, (LIBOR + 4.50%, 1.50% Floor), 6.00%, 03/16/17 <sup>(b)</sup>	602,045	562,912
Carecore National, LLC Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 03/05/21 <sup>(b)</sup>	1,398,869	1,217,016
EIG Investors Corp. Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 11/09/19 <sup>(b)</sup>	3,627,325	3,543,443
Element Materials Technology Group U.S. Holdings, Inc. (Element Materials Technology Holding U.K., Ltd.) Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 08/06/21 <sup>(b)</sup>	641,655	641,655
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>	2,019,462	1,585,278
Second Lien Initial Term Loan, (LIBOR + 8.25%, 1.00% Floor), 9.25%, 04/28/22 <sup>(b)</sup>	1,000,000	667,500
GCA Services Group, Inc. Second Lien Initial Term Loan, (LIBOR + 8.00%, 1.25% Floor), 9.25%, 11/02/20 <sup>(b)</sup>	834,400	823,970

12 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>SERVICES: BUSINESS (continued)</b>		
Genex Holdings, Inc. First Lien Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 05/28/21 <sup>(b)</sup>	1,907,204	1,878,596
IBC Capital, Ltd. First Lien Initial Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 09/09/21 <sup>(b)</sup>	1,985,000	1,809,655
Infogroup, Inc. Term Loan B, (LIBOR + 5.50%, 1.50% Floor), 7.00%, 05/26/18 <sup>(b)</sup>	3,471,523	3,269,011
Onex Carestream Finance, L.P. Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 12/07/19 <sup>(b)</sup>	2,415,389	2,155,734
Packers Holdings, LLC Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 12/02/21 <sup>(b)</sup>	495,000	494,072
SGS Cayman, L.P. Initial Cayman Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup>	428,241	427,170
Sutherland Global Services, Inc. Initial U.S. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup>	1,839,701	1,835,102
Tyche Holdings, LLC Term Loan B-1, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 11/12/21 <sup>(b)(e)</sup>	735,938	731,339

23,094,615

**SERVICES: CONSUMER - 3.2%**

Laureate Education, Inc. 2018 New Series Extended Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 06/15/18 <sup>(b)</sup>	5,161,910	4,303,742
NVA Holdings, Inc. First Lien Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 08/14/21 <sup>(b)(e)</sup>	3,172,601	3,156,738
Second Lien Term Loan, (LIBOR + 7.00%, 1.00% Floor), 8.00%, 08/14/22 <sup>(b)</sup>	955,026	939,110
		8,399,590

**TELECOMMUNICATIONS - 7.0%**

Avaya, Inc. Replacement Term Loan B-6, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 03/31/18 <sup>(b)</sup>	2,037,195	1,549,969
Global Tel*Link Corp. First Lien Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 05/23/20 <sup>(b)</sup>	5,482,469	4,033,042

<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
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**TELECOMMUNICATIONS (continued)**

Grande Communications Networks, LLC Initial Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 05/29/20 <sup>(b)</sup>	3,995,796	3,935,859
LTS Buyer LLC ( Sidera Networks, Inc.) First Lien Term Loan B,  (LIBOR + 3.25%, 0.75%  Floor), 4.00%, 04/13/20 <sup>(b)</sup>	2,351,577	2,296,314
Second Lien Term Loan,  (LIBOR + 6.75%, 1.25%	2,388,172	2,312,061

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Floor), 8.00%, 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>	2,427,203	1,765,790
Second Lien Initial Term Loan,  (LIBOR + 7.75%,  1.25% Floor), 9.00%, 04/30/21 <sup>(b)</sup>	2,800,000	1,584,800
U.S. TelePacific Corp. Advance Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%,  11/25/20 <sup>(b)</sup>	1,010,609	964,818
		18,442,653
<b>TRANSPORTATION: CARGO - 1.4%</b>		
Carrix, Inc. Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 01/07/19 <sup>(b)</sup>	3,869,743	3,618,209
<b>TRANSPORTATION: CONSUMER - 2.8%</b>		
Blue Bird Body Co. Facility Term Loan, (LIBOR + 5.50%, 1.00% Floor), 6.50%,  06/26/20 <sup>(b)</sup>	905,068	898,846
Envision Healthcare Corp. Tranche B-2 Term Loan,  (LIBOR + 3.50%, 1.00%  Floor), 4.50%, 10/28/22 <sup>(b)</sup>	2,260,704	2,251,096
Landmark Aviation FBO Canada, Inc. (Canada) Canadian Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 10/25/19 <sup>(b)(f)</sup>	85,886	85,645
LM U.S. Member, LLC (LM U.S. Corp Acquisition, Inc.) First Lien Initial Term Loan,		



(LIBOR + 3.75%, 1.00% Floor), 4.75%, 10/25/19 <sup>(b)</sup>	2,336,075	2,329,510
Travel Leaders Group, LLC Additional Tranche B Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 12/07/20 <sup>(b)</sup>	1,786,401	1,768,537
		7,333,634

See accompanying Notes to Financial Statements. | 13

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>UTILITIES: ELECTRIC - 3.1%</b>		
Calpine Corp. Term Loan B-6, (LIBOR + 3.00%, 1.00% Floor), 4.00%, 01/15/23 <sup>(b)(e)</sup>	2,886,076	2,773,043
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	868,034
Panda Sherman Power, LLC Construction Term Loan Advances, (LIBOR + 7.50%, 1.50% Floor), 9.00%, 09/14/18 <sup>(b)(d)</sup>	1,185,374	1,072,764
Pike Corp. First Lien Initial Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 12/22/21 <sup>(b)</sup>	2,530,675	2,518,022
Second Lien Initial Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 06/22/22 <sup>(b)</sup>	1,000,000	980,830
		8,212,693
<b>Total Senior Loans (Cost \$410,684,748)</b>		<b>386,607,436</b>

**Corporate Notes and Bonds - 4.7%<sup>(c)</sup>**

**CHEMICALS, PLASTICS & RUBBER - 0.0%**

Magnetation, LLC / Mag Finance Corp.

11.00%, 05/15/18<sup>(d)(i)(j)</sup> 639,000 35,465

**CONTAINERS, PACKAGING & GLASS - 0.4%**

Reynolds Group Holdings, Inc.

6.88%, 02/15/21 996,000 1,028,370

**HEALTHCARE & PHARMACEUTICALS - 1.2%**

Valeant Pharmaceuticals International, Inc. (Canada)

7.50%, 07/15/21<sup>(f)(j)</sup> 3,200,000 3,208,000

**MEDIA: ADVERTISING, PRINTING & PUBLISHING - 0.5%**

Acosta, Inc.

7.75%, 10/01/22<sup>(i)</sup> 1,600,000 1,416,000

**MEDIA: BROADCASTING & SUBSCRIPTION - 1.6%**

Columbus International, Inc. (Barbados)

7.38%, 03/30/21<sup>(f)(j)</sup> 1,285,000 1,276,969

Neptune Finco Corp.

10.13%, 01/15/23<sup>(i)</sup> 105,000 109,725

10.88%, 10/15/25<sup>(i)</sup> 687,000 721,350

Radio One, Inc.

7.38%, 04/15/22<sup>(i)</sup> 882,000 788,287

9.25%, 02/15/20<sup>(i)</sup> 1,484,000 1,179,780

4,076,111

	<u>Principal Amount</u>	<u>Value (\$)</u>
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**MEDIA: DIVERSIFIED & PRODUCTION - 1.0%**

SiTV, Inc.

10.38%, 07/01/19<sup>(i)</sup> 3,420,000 2,753,100

**Total Corporate Notes and Bonds**

**(Cost \$14,300,902) 12,517,046**

	<u>Value (\$)</u>
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**Share  
Quantity**

**Preferred Stock - 1.5%****BANKING, FINANCE, INSURANCE & REAL ESTATE - 1.5%**

Watford Holdings, Ltd. (Bermuda)

8.50% <sup>(d)(f)</sup>

160,000

3,826,088

**Total Preferred Stock****(Cost \$3,920,000)****3,826,088****Warrants - 0.0%****BANKING, FINANCE, INSURANCE & REAL ESTATE - 0.0%**

Medical Card System, Inc.

07/26/18<sup>(d)(k)</sup>

54,913

**Total Warrants****(Cost \$ )****Total Investments-153.0%****(Cost of \$428,905,650) <sup>(l)</sup>****402,950,570****Other Assets & Liabilities,****Net-3.7%****9,717,763****Loan Outstanding-(56.7)% <sup>(m)(n)</sup>****(149,230,295)****Net Assets (Applicable to****Common Shares)-100.0%****263,438,038**

14 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

- (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 December 31, 2015. 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.
- (b) The interest rate on this Senior Loan is subject to a base rate plus 1 month or 3 month LIBOR, which at December 31, 2015 was 0.43% and 0.61%, 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 December 31, 2015, the prevailing rate in effect at December 31, 2015 was the base rate plus the LIBOR floor, except as otherwise indicated.
- (c) Fixed rate asset.
- (d) Fair Value Level 3 security. All remaining securities are categorized as Level 2.
- (e) 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.
- (f) Foreign issuer traded in U.S. dollars.
- (g) The issuer is in default of its payment obligations as of January 30, 2015, as such, income is no longer being accrued. Subsequent to year end, the issuer sent a notification of restructuring effective January 20, 2016 and is no longer in default.
- (h) Represents a payment-in-kind ( PIK ) security which may pay interest in additional principal amount.
- (i) The issuer is in default of its payment obligations as of May 5, 2015, as such, income is no longer being accrued. Subsequent to year end, the issuer paid a cash dividend to all shareholders on record as of January 6, 2016 which was recorded as a cost basis adjustment.
- (j) 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 December 31, 2015, these securities amounted to \$11,488,676, or 4.4% of net assets.
- (k) Non-income producing asset.
- (l) The aggregate cost of securities for federal income tax purposes was \$429,118,442. Cost for U.S. federal income tax purposes differs from book basis primarily due to the deferral of losses from wash sales and defaulted security interest adjustments. Unrealized appreciation and depreciation on investments were as follows:

Gross unrealized appreciation	\$	927,102
Gross unrealized depreciation		(27,094,974)

Net unrealized depreciation	\$ (26,167,872)
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- (m) The Fund has granted a security interest in substantially all of its assets in the event of default under the credit facility.
- (n) Principal \$149,269,000 less unamortized deferred financing costs of \$38,705.

See accompanying Notes to Financial Statements. | 15

**Apollo Tactical Income Fund Inc.****Schedule of Investments****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans - 109.9%<sup>(a)</sup></b>		
<b>AEROSPACE &amp; DEFENSE - 5.4%</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>	1,350,000	1,262,250
DAE Aviation Holdings, Inc. Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 07/07/22 <sup>(b)</sup>	3,165,843	3,156,741
Photonis Technologies SAS First Lien Initial Dollar Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 09/18/19 <sup>(b)</sup>	1,965,660	1,887,034
TASC, Inc. First Lien New Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 05/22/20 <sup>(b)</sup>	458,769	453,034
First Lien Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 05/22/20 <sup>(b)</sup>	1,310,202	1,293,824
Second Lien Term Loan, 12.00%, 05/21/21 <sup>(c)</sup>	2,233,239	2,294,653
US Joiner Holding Co. Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 04/16/20 <sup>(b)(d)</sup>	1,629,932	1,613,633
Vencore, Inc. Second Lien Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 05/23/20 <sup>(b)</sup>	606,000	595,395
		12,556,564

**AUTOMOTIVE - 1.4%**

American Tire Distributors, Inc.

Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 09/01/21 <sup>(b)</sup>	1,862,328	1,837,503
U.S. Farathane, LLC Initial Term Loan, (LIBOR + 5.75%, 1.00% Floor), 6.75%, 12/23/21 <sup>(b)(d)(e)</sup>	1,361,382	1,349,470
		3,186,973

**BANKING, FINANCE, INSURANCE & REAL ESTATE - 6.0%**

AqGen Island Intermediate Holdings, Inc. First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 12/05/22 <sup>(b)</sup>	2,481,176	2,332,306
Asurion, LLC Incremental Tranche B-1 Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 05/24/19 <sup>(b)(e)</sup>	280,909	263,968
Incremental Tranche B-4 Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 08/04/22 <sup>(b)</sup>	193,503	177,442
Second Lien Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 03/03/21 <sup>(b)</sup>	4,141,792	3,564,012

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

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

Hyperion Insurance Group, Ltd. (United Kingdom) Initial Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 04/29/22 <sup>(b)(f)</sup>	2,031,316	2,011,003
Jefferies Finance, LLC (JFIN Co-Issuer Corp.) Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 05/14/20 <sup>(b)(d)</sup>	1,514,130	1,504,667
Medical Card System, Inc. Term Loan (3.00% PIK), (LIBOR + 10.00%, 2.00% Floor), 11.07%, 03/17/17 <sup>(b)(d)(g)(h)</sup>	4,390,656	2,828,417
MMM Holdings, Inc. MMM Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%, 12/12/17 <sup>(b)(d)</sup>	1,138,536	678,378
MSO of Puerto Rico, Inc.		



MSO Term Loan, (LIBOR + 8.25%, 1.50% Floor), 9.75%, 12/12/17 <sup>(b)(d)</sup>	827,710	493,177
		13,853,370

**BEVERAGE, FOOD & TOBACCO - 3.8%**

Charger OpCo B.V. (Oak Tea, Inc.) (Netherlands) Term Loan B-1 (USD), (LIBOR + 3.50%, 0.75% Floor), 4.25%, 07/02/22 <sup>(b)(f)</sup>	3,646,622	3,637,506
Hearthside Group Holdings, LLC Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 06/02/21 <sup>(b)</sup> PFS Holding Corp. Second Lien Term Loan, (LIBOR + 7.25%, 1.00% Floor), 8.25%, 01/31/22 <sup>(b)</sup>	1,554,819	1,527,610
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)(d)</sup>	499,800	354,858
	997,468	972,532
	2,505,795	2,355,447
		8,847,953

**CAPITAL EQUIPMENT - 1.0%**

Zebra Technologies Corp. Initial Term Loan, (LIBOR + 4.00%, 0.75% Floor), 4.75%, 10/27/21 <sup>(b)</sup>	2,250,426	2,256,165
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**CHEMICALS, PLASTICS & RUBBER - 1.6%**

Chemstralia Pty, Ltd. ( Chemstralia Finco, LLC) (Australia) Initial Term Loan, (LIBOR + 6.25%, 1.00% Floor), 7.25%, 02/28/22 <sup>(b)(d)(f)</sup>	2,255,682	2,210,568
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16 | See accompanying Notes to Financial Statements.

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>CHEMICALS, PLASTICS &amp; RUBBER (continued)</b>		
Magnetation, LLC / Mag Finance Corp. Term Loan (3.00% PIK), 12.00%, 03/07/16 <sup>(c)(d)(h)</sup>	1,176,347	594,644
PetroChoice Holdings, Inc. First Lien Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 08/19/22 <sup>(b)</sup>	1,012,500	997,313
		3,802,525
 <b>CONSUMER GOODS: NON-DURABLE - 3.9%</b>		
ABG Intermediate Holdings 2, LLC First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 05/27/21 <sup>(b)</sup>	3,487,876	3,441,382
BRG Sports, Inc. First Lien Term Loan, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 04/15/21 <sup>(b)</sup>	1,359,058	1,343,768
Fender Musical Instruments Corp. Initial Term Loan, (LIBOR + 4.50%, 1.25% Floor), 5.75%, 04/03/19 <sup>(b)</sup>	265,000	262,681
Nine West Holdings, Inc. Unsecured Initial Term Loan, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 01/08/20 <sup>(b)</sup>	658,474	333,188
Polyconcept Investments B.V. Term Loan, (LIBOR + 4.75%, 1.25% Floor), 6.00%, 06/28/19 <sup>(b)</sup>	2,538,880	2,523,012
The Topps Company, Inc.		

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Term Loan, (LIBOR + 6.00%, 1.25% Floor), 7.25%, 10/02/18 <sup>(b)</sup>	1,108,971	1,088,178
		8,992,209

**CONTAINERS, PACKAGING & GLASS - 4.0%**

BWay Intermediate Company, Inc. Initial Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 08/14/20 <sup>(b)</sup>	4,771,373	4,601,417
Hoover Group, Inc. Initial Term Loan, (LIBOR + 6.75%, 1.00% Floor), 7.75%, 01/28/21 <sup>(b)(d)</sup>	769,432	719,419
NVLX Acquisition, LLC First Lien Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 12/05/21 <sup>(b)</sup>	2,038,221	2,038,730
Pelican Products, Inc. First Lien Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 04/10/20 <sup>(b)</sup>	1,956,212	1,924,424
		9,283,990

**ENERGY: OIL & GAS - 7.0%**

American Energy - Marcellus, LLC First Lien Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 08/04/20 <sup>(b)</sup>	1,561,946	424,329
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<b>Principal</b>	
<b><u>Amount (\$)</u></b>	<b><u>Value (\$)</u></b>

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

Azure Midstream Energy, LLC Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 11/15/18 <sup>(b)(d)</sup>	498,651	296,697
BlackBrush Oil & Gas, L.P. Closing Date Second Lien Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 07/30/21 <sup>(b)(e)</sup>	3,700,224	2,987,931
Chelsea Petroleum Products I, LLC Term Loan B, (LIBOR + 4.25%,		

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1.00% Floor), 5.25%, 10/28/22 <sup>(b)</sup> Chief Exploration & Development, LLC Second Lien Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 05/16/21 <sup>(b)</sup>	1,761,092	1,717,065
Drillships Financing Holding, Inc. Tranche B-1 Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 03/31/21 <sup>(b)</sup> EMG Utica, LLC Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 03/27/20 <sup>(b)</sup>	2,926,177	1,999,559
HGIM Corp. Term Loan A, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/18/18 <sup>(b)(d)</sup>	2,683,081	1,090,002
Sheridan Investment Partners I, LLC Tranche B-2 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 10/01/19 <sup>(b)(e)</sup>	1,849,136	1,682,714
Sheridan Production Partners I-A, L.P. Tranche B-2 Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 10/01/19 <sup>(b)(e)</sup>	612,675	468,696
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)(e)</sup>	474,168	278,574
Southcross Energy Partners, L.P. Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 08/04/21 <sup>(b)(d)</sup>	62,831	36,913
Southcross Holdings Borrower, L.P. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 08/04/21 <sup>(b)</sup>	38,378	22,547
Sprint Industrial Holdings, LLC First Lien Term Loan, (LIBOR + 5.75%, 1.25% Floor), 7.00%, 05/14/19 <sup>(b)</sup>	1,573,481	1,125,039
Targa Resources Corp. Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 02/27/22 <sup>(b)</sup>	858,606	463,647
	2,606,105	2,228,220
	371,251	361,042

See accompanying Notes to Financial Statements. | 17

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>ENERGY: OIL &amp; GAS (continued)</b>		
W3 Co.		
First Lien Term Loan, (LIBOR + 4.50%, 1.25% Floor), 5.75%, 03/13/20 <sup>(b)</sup>	1,095,589	925,773
		16,108,748
<b>ENVIRONMENTAL INDUSTRIES - 1.2%</b>		
Emerald 2, Ltd. (United Kingdom)		
Facility B-1 Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 05/14/21 <sup>(b)(f)</sup>	2,901,337	2,785,283
<b>FOREST PRODUCTS &amp; PAPER - 1.8%</b>		
Caraustar Industries, Inc.		
Incremental Term Loan, (LIBOR + 6.75%, 1.25% Floor), 8.00%, 05/01/19 <sup>(b)</sup>	1,338,322	1,331,075
Term Loan, (LIBOR + 6.75%, 1.25% Floor), 8.00%, 05/01/19 <sup>(b)</sup>	2,711,090	2,702,618
		4,033,693
<b>HEALTHCARE &amp; PHARMACEUTICALS - 14.1%</b>		
Alvogen Pharma US, Inc.		
First Lien Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/01/22 <sup>(b)</sup>	1,235,351	1,209,100
Greatbatch, Ltd.		
Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 10/27/22 <sup>(b)</sup>	3,689,270	3,662,763
HC Group Holdings III, Inc.		
First Lien Initial Term Loan,		

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(LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/07/22 <sup>(b)</sup>	498,750	496,880
Jaguar Holding Co. II /Pharmaceutical Product Development, LLC Initial Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 08/18/22 <sup>(b)</sup>	2,569,041	2,503,209
Lanai Holdings III, Inc. First Lien Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 08/29/22 <sup>(b)(d)</sup>	2,011,364	1,971,137
Opal Acquisition, Inc. Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 11/27/20 <sup>(b)</sup>	4,460,896	3,728,550
Premier Dental Services, Inc. New Term Loan, (LIBOR + 6.50%, 1.00% Floor), 7.50%, 11/01/18 <sup>(b)</sup>	3,363,933	2,951,851
Smile Brands Group, Inc. Term Loan B (1.5% PIK), (LIBOR + 7.75%, 1.25% Floor), 9.00%, 08/16/19 <sup>(b)</sup>	3,607,211	2,611,621
Steward Health Care System, LLC Term Loan, (LIBOR + 5.50%, 1.25% Floor), 6.75%, 04/10/20 <sup>(b)(d)</sup>	1,269,919	1,250,870

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

**HEALTHCARE & PHARMACEUTICALS (continued)**

Surgery Center Holdings, Inc. First Lien Initial Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 11/03/20 <sup>(b)(e)</sup>	3,140,556	3,111,757
Second Lien Initial Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 11/03/21 <sup>(b)</sup>	1,760,714	1,672,679
Team Health, Inc. Term Loan B, (LIBOR + 3.75%, 0.75% Floor), 4.50%, 11/23/22 <sup>(b)</sup>	2,884,165	2,879,666
U.S. Renal Care, Inc. Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 12/30/22 <sup>(b)(e)</sup>	2,612,245	2,595,918
Valeant Pharmaceuticals International, Inc. (Canada) Tranche B Term Loan Series D-2, (LIBOR + 2.75%, 0.75%		

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Floor), 3.50%, 02/13/19 <sup>(b)(e)(f)</sup>	731,402	707,240
Tranche B Term Loan Series F-1, (LIBOR + 3.25%, 0.75% Floor), 4.00%, 04/01/22 <sup>(b)(f)</sup>	1,263,573	1,218,558
		32,571,799

**HIGH TECH INDUSTRIES - 14.3%**

Avago Technologies Cayman Finance, Ltd. (Cayman Islands) 2022 Tranche B Term Loan, (LIBOR + 3.50%, 0.75% Floor), 4.25%, 11/11/22 <sup>(b)(e)(f)</sup>	4,253,087	4,216,213
Deltek, Inc. First Lien Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/25/22 <sup>(b)</sup>	1,850,162	1,832,428
Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 06/26/23 <sup>(b)</sup>	1,124,528	1,114,688
Flexera Software, LLC Second Lien Term Loan, (LIBOR + 7.00%, 1.00% Floor), 8.00%, 04/02/21 <sup>(b)(e)</sup>	2,628,292	2,481,541
GTCR Valor Companies, Inc. First Lien Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 05/30/21 <sup>(b)</sup>	2,360,143	2,348,342
Informatica Corp. Dollar Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 08/05/22 <sup>(b)</sup>	1,969,754	1,901,167
Landslide Holdings, Inc. (Crimson Acquisition Corp.) Second Lien Term Loan, (LIBOR + 7.25%, 1.00% Floor), 8.25%, 02/25/21 <sup>(b)(d)</sup>	1,682,000	1,547,440

18 | See accompanying Notes to Financial Statements.

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>HIGH TECH INDUSTRIES (continued)</b>		
Lanyon Solutions, Inc. (Lanyon, Inc.) First Lien Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 11/13/20 <sup>(b)</sup>	576,827	558,801
Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 11/15/21 <sup>(b)</sup>	2,219,037	2,082,200
MSC Software Corp. First Lien Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 05/29/20 <sup>(b)</sup>	887,485	869,735
Second Lien Initial Term Loan, (LIBOR + 7.50%, 1.00% Floor), 8.50%, 05/31/21 <sup>(b)(d)</sup>	2,550,000	2,244,000
Riverbed Technology, Inc. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/25/22 <sup>(b)</sup>	2,065,019	2,059,856
RP Crown Parent, LLC First Lien New Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 12/21/18 <sup>(b)</sup>	3,075,140	2,750,051
Second Lien Term Loan, (LIBOR + 10.00%, 1.25% Floor), 11.25%, 12/21/19 <sup>(b)</sup>	1,000,000	825,830
Sophia, L.P. Closing Date Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 09/30/22 <sup>(b)</sup>	3,712,809	3,675,681
TIBCO Software, Inc. Term Loan, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 12/04/20 <sup>(b)(e)</sup>	2,799,157	2,550,732
		33,058,705



**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)(e)</sup>	2,085,200	1,972,245
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)(f)</sup>	3,586,635	3,479,036
Diamond Resorts Corp. Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 05/09/21 <sup>(b)</sup>	2,488,546	2,466,772
Global Cash Access, Inc. Term Loan B, (LIBOR + 5.25%, 1.00% Floor), 6.25%, 12/18/20 <sup>(b)</sup>	1,104,023	1,032,262
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)(f)</sup>	797,203	795,210

<u>Principal</u>	<u>Amount (\$)</u>	<u>Value (\$)</u>
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**HOTEL, GAMING & LEISURE (continued)**

Planet Fitness Holdings, LLC Term Loan, (LIBOR + 3.75%, 1.00% Floor), 4.75%, 03/31/21 <sup>(b)</sup>	1,808,851	1,786,241
Scientific Games International, Inc. Initial Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 10/18/20 <sup>(b)</sup>	1,340,445	1,230,576
		12,762,342

**MEDIA: ADVERTISING, PRINTING & PUBLISHING - 3.0%**

ALM Media, LLC First Lien Term Loan B, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 07/31/20 <sup>(b)(d)</sup>	3,871,288	3,774,506
F & W Media, Inc. Initial Term Loan, (LIBOR + 7.25%, 1.25% Floor), 8.50%, 06/30/19 <sup>(b)</sup>	3,173,407	3,141,673
		6,916,179

**MEDIA: BROADCASTING & SUBSCRIPTION - 6.9%**

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Emmis Operating Corp. Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 06/10/21 <sup>(b)</sup>	1,487,273	1,301,364
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>	2,531,899	2,462,272
Learfield Communications, Inc. Second Lien Initial Term Loan, (LIBOR + 7.75%, 1.00% Floor), 8.75%, 10/08/21 <sup>(b)</sup>	1,102,393	1,091,369
Neptune Finco Corp. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 10/09/22 <sup>(b)(e)</sup>	4,050,012	4,051,288
Numericable-SFR (France) Term Loan B-6 (USD), (LIBOR + 4.00%, 0.75% Floor), 4.75%, 02/10/23 <sup>(b)(f)</sup>	1,271,286	1,224,751
SESAC Holdco II, LLC First Lien Term Loan, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 02/07/19 <sup>(b)</sup>	1,943,116	1,920,041
Telecommunications Management, LLC Second Lien Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 10/30/20 <sup>(b)(d)</sup>	1,065,712	1,039,069
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)</sup>	2,988,170	2,943,348
		16,033,502

See accompanying Notes to Financial Statements. | 19

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>MEDIA: DIVERSIFIED &amp; PRODUCTION - 1.7%</b>		
Tech Finance & Co S.C.A. (Luxembourg) U.S. Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/11/20 <sup>(b)(f)</sup>	3,926,640	3,878,539
<b>METALS &amp; MINING - 1.0%</b>		
FMG Resources (August 2006) Pty, Ltd. (FMG America Finance, Inc.) (Australia) Term Loan, (LIBOR + 3.25%, 1.00% Floor), 4.25%, 06/30/19 <sup>(b)(e)(f)</sup>	2,992,347	2,233,907
<b>RETAIL - 6.7%</b>		
Academy, Ltd. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 07/01/22 <sup>(b)</sup>	2,176,033	2,104,855
Albertson's, LLC Term Loan B-2, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 03/21/19 <sup>(b)(e)</sup>	334,987	334,359
Term Loan B-5, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 12/21/22 <sup>(b)(e)</sup>	910,531	906,434
At Home Holding III, Inc. Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 06/03/22 <sup>(b)(d)</sup>	474,553	460,316
Bass Pro Group, LLC 2015 New Term Loan, (LIBOR + 3.25%, 0.75% Floor), 4.00%,		

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06/05/20 <sup>(b)(e)</sup> Belk, Inc. Closing Date First Lien Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 12/12/22 <sup>(b)</sup>	1,712,678	1,654,156
Charming Charlie, LLC Initial Term Loan, (LIBOR + 8.00%, 1.00% Floor), 9.00%, 12/24/19 <sup>(b)</sup>	2,330,709	2,062,677
David s Bridal, Inc. Initial Term Loan, (LIBOR + 4.00%, 1.25% Floor), 5.25%, 10/11/19 <sup>(b)</sup>	1,208,489	1,027,216
Mattress Holding Corp. Initial Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 10/20/21 <sup>(b)</sup>	1,174,845	978,646
Sears Roebuck Acceptance Corp. (K MART Corp.) 2015 Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 06/30/18 <sup>(b)</sup>	2,659,285	2,640,444
	3,126,498	2,946,724

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

**RETAIL (continued)**

Vince, LLC (Vince Intermediate Holding, LLC) Term Loan B, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 11/27/19 <sup>(b)(d)</sup>	373,918	342,135
		15,457,962

**SERVICES: BUSINESS - 9.0%**

Americold Realty Operating Partnership, L.P. Term Loan B, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 12/01/22 <sup>(b)</sup>	1,459,459	1,452,162
Carecore National, LLC Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 03/05/21 <sup>(b)</sup>	989,925	861,234
EIG Investors Corp. Term Loan, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 11/09/19 <sup>(b)</sup>	1,861,541	1,818,493
Element Materials Technology Group U.S. Holdings, Inc. (Element Materials Technology Holding U.K., Ltd.)		

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Term Loan B, (LIBOR + 4.00%, 1.00% Floor), 5.00%, 08/06/21 <sup>(b)</sup> Evergreen Skills Lux S.a.r.l.	641,655	641,655
First Lien Initial Term Loan, (LIBOR + 4.75%, 1.00% Floor), 5.75%, 04/28/21 <sup>(b)</sup>	992,462	779,083
Second Lien Initial Term Loan, (LIBOR + 8.25%, 1.00% Floor), 9.25%, 04/28/22 <sup>(b)</sup> Genex Holdings, Inc.	1,000,000	667,500
First Lien Term Loan B, (LIBOR + 4.25%, 1.00% Floor), 5.25%, 05/28/21 <sup>(b)</sup> Infogroup, Inc.	1,907,204	1,878,596
Term Loan B, (LIBOR + 5.50%, 1.50% Floor), 7.00%, 05/26/18 <sup>(b)</sup> Onex Carestream Finance, L.P.	3,350,297	3,154,857
Second Lien Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 12/07/19 <sup>(b)</sup> SGS Cayman, L.P.	5,448,718	4,862,981
Initial Cayman Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup> SMG	428,241	427,170
2014 Second Lien Term Loan, (LIBOR + 8.25%, 1.00% Floor), 9.25%, 02/27/21 <sup>(b)(d)</sup>	2,490,000	2,502,450
Sutherland Global Services, Inc. Initial U.S. Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 04/23/21 <sup>(b)</sup>	1,839,701	1,835,102
		20,881,283
<b>SERVICES: CONSUMER - 2.0%</b>		
Laureate Education, Inc. 2018 New Series Extended Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 06/15/18 <sup>(b)</sup>	4,297,355	3,582,920

20 | See accompanying Notes to Financial Statements.

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Senior Loans<sup>(a)</sup> (continued)</b>		
<b>SERVICES: CONSUMER (continued)</b>		
NVA Holdings, Inc. Second Lien Term Loan, (LIBOR + 7.00%, 1.00% Floor), 8.00%, 08/14/22 <sup>(b)</sup>	955,026	939,110
		4,522,030
<b>TELECOMMUNICATIONS - 3.0%</b>		
Avaya, Inc. Term Loan B-3, (LIBOR + 4.50%, 0.00% Floor), 4.93%, 10/26/17 <sup>(b)(e)</sup>	559,825	432,815
Global Tel*Link Corp. First Lien Term Loan, (LIBOR + 3.75%, 1.25% Floor), 5.00%, 05/23/20 <sup>(b)</sup>	1,192,030	876,887
LTS Buyer LLC ( Sidera Networks, Inc.) Second Lien Term Loan, (LIBOR + 6.75%, 1.25% Floor), 8.00%, 04/12/21 <sup>(b)</sup>	1,931,507	1,869,950
Securus Technologies Holdings, Inc. Second Lien Initial Term Loan, (LIBOR + 7.75%, 1.25% Floor), 9.00%, 04/30/21 <sup>(b)</sup>	5,000,000	2,830,000
U.S. TelePacific Corp. Advance Term Loan, (LIBOR + 5.00%, 1.00% Floor), 6.00%, 11/25/20 <sup>(b)</sup>	1,010,609	964,818
		6,974,470
<b>TRANSPORTATION: CARGO - 1.6%</b>		

Carrix, Inc. Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 01/07/19 <sup>(b)</sup>	3,869,743	3,618,209
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**TRANSPORTATION: CONSUMER - 2.1%**

Blue Bird Body Co. Facility Term Loan, (LIBOR + 5.50%, 1.00% Floor), 6.50%, 06/26/20 <sup>(b)</sup>	905,068	898,846
Envision Healthcare Corp. Tranche B-2 Term Loan, (LIBOR + 3.50%, 1.00% Floor), 4.50%, 10/28/22 <sup>(b)</sup>	2,260,704	2,251,096
Travel Leaders Group, LLC Additional Tranche B Term Loan, (LIBOR + 6.00%, 1.00% Floor), 7.00%, 12/07/20 <sup>(b)</sup>	1,786,401	1,768,537
		4,918,479

**UTILITIES: ELECTRIC - 1.9%**

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	868,034
Pike Corp. First Lien Initial Term Loan, (LIBOR + 4.50%, 1.00% Floor), 5.50%, 12/22/21 <sup>(b)</sup>	2,530,675	2,518,022

<u>Principal</u> <u>Amount (\$)</u>	<u>Value (\$)</u>
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**UTILITIES: ELECTRIC (continued)**

Second Lien Initial Term Loan, (LIBOR + 8.50%, 1.00% Floor), 9.50%, 06/22/22 <sup>(b)</sup>	1,000,000	980,830
		4,366,886

<b>Total Senior Loans</b> <b>(Cost \$273,532,216)</b>		<b>253,901,765</b>
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**Corporate Notes and Bonds - 30.7%<sup>(c)</sup>**

**AUTOMOTIVE - 0.4%**

American Tire Distributors, Inc. 10.25%, 03/01/22 <sup>(i)</sup>	1,028,000	945,760
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**BANKING, FINANCE, INSURANCE & REAL ESTATE - 2.2%**

National Financial Partners Corp. 9.00%, 07/15/21 <sup>(i)</sup>	4,000,000	3,675,000
SquareTwo Financial Corp. 11.63%, 04/01/17	2,647,000	1,522,025
		5,197,025

**BEVERAGE, FOOD & TOBACCO - 4.0%**

Chiquita Brands International, Inc. / LLC 7.88%, 02/01/21	2,462,000	2,588,177
Land O Lakes Capital Trust I 7.45%, 03/15/28 <sup>(i)</sup>	4,719,000	5,025,735
NBTY, Inc. 9.00%, 10/01/18	1,625,000	1,649,196
		9,263,108

**CAPITAL EQUIPMENT - 1.1%**

Optimas OE Solutions Holding, LLC 8.63%, 06/01/21 <sup>(i)</sup>	3,000,000	2,580,000
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**CHEMICALS, PLASTICS & RUBBER - 1.8%**

Magnetation, LLC / Mag Finance Corp. 11.00%, 05/15/18 <sup>(d)(i)(j)</sup>	2,937,000	163,003
TPC Group, Inc. (Texas Petrochemical) 8.75%, 12/15/20 <sup>(i)</sup>	6,000,000	3,930,000
		4,093,003

**CONSUMER GOODS: NON-DURABLE - 2.1%**

American Greetings Corp. 7.38%, 12/01/21	4,529,000	4,749,789
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**CONTAINERS, PACKAGING & GLASS - 0.4%**

Reynolds Group Holdings, Inc. 6.88%, 02/15/21	996,000	1,028,370
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**ENERGY: OIL & GAS - 5.9%**

Carrizo Oil & Gas, Inc. 7.50%, 09/15/20	2,158,000	1,896,342
CITGO Holding, Inc. 10.75%, 02/15/20 <sup>(i)</sup>	3,000,000	2,913,750



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Northern Oil and Gas, Inc. 8.00%, 06/01/20	1,519,000	1,017,730
ONEOK, Inc. 7.50%, 09/01/23	3,417,000	2,853,195
Sidewinder Drilling, Inc. 9.75%, 11/15/19 <sup>(d)(i)</sup>	6,000,000	2,670,000

See accompanying Notes to Financial Statements. | 21

**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Corporate Notes and Bonds<sup>(c)</sup> (continued)</b>		
<b>ENERGY: OIL &amp; GAS (continued)</b>		
Summit Midstream Holdings, LLC / Summit Midstream Finance Corp. 7.50%, 07/01/21	2,700,000	2,308,500
		13,659,517
<b>HEALTHCARE &amp; PHARMACEUTICALS - 2.1%</b>		
Team Health Holdings, Inc. 7.25%, 12/15/23 <sup>(i)</sup>	1,473,000	1,528,237
Valeant Pharmaceuticals International, Inc. (Canada) 7.50%, 07/15/21 <sup>(f)(i)</sup>	3,200,000	3,208,000
		4,736,237
<b>HIGH TECH INDUSTRIES - 2.5%</b>		
Cimpres NV (Netherlands) 7.00%, 04/01/22 <sup>(f)(i)</sup>	4,000,000	3,855,000
Riverbed Technology, Inc. 8.88%, 03/01/23 <sup>(i)</sup>	2,000,000	1,857,500
		5,712,500
<b>MEDIA: ADVERTISING, PRINTING &amp; PUBLISHING - 0.6%</b>		
Acosta, Inc. 7.75%, 10/01/22 <sup>(i)</sup>	1,600,000	1,416,000
<b>MEDIA: BROADCASTING &amp; SUBSCRIPTION - 3.7%</b>		
Columbus International, Inc. (Barbados) 7.38%, 03/30/21 <sup>(f)(i)</sup>	3,285,000	3,264,469

Neptune Finco Corp. 10.13%, 01/15/23 <sup>(i)</sup>	317,000	331,265
10.88%, 10/15/25 <sup>(i)</sup>	2,053,000	2,155,650
Radio One, Inc. 7.38%, 04/15/22 <sup>(i)</sup>	882,000	788,287
9.25%, 02/15/20 <sup>(i)</sup>	2,484,000	1,974,780
		8,514,451
<b>MEDIA: DIVERSIFIED &amp; PRODUCTION - 1.2%</b>		
SiTV, Inc. 10.38%, 07/01/19 <sup>(i)</sup>	3,420,000	2,753,100
<b>SERVICES: CONSUMER - 0.5%</b>		
Laureate Education, Inc. 9.25%, 09/01/19 <sup>(i)</sup>	2,000,000	1,247,500
<b>TELECOMMUNICATIONS - 2.2%</b>		
Altice US Finance I Corp. 5.38%, 07/15/23 <sup>(i)</sup>	1,333,000	1,339,665
Avaya, Inc. 9.00%, 04/01/19 <sup>(i)</sup>	4,922,000	3,802,245
		5,141,910
<b>Total Corporate Notes and Bonds</b> <b>(Cost \$86,152,620)</b>		<b>71,038,270</b>

	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Structured Products - 13.7%<sup>(k)</sup></b>		
Anchorage Capital CLO, Ltd. (Cayman Islands) Series 2015-6A, Class E2, 7.16%, 04/15/27 <sup>(d)(f)(i)(l)</sup>	4,400,000	3,909,426
Series 2015-7A, Class E2, 7.50%, 10/15/27 <sup>(d)(f)(i)(l)</sup>	3,000,000	2,737,839
Atlas Senior Loan Fund, Ltd. (Cayman Islands) Series 2012-1A, Class B3L, 7.86%, 08/15/24 <sup>(d)(f)(i)(l)</sup>	5,000,000	4,470,970
Cent CLO, L.P. (Cayman Islands) Series 2013-17A, Class D, 6.32%, 01/30/25 <sup>(d)(f)(i)(l)</sup>	4,000,000	3,380,928
ECP CLO, Ltd. (Cayman Islands)		

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Series 2014-6, 6.87%, 07/15/26 <sup>(d)(f)(i)(l)</sup>	4,000,000	2,960,000
Ivy Hill Middle Market Credit Fund, Ltd. 10 (Cayman Islands) 7.58%, 07/18/27 <sup>(d)(f)(i)</sup>	2,350,000	2,121,486
JFIN CLO, Ltd. (Cayman Islands) Series 2013-II, Class E, 6.32%, 01/20/25 <sup>(d)(f)(l)</sup>	2,000,000	1,262,200
Series 2015-1A, Class E, 5.51%, 03/15/26 <sup>(f)(i)(l)</sup>	4,500,000	3,619,800
NXT Capital CLO, LLC Series 2014-1, 5.82%,  04/23/26 <sup>(i)(l)</sup>	5,000,000	4,072,600
OCP CLO, Ltd. (Cayman Islands) Series 2014-5A, Class E, 5.57%, 04/26/26 <sup>(d)(f)(i)(l)</sup>	3,000,000	1,651,770
Octagon Investment Partners XIV, Ltd. (Cayman Islands) Series 2012-1A, Class E, 6.82%, 01/15/24 <sup>(d)(f)(i)(l)</sup>	2,200,000	1,429,230
<b>Total Structured Products</b> <b>(Cost \$37,641,648)</b>		<b>31,616,249</b>

	<u>Share Quantity</u>	<u>Value (\$)</u>
<b>Preferred Stock - 1.7%</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 1.7%</b>		
Watford Holdings, Ltd. (Bermuda) 8.50% <sup>(d)(f)</sup>	160,000	3,826,088
<b>Total Preferred Stock</b> <b>(Cost \$3,920,000)</b>		<b>3,826,088</b>
<b>Warrants - 0.0%</b>		
<b>BANKING, FINANCE, INSURANCE &amp; REAL ESTATE - 0.0%</b>		
Medical Card System, Inc. 07/26/18 <sup>(d)(m)</sup>	50,689	
<b>Total Warrants</b> <b>(Cost \$ )</b>		
<b>Total Investments-156.0%</b> <b>(Cost of \$401,246,484) <sup>(n)</sup></b>		<b>360,382,372</b>
<b>Other Assets &amp; Liabilities,</b>		

<b>Net-3.7%</b>	<b>8,599,751</b>
<b>Loan Outstanding-(59.7)%<sup>(o)(p)</sup></b>	<b>(137,986,912)</b>
<b>Net Assets -100.0%</b>	<b>230,995,211</b>

22 | See accompanying Notes to Financial Statements.

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**Apollo Tactical Income Fund Inc.****Schedule of Investments (continued)****December 31, 2015**

- (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 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 December 31, 2015. Senior Loans are generally not registered under 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.
- (b) The interest rate on this Senior Loan is subject to a base rate plus 1 month or 3 month LIBOR, which at December 31, 2015 was 0.43% and 0.61%, 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 December 31, 2015, the prevailing rate in effect at December 31, 2015 was the base rate plus the LIBOR floor, except as otherwise indicated.
- (c) Fixed rate asset.
- (d) Fair Value Level 3 security. All remaining securities are categorized as Level 2.
- (e) 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.
- (f) Foreign issuer traded in U.S. dollars.
- (g) The issuer is in default of its payment obligations as of January 30, 2015, as such, income is no longer being accrued. Subsequent to year end, the issuer sent a notification of restructuring effective January 20, 2016 and is no longer in default.
- (h) Represents a PIK security which may pay interest in additional principal amount.
- (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 December 31, 2015, these securities amounted to \$81,778,995, or 35.4% 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. Subsequent to year end, 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 December 31, 2015.
- (m) Non-income producing asset.
- (n) The aggregate cost of securities for federal income tax purposes was \$401,610,361. Cost for U.S. federal income tax purposes differs from book basis primarily due to the deferral of losses from wash sales and defaulted security interest adjustments. Unrealized appreciation and depreciation on investments were as follows:

Gross unrealized appreciation	\$ 1,593,632
Gross unrealized depreciation	(42,821,621)
Net unrealized depreciation	\$ (41,227,989)

- (o) The Fund has granted a security interest in substantially all of its assets in the event of default under the credit facility.
- (p) Principal \$138,000,000 less unamortized deferred financing costs of \$13,088.

See accompanying Notes to Financial Statements. | 23

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Statements of Assets and Liabilities****December 31, 2015**

	<b>Apollo Senior Floating Rate  Fund Inc.</b>	<b>Apollo Tactical Income  Fund Inc.</b>
<b>Assets:</b>		
Investment securities at fair value (cost \$428,905,650 and \$401,246,484, respectively)	\$ 402,950,570	\$ 360,382,372
Cash and cash equivalents	34,972,197	14,397,263
Interest and dividends receivable	2,222,191	3,684,155
Receivable for investment securities sold	8,452,555	9,096,618
Prepaid expenses	78,804	78,913
<b>Total Assets</b>	<b>\$ 448,676,317</b>	<b>\$ 387,639,321</b>
<b>Liabilities:</b>		
Borrowings under credit facility (principal \$149,269,000 and \$138,000,000, respectively, less unamortized deferred financing costs of \$38,705 and \$13,088, respectively) (Note 8)	\$ 149,230,295	\$ 137,986,912
Payable for investment securities purchased	34,935,618	17,629,777
Interest payable	334,196	348,834
Distributions payable to common shareholders	104,093	102,753
Investment advisory fee payable	353,348	319,185
Other payables and accrued expenses due to affiliates	3,863	5,618
Other payables and accrued expenses	276,866	251,031
<b>Total Liabilities</b>	<b>185,238,279</b>	<b>156,644,110</b>
<b>Commitments and Contingencies (Note 9)</b>		
<b>Net Assets (Applicable to Common Shareholders)</b>	<b>\$ 263,438,038</b>	<b>\$ 230,995,211</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)	\$ 296,704,310	\$ 275,624,904
Undistributed net investment income	421,196	210,201
Accumulated net realized loss from investments	(7,732,388)	(3,975,782)
Net unrealized depreciation on investments	(25,955,080)	(40,864,112)
<b>Net Assets (Applicable to Common Shareholders)</b>	<b>\$ 263,438,038</b>	<b>\$ 230,995,211</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>\$ 16.92</b>	<b>\$ 15.97</b>

24 | See accompanying Notes to Financial Statements.

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Statements of Operations****For the Year Ended December 31, 2015**

	<b>Apollo Senior Floating Rate Fund Inc.</b>	<b>Apollo Tactical Income Fund Inc.</b>
<b>Investment Income:</b>		
Interest	\$ 27,171,745	\$ 28,716,433
Dividends	340,000	340,000
<b>Total Investment Income</b>	<b>27,511,745</b>	<b>29,056,433</b>
<b>Expenses:</b>		
Investment advisory fee (Note 3)	4,322,406	3,976,577
Interest and commitment fee expense (Note 8)	2,255,869	1,881,561
Professional fees	381,399	357,430
Administrative services of the Adviser (Note 3)	615,047	593,820
Fund administration and accounting services (Note 3)	259,384	259,057
Insurance expense	346,828	346,828
Amortization of deferred financing costs (Note 8)	104,649	64,254
Board of Directors fees (Note 3)	99,819	104,819
Other operating expenses (Note 3)	142,856	130,966
<b>Total Expenses</b>	<b>8,528,257</b>	<b>7,715,312</b>
Expense reimbursement waived by the Adviser (Note 3)		
<b>Net Expenses</b>	<b>8,528,257</b>	<b>7,715,312</b>
<b>Net Investment Income</b>	<b>18,983,488</b>	<b>21,341,121</b>
<b>Net Realized and Unrealized Loss on Investments</b>		

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Net realized loss on investments	(4,222,202)	(3,938,152)
Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions (Note 9)	(17,211,938)	(27,305,029)
Net realized and unrealized loss on investments	(21,434,140)	(31,243,181)
<b>Net Decrease in Net Assets, Applicable to Common Shareholders, Resulting From Operations</b>	<b>\$ (2,450,652)</b>	<b>\$ (9,902,060)</b>

See accompanying Notes to Financial Statements. | 25

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

	<b>Year Ended December 31, 2015</b>	<b>Year Ended December 31, 2014</b>
<b>Increase/(Decrease) in Net Assets:</b>		
<b>From Operations</b>		
Net investment income	\$ 18,983,488	\$ 18,404,508
Net realized (loss)/gain on investments	(4,222,202)	1,508,772
Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions	(17,211,938)	(13,230,681)
Distributions to preferred shareholders		(244,641)
Net (decrease)/increase in net assets from operations	(2,450,652)	6,437,958
<b>Distributions to Common Shareholders</b>		
From net investment income	(19,103,474)	(19,176,667)
Total distributions to common shareholders	(19,103,474)	(19,176,667)
Total decrease in net assets	\$ (21,554,126)	\$ (12,738,709)
<b>Net Assets Applicable to Common Shares</b>		
Beginning of year	284,992,164	297,730,873
End of year	\$ 263,438,038	\$ 284,992,164
Undistributed net investment income	\$ 421,196	\$ 534,942

26 | See accompanying Notes to Financial Statements.

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

	<b>Year Ended December 31, 2015</b>	<b>Year Ended December 31, 2014</b>
<b>Increase/(Decrease) in Net Assets:</b>		
<b>From Operations</b>		
Net investment income	\$ 21,341,121	\$ 21,617,971
Net realized (loss)/gain on investments	(3,938,152)	2,163,995
Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions	(27,305,029)	(18,578,584)
Net (decrease)/increase in net assets from operations	(9,902,060)	5,203,382
<b>Distributions to Common Shareholders</b>		
From net investment income	(22,324,878)	(21,593,489)
From realized gains on investments	(205,727)	(2,358,946)
Total distributions to common shareholders	(22,530,605)	(23,952,435)
Total decrease in net assets	\$ (32,432,665)	\$ (18,749,053)
<b>Net Assets Applicable to Common Shares</b>		
Beginning of year	263,427,876	282,176,929
End of year	\$ 230,995,211	\$ 263,427,876
Undistributed net investment income	\$ 210,201	\$ 1,160,978

See accompanying Notes to Financial Statements. | 27

**Apollo Senior Floating Rate Fund Inc.****Statement of Cash Flows****For the Year Ended December 31, 2015****Cash Flows From Operating Activities:**

Net decrease in net assets from operations	\$ (2,450,652)
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**Adjustments to Reconcile Net Decrease in Net Assets from Operations to Net Cash Flows Provided by Operating Activities:**

Net realized loss on investments	4,222,202
Net change in unrealized (appreciation)/depreciation on investments and unfunded transactions	17,211,938
Net amortization/(accretion) of premium/(discount)	(947,492)
Purchase of investment securities	(278,043,332)
Proceeds from disposition of investment securities and principal paydowns	282,678,303
Payment-in-kind interest	(131,506)
Amortization of deferred financing costs	104,649

**Changes in Operating Assets and Liabilities:**

Decrease in interest and dividends receivable	161,849
Decrease in prepaid expenses	3,134
Increase in interest payable	47,600
Decrease in investment advisory fee payable	(17,336)
Decrease in other payables and accrued expenses due to affiliates	(194,409)
Increase in other payables and accrued expenses	52,500

Net cash flows provided by operating activities	22,697,448
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**Cash Flows From Financing Activities:**

Distributions paid to common shareholders (net of change in distributions payable to common shareholders) .	(19,132,499)
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Net cash flows used in financing activities	(19,132,499)
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<b>Net Increase in Cash and Cash Equivalents</b>	<b>3,564,949</b>
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Cash and cash equivalents, beginning of year	31,407,248
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Cash and cash equivalents, end of year	\$ 34,972,197
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**Supplemental Disclosure of Cash Flow Information**

Cash paid during the year for interest	\$ 2,208,269
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28 | See accompanying Notes to Financial Statements.

**Apollo Tactical Income Fund Inc.****Statement of Cash Flows****For the Year Ended December 31, 2015****Cash Flows From Operating Activities:**

Net decrease in net assets from operations	\$ (9,902,060)
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**Adjustments to Reconcile Net Decrease in Net Assets from Operations to Net Cash Flows Provided by Operating Activities:**

Net realized loss on investments	3,938,152
Net change in unrealized (appreciation)/depreciation on investments and unfunded transactions	27,305,029
Net amortization/(accretion) of premium/(discount)	(756,366)
Purchase of investment securities	(265,209,849)
Proceeds from disposition of investment securities and principal paydowns	264,637,700
Payment-in-kind interest	(192,402)
Amortization of deferred financing costs	64,254

**Changes in Operating Assets and Liabilities:**

Increase in interest and dividends receivable	(133,881)
Decrease in prepaid expenses	3,025
Increase in interest payable	128,337
Decrease in investment advisory fee payable	(26,782)
Decrease in other payables and accrued expenses due to affiliates	(192,284)
Increase in other payables and accrued expenses	13,301

Net cash flows provided by operating activities	19,676,174
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**Cash Flows From Financing Activities:**

Deferred financing costs	(43,331)
Distributions paid to common shareholders (net of change in distributions payable to common shareholders) .	(22,625,000)

Net cash flows used in financing activities	(22,668,331)
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<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(2,992,157)</b>
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Cash and cash equivalents, beginning of year	17,389,420
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Cash and cash equivalents, end of year	\$ 14,397,263
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**Supplemental Disclosure of Cash Flow Information**

Cash paid during the year for interest	\$ 1,753,224
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See accompanying Notes to Financial Statements. | 29

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

For a Common Share outstanding throughout the period

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012	For the Period Ended December 31, 2011 <sup>(a)</sup>
<b>Per Common Share Operating Performance:</b>					
<b>Net Asset Value, Beginning of Period</b>	\$ 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>	1.22	1.18	1.34	1.39	1.00
Net realized and unrealized gain/(loss) on investments	(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	(0.15)	0.41	1.65	2.44	(0.48)
<b>Less Distributions Paid to Common Shareholders from:</b>					
Net investment income	(1.23)	(1.23)	(1.26)	(1.38)	(0.88)
Net realized gain on investments				(0.01)	(0.02)
	(1.23)	(1.23)	(1.26)	(1.39)	(0.90)

Total distributions  
paid to Common  
Shareholders

Common Share offering charges to paid-in capital					(0.04)
<b>Net Asset Value, End of Period</b>	\$ 16.92	\$ 18.30	\$ 19.12	\$ 18.73	\$ 17.68
<b>Market Value, End of Period</b>	\$ 15.15	\$ 16.63	\$ 18.10	\$ 18.77	\$ 16.01
Total return based on net asset value <sup>(d)</sup>	(0.52)%	2.63%	9.19%	14.23%	(2.43)% <sup>(e)</sup>
Total return based on market value <sup>(d)</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	3.01%	3.07%	3.00%	3.21%	2.99% <sup>(f)</sup>
Ratio of net expenses to average net assets	3.01%	3.07%	3.00%	3.18%	2.88% <sup>(f)</sup>
Ratio of net investment income to average net assets	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 average net assets net of distributions to Series A Preferred Shareholders		6.13%	6.80%	7.25%	6.33% <sup>(f)</sup>
<b>Supplemental Data:</b>					
Portfolio turnover rate	66.1%	80.0%	72.0%	66.6%	41.5% <sup>(e)</sup>
Net assets at end of period (000 s)	\$263,438	\$284,992	\$297,731	\$290,822	\$273,650
<b>Senior Securities:</b>					
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
			\$294,078	\$289,574	\$278,380

Asset coverage per share <sup>(h)</sup>					
Principal loan outstanding (in 000 s)	\$149,269	\$149,269	\$122,705	\$122,705	\$122,705
Asset coverage per \$1,000 of loan outstanding	\$ 2,765 <sup>(i)</sup>	\$ 2,909 <sup>(i)</sup>	\$ 3,676 <sup>(i)</sup>	\$ 3,620 <sup>(i)</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) 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.

30 | See accompanying Notes to Financial Statements.

## Apollo Tactical Income Fund Inc.

## Financial Highlights

For a Common Share outstanding throughout the period

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Period Ended December 31, 2013 <sup>(a)</sup>
<b>Per Common Share Operating Performance:</b>			
<b>Net Asset Value, Beginning of Period</b>	\$ 18.21	\$ 19.51	\$ 19.10 <sup>(b)</sup>
<b>Income from Investment Operations:</b>			
Net investment income <sup>(c)</sup>	1.48	1.50	1.03
Net realized and unrealized gain/(loss) on investments	(2.16)	(1.14)	0.39
<b>Total from investment operations</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	(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>(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>\$ 15.97</b>	<b>\$ 18.21</b>	<b>\$ 19.51</b>
<b>Market Value, End of Period</b>	<b>\$ 13.89</b>	<b>\$ 15.96</b>	<b>\$ 18.00</b>
Total return based on net asset value <sup>(d)</sup>	(2.91)%	2.63%	7.94% <sup>(e)</sup>
Total return based on market value <sup>(d)</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	2.97%	2.90%	2.58% <sup>(f)</sup>
Ratio of net expenses to average net assets	2.97%	2.90%	2.55% <sup>(f)</sup>
Ratio of net investment income to average net assets	8.22%	7.63%	6.38% <sup>(f)</sup>
<b>Supplemental Data:</b>			
Portfolio turnover rate	67.6%	78.7%	72.4% <sup>(e)</sup>
Net assets at end of period (000 s)	\$230,995	\$263,428	\$282,177
<b>Senior Securities:</b>			
Principal loan outstanding (in 000 s)	\$138,000	\$138,000	\$138,000
Asset coverage per \$1,000 of loan outstanding <sup>(g)</sup>	\$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.

See accompanying Notes to Financial Statements. | 31

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

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

### **Notes to Financial Statements**

**December 31, 2015**

#### **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 United States 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)**

**December 31, 2015**

**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, 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)****December 31, 2015**

The valuation techniques used by the Funds to measure fair value at December 31, 2015 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 levels are recognized at the value at the end of the period. Summaries of the Funds' investments categorized in the fair value hierarchy as of December 31, 2015 are as follows:

**Apollo Senior Floating Rate Fund Inc.**

Assets	Total Fair Value at December 31, 2015	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Cash and Cash Equivalents	\$ 34,972,197	\$34,972,197	\$	\$
Senior Loans	386,607,436		353,605,977	33,001,459
Corporate Notes and Bonds	12,517,046		12,481,581	35,465
Preferred Stock	3,826,088			3,826,088
Warrants				
<b>Total Assets</b>	<b>\$437,922,767</b>	<b>\$34,972,197</b>	<b>\$366,087,558</b>	<b>\$36,863,012</b>

The following is a reconciliation of Level 3 holdings for which significant unobservable inputs were used in determining fair value as of December 31, 2015:

**Apollo Senior Floating Rate  
Fund Inc.**

Total Fair Value	Corporate Notes and Bonds	Senior Loans	Common Stock	Preferred Stock	Warrants
\$ 87,829,716	\$	\$ 82,651,446	\$ 1,255,250	\$ 3,920,000	\$ 3,020

Total Fair Value, beginning of year						
Purchases, including capitalized PIK	17,027,951	17,027,951				
Sales	(40,318,487)	(39,176,210)		(1,142,277)		
Accretion/(amortization) of discounts/(premiums)	189,686	189,686				
Net realized gain/(loss)	(3,816,017)	254,564		(4,070,581)		
Change in net unrealized appreciation/(depreciation)	916,436	(2,944,240)		3,957,608	(93,912)	(3,020)
Transfers into Level 3	553,425	517,960	35,465			
Transfers out of Level 3						
	(25,519,698)	(25,519,698)				
Total Fair Value, end of year	\$ 36,863,012	\$ 33,001,459	\$ 35,465	\$	\$ 3,826,088	\$

Assets were transferred from Level 2 to Level 3 or from Level 3 to Level 2 as a result of changes in levels of liquid market observability when subject to various criteria as discussed previously or due to changes in application of internal leveling criteria. There were no transfers between Level 1 and Level 2 fair value measurement during the year shown. The net change in unrealized appreciation/(depreciation) attributable to Level 3 investments still held at December 31, 2015 was \$(2,369,993) for AFT.

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Notes to Financial Statements (continued)****December 31, 2015**

The following table provides quantitative measures used to determine the fair values of the Level 3 investments as of December 31, 2015:

Apollo Senior Floating Rate Fund Inc.				
Assets	Fair Value at		Range of Unobservable	
	December 31, 2015	Valuation Technique(s)	Unobservable Input(s)	Input(s) Utilized
Senior Loans	\$29,807,969	Independent pricing service and/or broker quotes	Vendor and/or broker quotes	N/A
	3,064,118	Market Comparable Approach <sup>(a)</sup>	Total enterprise value/EBITDA <sup>(a)</sup>	6.8x
	129,372	Recoverability <sup>(b)</sup>	Recovery %	18.8%
Corporate Notes and Bonds	35,465	Recoverability <sup>(b)</sup>	Recovery %	18.8%
Preferred Stock	3,826,088	Discounted cash flow <sup>(c)</sup>	Discount rate <sup>(c)</sup>	8.89%
Warrants		Market comparable approach <sup>(a)</sup>	Total enterprise value/EBITDA <sup>(a)</sup>	6.8x
Total Fair Value	\$36,863,012			

<sup>(a)</sup> The Fund utilized a market comparable approach to fair value this security. The significant unobservable inputs used in the valuation model were total enterprise value and earnings before interest, taxes, depreciation and

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amortization ( EBITDA ) based on comparable multiples for a similar investment with similar risks. Significant increases or decreases in either of these inputs in isolation may result in a significantly higher or lower fair value measurement.

- (b) The Fund utilized a recoverability approach to fair value this security, specifically a liquidation analysis. There are various, company specific inputs used in the valuation analysis that relate to the liquidation value of the company's assets, which were estimated by a third party financial advisor as part of restructuring proceedings. The estimated fair value of the recoverable assets after deducting expenses was approximately 18.8% of the book value of the assets.
- (c) The Fund utilized a discounted cash flow model to fair value this security. The significant unobservable input used in the valuation model was the discount rate, which was determined based on the market rates an investor would expect for a similar investment with similar risks. The discount rate was applied to present value the projected cash flows in the valuation model. Significant increases in the discount rate may significantly lower the fair value of an investment; conversely, significant decreases in the discount rate may significantly increase the fair value of an investment.

Apollo Tactical Income Fund Inc.

Assets	Total Fair Value			Level 3
	at December 31, 2015	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Significant Unobservable Inputs
Cash and Cash Equivalents	\$ 14,397,263	\$14,397,263	\$	\$
Senior Loans	253,901,765		222,873,725	31,028,040
Corporate Notes and Bonds	71,038,270		68,205,267	2,833,003
Structured Products	31,616,249		7,692,400	23,923,849
Preferred Stock	3,826,088			3,826,088
Warrants				
<b>Total Assets</b>	<b>\$374,779,635</b>	<b>\$14,397,263</b>	<b>\$298,771,392</b>	<b>\$61,610,980</b>

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Notes to Financial Statements (continued)****December 31, 2015**

The following is a reconciliation of Level 3 holdings for which significant unobservable inputs were used in determining fair value as of December 31, 2015:

Apollo Tactical Income Fund Inc.						
	Total Fair		Corporate	Structured	Preferred	
	Value	Senior Loans	Notes and Bonds	Products	Stock	Warrants
Total Fair Value, beginning of year	\$ 129,149,862	\$ 67,400,467	\$ 27,031,563	\$ 30,795,044	\$ 3,920,000	\$ 2,788
Purchases, including capitalized PIK	26,077,444	16,422,500		9,654,944		
Sales	(54,956,759)	(30,357,846)	(16,598,913)	(8,000,000)		
Accretion/(amortization) of discounts/(premiums)	156,499	115,609	(98,661)	139,551		
Net realized gain/(loss)	608,067	199,998	276,915	131,154		
Change in net unrealized appreciation/(depreciation)	(9,630,920)	(3,140,885)	(1,669,091)	(4,724,244)	(93,912)	(2,788)
Transfers into Level 3	1,710,444	1,547,440	163,004			
Transfers out of Level 3	(31,503,657)	(21,159,243)	(6,271,814)	(4,072,600)		
Total Fair Value, end of year	\$ 61,610,980	\$ 31,028,040	\$ 2,833,003	\$ 23,923,849	\$ 3,826,088	\$

Assets were transferred from Level 2 to Level 3 or from Level 3 to Level 2 as a result of changes in levels of liquid market observability when subject to various criteria as discussed previously or due to changes in application of internal leveling criteria. There were no transfers between Level 1 and Level 2 fair value measurement during the year shown. The net change in unrealized appreciation/(depreciation) attributable to Level 3 investments still held at December 31, 2015 was \$(8,045,459) for AIF.

The following table provides quantitative measures used to determine the fair values of the Level 3 investments as of December 31, 2015:

Apollo Tactical Income  
Fund Inc.

Assets	Fair Value at December 31, 2015	Valuation Technique(s)	Unobservable Input(s)	Range of Unobservable Input(s) Utilized
Senior Loans	\$ 27,604,979	Independent pricing service and/or broker quotes	Vendor and/or broker quotes	N/A
	2,828,417	Market comparable approach <sup>(a)</sup>	Total enterprise value/EBITDA <sup>(a)</sup>	6.8x
	594,644	Recoverability <sup>(b)</sup>	Recovery %	18.8%
Corporate Notes and Bonds	2,670,000	Independent pricing service and/or broker quotes	Vendor and/or broker quotes	N/A
	163,003	Recoverability <sup>(b)</sup>	Recovery %	18.8%
Structured Products	23,923,849	Independent pricing service and/or broker quotes	Vendor and/or broker quotes	N/A
Preferred Stock	3,826,088	Discounted cash flow <sup>(c)</sup>	Discount rate <sup>(c)</sup>	8.89%
Warrants		Market comparable approach <sup>(a)</sup>	Total enterprise value/EBITDA <sup>(a)</sup>	6.8x
Total Fair Value	\$ 61,610,980			

(a) The Fund utilized a market comparable approach to fair value this security. The significant unobservable inputs used in the valuation model were total enterprise value and EBITDA based on comparable multiples for a similar investment with similar risks. Significant increases or decreases in either of these inputs in isolation may result in a significantly higher or lower fair value measurement.

(b) The Fund utilized a recoverability approach to fair value this security, specifically a liquidation analysis. There are various, company specific inputs used in the valuation analysis that relate to the liquidation value of the company's assets, which were estimated by a third party financial advisor as part of restructuring proceedings. The estimated fair value of the recoverable assets after deducting expenses was approximately 18.8% of the book value of the assets.

(c) The Fund utilized a discounted cash flow model to fair value this security. The significant unobservable input used



in the valuation model was the discount rate, which was determined based on the market rates an investor would expect for a similar investment with similar risks. The discount rate was applied to present value the projected cash flows in the valuation model. Significant increases in the discount rate may significantly lower the fair value of an investment; conversely, significant decreases in the discount rate may significantly increase the fair value of an investment.

**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Notes to Financial Statements (continued)**

**December 31, 2015**

**Cash and Cash Equivalents**

Cash and cash equivalents of the Funds consist of cash held in bank accounts and liquid investments with maturities, at the date of acquisition, not exceeding 90 days that, at times, may exceed federally insured limits. As of December 31, 2015, cash and cash equivalents were comprised of cash deposited with U.S. financial institutions in which carrying value approximated fair value and are considered to be Level 1 in the fair value hierarchy.

**Industry Classifications**

The industry classifications of the Funds' investments, as presented in the accompanying Schedules of Investments, represent management's belief as to the most meaningful presentation of the classification of such investments. For Fund compliance purposes, the Funds' industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, with the primary source being Moody's, and/or as defined by the Funds' management. These definitions may not apply for purposes of this report, which may combine industry sub-classifications.

**Fair Value of Financial Instruments**

The fair value of the Funds' assets and liabilities that qualify as financial instruments under U.S. GAAP approximates the carrying amounts presented in the accompanying Statements of Assets and Liabilities.

**Securities Transactions and Investment Income**

Securities transactions of the Funds are recorded on the trade date for financial reporting purposes. Cost is determined based on consideration given, and the unrealized appreciation/(depreciation) on investment securities is the difference between fair value determined in compliance with the valuation policy approved by the Board and the cost. Realized gains and losses from securities transactions and foreign currency transactions, if any, are recorded on the basis of identified cost and stated separately in the Statements of Operations. Interest and dividend income is recorded on the accrual basis and includes the accretion of original issue discounts and amortization of premiums where applicable using the effective interest rate method over the lives of the respective debt securities.

The Funds hold investments that have designated payment-in-kind (PIK) interest. PIK interest is included in interest income and reflected as a receivable in accrued interest up to the payment date. On payment dates, the Funds capitalize the accrued interest receivable as an additional investment and mark it at the fair value associated with the position.

**U.S. Federal Income Tax Status**

The Funds intend to qualify each year as regulated investment companies under Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and will distribute substantially all of their

net investment income and net capital gains, if any, for their tax years. The Funds may elect to incur excise tax if it is deemed prudent by the Board from a cash management perspective or in the best interest of shareholders due to other facts and circumstances. For the year ended December 31, 2015, AFT and AIF did not record a U.S. federal excise tax provision. Excise tax of \$1,178 and \$890 was paid during 2015 relating to the 2014 tax year by AFT and AIF, respectively.

The Funds have followed the authoritative guidance on accounting for and disclosure of uncertainty in tax positions, which requires the Funds to determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Funds have determined that there was no material effect on the financial statements from following this authoritative guidance. In the normal course of business, the Funds are subject to examination by federal, state and local jurisdictions, where applicable, for tax years for which applicable statutes of limitations have not expired. The statute of limitations on AFT's federal and state tax filings remains open for the years ended December 31, 2012 to 2015. The statute of limitations on AIF's federal and state filings remains open for the years ended December 31, 2013 to 2015.

### **Distributions to Common Shareholders**

The Funds intend to make regular monthly cash distributions of all or a portion of their net investment income available to common shareholders. The Funds intend to pay common shareholders at least annually all or substantially all of their capital gains and net investment income after the payment of dividends and interest owed with respect to outstanding preferred shares and/or notes or other forms of leverage utilized by the Funds, although for cash management purposes, the Funds may elect to retain distributable amounts and pay excise tax as described above. If the Funds make a long-term capital gain distribution, they will be required to allocate such gain between the common shares and any preferred shares issued by the Funds in proportion to the total dividends paid to each class for the year in which the income is realized.

**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Notes to Financial Statements (continued)**

**December 31, 2015**

The distributions for any full or partial year might not be made in equal amounts, and one distribution may be larger than the other. The Funds will make a distribution only if authorized by the Board and declared by the Funds out of assets legally available for these distributions. The Funds may pay a special distribution at the end of each calendar year, if necessary, to comply with U.S. federal income tax requirements. This distribution policy may, under certain circumstances, have certain adverse consequences to the Funds and their shareholders because it may result in a return of capital to shareholders, which would reduce the Funds' NAV and, over time, potentially increase the Funds' expense ratios. If the Funds distribute a return of capital, it means that the Funds are returning to shareholders a portion of their investment rather than making a distribution that is funded from the Funds' earned income or other profits. The Board may elect to change AFT's or AIF's distribution policy at any time.

**Asset Segregation**

In accordance with the Investment Company Act and various SEC and SEC staff interpretive positions, a Fund may set aside liquid assets (often referred to as asset segregation), or engage in measures in accordance with SEC or Staff guidance, to cover open positions with respect to certain kinds of financial instruments that could otherwise be considered senior securities as defined in Section 18(g) of the Investment Company Act. With respect to certain derivative contracts that are contractually required to cash settle, for example, a Fund is permitted to set aside liquid assets in an amount equal to the Fund's daily marked-to-market net obligations (i.e., the Fund's daily net liability) under the contracts, if any, rather than such contracts' full notional value. In other circumstances, a Fund may be required to set aside liquid assets equal to such a financial instrument's full notional value, or enter into appropriate offsetting transactions, while the position is open. Each Fund reserves the right to modify its asset segregation policies in the future to comply with any changes in the positions from time to time announced by the SEC or its staff regarding asset segregation. These segregation and coverage requirements could result in a Fund maintaining securities positions that it would otherwise liquidate, segregating assets at a time when it might be disadvantageous to do so or otherwise restricting portfolio management. Such segregation and coverage requirements will not limit or offset losses on related positions.

**New Accounting Pronouncement**

In April 2015, the Financial Accounting Standards Board issued guidance to simplify the presentation of debt issuance costs in financial statements. Under the new guidance, the Funds are required to present such costs in the Statements of Assets and Liabilities as a direct deduction from the carrying value of the related debt liability rather than as an asset. The standard is effective for financial statements with fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. The Funds have elected early adoption. The impact to the financial statements will be the reclassification of any unamortized debt issuance costs on the Statements of Assets and Liabilities and the modification of related accounting policy disclosures in the Notes to Financial Statements.

**Note 3. Investment Advisory, Administration and Other Agreements with Affiliates**

**Investment Advisory Fee**

The Adviser provides certain investment advisory, management and administrative services to the Funds pursuant to investment advisory and management agreements with each of the Funds. For its services, each Fund pays the Adviser monthly at the annual rate of 1.0% of the average daily value of the Fund's managed assets. Managed assets are defined as the total assets of a Fund (including any assets attributable to any preferred shares that may be issued or to money borrowed or notes issued by the Fund) minus the sum of the Fund's accrued liabilities, including accrued interest and accumulated dividends (other than liabilities for money borrowed (including the liquidation preference of preferred shares) or notes issued). The Adviser may elect from time to time, in its sole discretion, to waive its receipt of the advisory fee from a Fund. If the Adviser elects to waive its compensation, such action may have a positive effect on the Fund's performance or yield. The Adviser is under no obligation to waive its fees, may elect not to do so, may decide to waive its compensation periodically or may decide to waive its compensation on only one of the Funds at any given time. For the year ended December 31, 2015, the Adviser earned fees of \$4,322,406 and \$3,976,577 from AFT and AIF, respectively.

### **Administrative Services and Expense Reimbursements**

The Funds and the Adviser have entered into Administrative Services and Expense Reimbursement Agreements pursuant to which the Adviser provides certain administrative services, personnel and facilities to the Funds and performs operational services necessary for the operation of the Funds not otherwise provided by other service providers of the Funds. These services may include, without limitation, certain bookkeeping and recordkeeping services, compliance and legal services, investor relations assistance, and accounting and auditing support. Pursuant to these agreements, the Funds will reimburse the Adviser at cost, at the Adviser's request, for certain costs and expenses incurred by the Adviser that are necessary for the administration and operation of the Funds. In addition, the Adviser or one of its affiliates may pay certain expenses on behalf of the Funds and then allocate these expenses to the Funds for reimbursement. For the year

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Notes to Financial Statements (continued)****December 31, 2015**

ended December 31, 2015, the Adviser provided services under these agreements totaling \$615,047 and \$593,820 for AFT and AIF, respectively, which is shown in the Statements of Operations as administrative services of the Adviser. Included in these amounts is approximately \$96,000 and \$91,000 for AFT and AIF, respectively, of remuneration for officers of the Funds. The Adviser did not waive the right to expense reimbursements and investment advisory fees for either Fund during the year ended December 31, 2015.

Each Fund has also entered into an Administration and Accounting Services Agreement (the Administration Agreements) with BNY Mellon Investment Servicing (US) Inc. (BNYMIS). Under the Administration Agreements, BNYMIS provides certain administrative services necessary for the operation of the Funds, including maintaining the Funds' books and records, providing accounting services and preparing regulatory filings. The Funds pay BNYMIS for these services. The Bank of New York Mellon (BNY Mellon) serves as the Funds' custodian. BNYMIS serves as the Funds' transfer agent. BNY Mellon and BNYMIS provided services totaling \$259,384 and \$259,057 for AFT and AIF, respectively, for the year ended December 31, 2015 which are included in fund administration and accounting services in the Statements of Operations.

**Board of Directors Fees**

For the year ended December 31, 2015, AFT and AIF paid to each member of the Board who is not an interested person (as defined in the Investment Company Act) of the Funds an annual retainer of \$12,000 per Fund, plus \$2,000 for each in-person Board meeting of a single Fund (\$3,000, or \$1,500 per Fund, for a joint meeting of both Funds), plus \$1,000 for attendance at telephonic board meetings of a single Fund or participation in special committee meetings of a single Fund not held in conjunction with regularly scheduled Board meetings (\$1,500, or \$750 per Fund, for a joint meeting of both Funds). In addition, the chairman of the audit committee received \$3,000 per year from each Fund. The Funds also reimbursed independent Board members for travel and out-of-pocket expenses incurred in connection with such meetings, and the Funds split the cost of such expenses for meetings involving both AFT and AIF. Included in the Statements of Operations for the year ended December 31, 2015 is \$99,819 and \$104,819 of expenses related to the Board for each of AFT and AIF, respectively.

**Note 4. Investment Transactions**

For the year ended December 31, 2015, the cost of investment purchases and proceeds from sales of securities and principal paydowns were as follows:

Fund	Purchases	Sales
Apollo Senior Floating Rate Fund Inc.	\$ 279,411,076	\$ 277,266,207
Apollo Tactical Income Fund Inc.	260,147,734	258,783,427

**Note 5. Risks**

## Senior Loans

Senior Loans are usually rated below investment grade and may also be unrated. As a result, the risks associated with Senior Loans are similar to the risks of below investment grade fixed income instruments, although Senior Loans are senior and secured, in contrast to other below investment grade fixed income instruments, which are often subordinated or unsecured. Investments in Senior Loans rated below investment grade are considered speculative because of the credit risk of their issuers. Such issuers are considered more likely than investment grade issuers to default on their payments of interest and principal owed to the Funds, and such defaults could reduce the Funds' NAV and income distributions. An economic downturn would generally lead to a higher non-payment rate, and a Senior Loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a Senior Loan may decline in value or become illiquid, which would adversely affect the Senior Loan's value. Senior Loans are subject to a number of risks, including liquidity risk and the risk of investing in below investment grade fixed income instruments.

Senior Loans are subject to the risk of non-payment of scheduled interest or principal. Such non-payment would result in a reduction of income to the Funds, a reduction in the value of the investment and a potential decrease in the NAV of the Funds. There can be no assurance that the liquidation of any collateral securing a Senior Loan would satisfy the Borrower's obligation in the event of non-payment of scheduled interest or principal payments, or that the collateral could be readily liquidated. In the event of bankruptcy or insolvency of a Borrower, the Funds could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Loan. The collateral securing a Senior Loan may lose all or substantially all of its value in the event of the bankruptcy or insolvency of a Borrower. Some Senior Loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate such Senior Loans to presently existing or future indebtedness of the Borrower or take other action detrimental to the holders of Senior Loans including, in certain circumstances, invalidating such Senior Loans or causing interest previously paid to be refunded to the Borrower.

**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Notes to Financial Statements (continued)**

**December 31, 2015**

There may be less readily available and reliable information about most Senior Loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act of 1933 (the "1933 Act") or registered under the Securities Exchange Act of 1934. As a result, the Adviser will rely primarily on its own evaluation of a Borrower's credit quality rather than on any available independent sources. Therefore, the Funds will be particularly dependent on the analytical abilities of the Adviser.

In general, the secondary trading market for Senior Loans is not well developed. No active trading market may exist for certain Senior Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Funds may not be able to sell Senior Loans quickly or at a fair price. To the extent that a secondary market does exist for certain Senior Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Senior Loans are generally not registered under 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 on the Schedule of Investments.

The Funds may acquire Senior Loans through assignments or participations. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and the Funds may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral. In general, a participation is a contractual relationship only with the institution participating out the interest, not with the Borrower. Sellers of participations typically include banks, broker-dealers and other financial and lending institutions. In purchasing participations, the Funds generally will have no right to enforce compliance by the Borrower with the terms of the loan agreement against the Borrower, and the Funds may not directly benefit from the collateral supporting the debt obligation in which they have purchased the participation. As a result, the Funds will be exposed to the credit risk of both the Borrower and the institution selling the participation. Further, in purchasing participations in lending syndicates, the Funds will not be able to conduct the due diligence on the Borrower or the quality of the Senior Loan with respect to which they are buying a participation that the Funds would otherwise conduct if they were investing directly in the Senior Loan, which may result in the Funds being exposed to greater credit or fraud risk with respect to the Borrower or the Senior Loan.

**Corporate Bonds**

The Funds may invest in a wide variety of bonds of varying maturities issued by U.S. and foreign corporations, other business entities, governments and municipalities and other issuers. Corporate bonds are issued with varying features and may differ in the way that interest is calculated, the amount and frequency of payments, the type of collateral, if any, and the presence of special features (e.g., conversion rights, call rights or other rights of the issuer). The Funds investments in corporate bonds may include, but are not limited to, senior, junior, secured and unsecured bonds, notes



and other debt securities, and may be fixed rate, variable rate or floating rate, among other things.

The Adviser expects most of the corporate bonds in which the Funds invest will be high yield bonds (commonly referred to as junk bonds). An issuer of corporate bonds typically pays the investor a fixed rate of interest and must repay the amount borrowed on or before maturity. The investment return of corporate bonds reflects interest on the security and changes in the market value of the security. The market value of a corporate bond generally may be expected to rise and fall inversely with interest rates. The value of intermediate and longer-term corporate bonds normally fluctuates more in response to changes in interest rates than does the value of shorter-term corporate bonds. The market value of a corporate bond also may be affected by investors' perceptions of the creditworthiness of the issuer, the issuer's performance and perceptions of the issuer in the marketplace.

### **Subordinated Loans**

Subordinated loans generally are subject to similar risks as those associated with investments in Senior Loans, except that such loans are subordinated in payment and/or lower in lien priority to first lien holders. In the event of default on a subordinated loan, the first priority lien holder has first claim to the underlying collateral of the loan. Subordinated loans are subject to the additional risk that the cash flow of the Borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior unsecured or senior secured obligations of the Borrower. This risk is generally higher for subordinated unsecured loans or debt that are not backed by a security interest in any specific collateral. Subordinated loans generally have greater price volatility than Senior Loans and may be less liquid.

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Notes to Financial Statements (continued)****December 31, 2015****Structured Products**

Investments in structured products involve risks, including credit risk and market risk. When the Funds' investments in structured products (such as CDOs, CLOs and asset-backed securities) are based upon the movement of one or more factors, including currency exchange rates, interest rates, reference bonds (or loans) or stock indices, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of any factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on a structured product to be reduced to zero and any further changes in the reference instrument may then reduce the principal amount payable on maturity of the structured product. Structured products may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the product.

The Funds may have the right to receive payments only from the structured product and generally do not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain structured products enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured products generally pay their share of the structured product's administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that generally affect issuers of securities and capital markets. If the issuer of a structured product uses shorter-term financing to purchase longer-term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the structured products owned by the Funds.

Certain structured products may be thinly traded or have a limited trading market. CLOs are typically privately offered and sold. As a result, investments in CLOs may be characterized by the Funds as illiquid securities. CLOs carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments, (ii) the quality of the collateral may decline in value or default, (iii) the possibility that the investments in CLOs are subordinate to other classes or tranches of the CLOs and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

**Note 6. Common Shares**

Common share transactions were as follows:

**Apollo Senior Floating Rate Fund Inc.**

Year Ended December 31,  
2015

Year Ended December 31,  
2014

	Shares	Amount	Shares	Amount
Common shares outstanding, beginning of year	15,573,061	\$ 296,705,488	15,573,061	\$ 296,714,038
Common shares issued as reinvestment of dividends				
Permanent differences reclassified (primarily non-deductible expenses)		(1,178)		(8,550)
Common shares outstanding, end of year	15,573,061	\$ 296,704,310	15,573,061	\$ 296,705,488

**Apollo Tactical Income Fund Inc.**

	Year Ended December 31, 2015		Year Ended December 31, 2014	
	Shares	Amount	Shares	Amount
Common shares outstanding, beginning of year	14,464,026	\$ 275,625,794	14,464,026	\$ 275,655,578
Common shares issued as reinvestment of dividends				
Permanent differences reclassified (primarily non-deductible expenses)		(890)		(29,784)
Common shares outstanding, end of year	14,464,026	\$ 275,624,904	14,464,026	\$ 275,625,794

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Notes to Financial Statements (continued)****December 31, 2015**

Dividends declared on common shares with a record date of January 1, 2015 or later through the date of this report were as follows:

**Apollo Senior Floating Rate Fund  
Inc.**

Dividend Declaration Date	Ex-Dividend Date	Record Date	Payment Date	Per Share Amount	Gross Distribution	Cash Distribution	Value of new Common Shares Issued
December 18, 2014	January 15, 2015	January 20, 2015	January 30, 2015	\$0.0957	\$1,490,342	\$1,490,342	\$
January 20, 2015	February 12, 2015	February 17, 2015	February 27, 2015	\$0.0957	\$1,490,342	\$1,490,342	
February 13, 2015	March 17, 2015	March 19, 2015	March 31, 2015	\$0.0977	\$1,521,488	\$1,521,488	
March 19, 2015	April 16, 2015	April 20, 2015	April 30, 2015	\$0.0977	\$1,521,488	\$1,521,488	
April 22, 2015	May 14, 2015	May 18, 2015	May 29, 2015	\$0.0977	\$1,521,488	\$1,521,488	
May 14, 2015	June 16, 2015	June 18, 2015	June 30, 2015	\$0.0977	\$1,521,488	\$1,521,488	
June 22, 2015	July 17, 2015	July 21, 2015	July 31, 2015	\$0.0977	\$1,521,488	\$1,521,488	
July 27, 2015	August 17, 2015	August 19, 2015	August 31, 2015	\$0.0977	\$1,521,488	\$1,521,488	
August 7, 2015	September 16, 2015	September 18, 2015	September 30, 2015	\$0.0977	\$1,521,488	\$1,521,488	
September 23, 2015	October 16, 2015	October 20, 2015	October 30, 2015	\$0.0977	\$1,521,488	\$1,521,488	
October 22, 2015	November 13, 2015	November 17, 2015	November 30, 2015	\$0.0977	\$1,521,488	\$1,521,488	
November 13, 2015	December 16, 2015	December 18, 2015	December 31, 2015	\$0.0977	\$1,521,488	\$1,521,488	
December 8, 2015	December 16, 2015	December 18, 2015	December 31, 2015	\$0.0583	\$ 907,909	\$907,910	
December 23, 2015	January 14, 2016	January 19, 2016	January 29, 2016	\$0.0977	\$1,521,488	\$1,521,488	
January 29, 2016*	February 12, 2016	February 17, 2016	February 29, 2016	\$0.0900	\$1,458,346		

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February 24,  
2016\*      March 16, 2016      March 18, 2016      March 31, 2016      \$0.0900      \$1,458,346

\* Declared subsequent to December 31, 2015.

**Apollo Tactical Income Fund Inc.**

Dividend Declaration Date	Ex-Dividend Date	Record Date	Payment Date	Per Share Amount	Gross Distribution	Cash Distribution	Value of new Common Shares Issued
December 18, 2014	January 15, 2015	January 20, 2015	January 30, 2015	\$0.1170	\$1,692,291	\$1,692,291	\$
January 20, 2015	February 12, 2015	February 17, 2015	February 27, 2015	\$0.1170	\$1,692,291	\$1,692,291	
February 13, 2015	March 17, 2015	March 19, 2015	March 31, 2015	\$0.1170	\$1,692,291	\$1,692,291	
March 19, 2015	April 16, 2015	April 20, 2015	April 30, 2015	\$0.1170	\$1,692,291	\$1,692,291	
April 22, 2015	May 14, 2015	May 18, 2015	May 29, 2015	\$0.1170	\$1,692,291	\$1,692,291	
May 14, 2015	June 16, 2015	June 18, 2015	June 30, 2015	\$0.1170	\$1,692,291	\$1,692,291	
June 22, 2015	July 17, 2015	July 21, 2015	July 31, 2015	\$0.1170	\$1,692,291	\$1,692,291	
July 27, 2015	August 17, 2015	August 19, 2015	August 31, 2015	\$0.1170	\$1,692,291	\$1,692,291	
August 7, 2015	September 16, 2015	September 18, 2015	September 30, 2015	\$0.1170	\$1,692,291	\$1,692,291	
September 23, 2015	October 16, 2015	October 20, 2015	October 30, 2015	\$0.1170	\$1,692,291	\$1,692,291	
October 22, 2015	November 13, 2015	November 17, 2015	November 30, 2015	\$0.1170	\$1,692,291	\$1,692,291	
November 13, 2015	December 16, 2015	December 18, 2015	December 31, 2015	\$0.1170	\$1,692,291	\$1,692,291	
December 8, 2015	December 16, 2015	December 18, 2015	December 31, 2015	\$0.1537	\$2,223,121	\$2,223,113	
December 23, 2015	January 14, 2016	January 19, 2016	January 29, 2016	\$0.1170	\$1,692,291	\$1,692,291	
January 29, 2016*	February 12, 2016	February 17, 2016	February 29, 2016	\$0.1170	\$1,692,291		
February 24, 2016*	March 16, 2016	March 18, 2016	March 31, 2016	\$0.1170	\$1,692,291		

\* Declared subsequent to December 31, 2015.

**Note 7. Federal Tax Information**

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. GAAP. As a result, net investment income/(loss) and net realized gain/(loss) on investment transactions for a reporting period may differ significantly from distributions during such period.

Reclassifications are made to the Funds' capital accounts at fiscal year end for permanent tax differences to reflect income and gains available for distribution (or available capital loss carryforwards) under income tax regulations.

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Notes to Financial Statements (continued)****December 31, 2015**

For the fiscal year ended December 31, 2015, permanent differences resulting primarily from non-deductible expenses and defaulted security interest adjustments were identified and reclassified among the components of the Funds' net assets as follows:

Fund	Undistributed Net Investment Income	Accumulated Net Realized Gain/Loss from Investments	Paid-In Capital
Apollo Senior Floating Rate Fund Inc.	\$ 6,240	\$ (5,062)	\$ (1,178)
Apollo Tactical Income Fund Inc.	32,980	(32,090)	(890)

The tax character of distributions paid by AFT during the fiscal years ended December 31, 2015 and 2014 were as follows:

Apollo Senior Floating Rate Fund Inc.			
Distributions paid from Ordinary Income: *		2015	2014
Common Shareholders		\$ 19,103,474	\$ 19,176,667
Preferred Shareholders			244,641
Total Distributions		\$ 19,103,474	\$ 19,421,308

\* For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

The tax character of distributions paid by AIF during the fiscal years ended December 31, 2015 and 2014 were as follows:

Apollo Tactical Income Fund Inc.			
Distributions paid from Ordinary Income: *		2015	2014
Common Shareholders		\$ 22,401,648	\$ 23,137,627

Total Distributions	\$ 22,401,648	\$ 23,137,627
---------------------	---------------	---------------

\* For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

Distributions paid from Long-Term Gains:	2015	2014
Common Shareholders	\$ 128,957	\$ 814,808
Total Distributions	\$ 128,957	\$ 814,808

As of December 31, 2015, the most recent tax year end, the components of distributable earnings on a tax basis were as follows:

Fund	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Net	
			Unrealized Appreciation/(Depreciation)*	Accumulated Capital and Other Losses
Apollo Senior Floating Rate Fund Inc.	\$ 584,808	\$	\$ (26,167,872)	\$ (7,683,208)
Apollo Tactical Income Fund Inc.	465,451		(41,227,989)	(3,867,155)

\* Any differences between book basis and tax basis net unrealized appreciation/(depreciation) are primarily due to the deferral of losses from wash sales and defaulted security interest adjustments.

For federal income tax purposes, capital loss carryforwards are available to offset future capital gains. As of December 31, 2015, long-term capital loss carryforwards totaled \$7,683,208 for AFT and \$3,867,155 for AIF, which may be carried forward for an unlimited period.



**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Notes to Financial Statements (continued)****December 31, 2015**

Unrealized appreciation/(depreciation) and basis of investments for U.S. federal income tax purposes at December 31, 2015 were as follows:

	Apollo Senior Floating Rate Fund Inc.	Apollo Tactical Income Fund Inc.
Federal tax basis, cost	\$ 429,118,442	\$ 401,610,361
Unrealized appreciation	\$ 927,102	\$ 1,593,632
Unrealized depreciation	(27,094,974)	(42,821,621)
Net unrealized appreciation/(depreciation)*	\$ (26,167,872)	\$ (41,227,989)

\* Any differences between book basis and tax basis net unrealized appreciation/(depreciation) are primarily due to the deferral of losses from wash sales and defaulted security interest adjustments.

**Note 8. Credit Agreements and Preferred Shares**

The Funds utilize leverage and may utilize leverage to the maximum extent permitted by law for investment and other general corporate purposes. The Funds may obtain leverage by issuing preferred shares and/or notes and may also borrow funds from banks and other financial institutions. The Funds may also gain leverage synthetically through swaps and other derivatives. The use of leverage to purchase additional securities creates an opportunity for increased common share dividends, but also creates risks for common shareholders, including increased variability of the Funds net income, distributions and/or NAV in relation to market changes. Leverage is a speculative technique that exposes the Funds to greater risk and increased costs than if it were not implemented. Increases and decreases in the value of the Funds' portfolios will be magnified due to the use of leverage. In particular, leverage may magnify interest rate risk, which is the risk that the prices of portfolio securities will fall (or rise) if market interest rates for those types of securities rise (or fall). As a result, leverage may cause greater changes in the Funds' NAV, which will be borne entirely by the Funds' common shareholders. If the Funds issue preferred shares and/or notes or engage in other borrowings, they will have to pay dividends on their shares or interest on their notes or borrowings, which will increase expenses and may reduce the Funds' return. These dividend payments or interest expenses (which will be borne entirely by the common shareholders) may be greater than the Funds' return on the underlying investments. The Funds' leveraging strategy may not be successful.

**Apollo Senior Floating Rate Fund Inc.**

On May 15, 2014, AFT entered into a \$150,000,000 revolving credit facility with JPMorgan Chase Bank, N.A. ( JPM ) as lender and administrative agent. AFT has granted a security interest in substantially all of its assets in the event of default under the credit facility. On May 20, 2014, AFT reduced the commitment to \$149,269,000. AFT may borrow on a revolving basis until May 15, 2016. Any loans outstanding under the credit facility must be repaid in full on May 15, 2016. The loans bear interest at a rate of three-month LIBOR plus 1.20%. As of December 31, 2015, AFT has \$149,269,000 principal outstanding, which is the maximum commitment amount under the credit facility.

For the year ended December 31, 2015, the average daily principal loan balance outstanding on days where borrowings existed was \$149,269,000, the weighted average annual interest rate was 1.49% and the interest expense, which is included on the Statements of Operations in interest expense, was \$2,255,869.

The fair value of AFT's borrowings under the credit facility approximates the carrying amount presented in the accompanying Statements of Assets and Liabilities based on a yield analysis and remaining maturities for which AFT has determined would be categorized as Level 2 in the fair-value hierarchy.

The credit facility contains certain customary affirmative and negative covenants, including limitations on debt, liens and restricted payments, as well as certain portfolio limitations and customary prepayment provisions, including a requirement to prepay loans or take certain other actions if certain asset value tests are not met. As of December 31, 2015, AFT was not aware of any instances of non-compliance related to the credit facility.

In connection with AFT's entry into the credit facility, certain debt financing costs were incurred by AFT and are shown net of the principal amount in the Statements of Assets and Liabilities. The deferred financing costs are amortized over the life of the credit facility. The amortization of the deferred financing costs is included in the Statements of Operations.

**Apollo Tactical Income Fund Inc.**

On April 24, 2015, AIF entered into a \$138,000,000 revolving credit facility with JPM as lender and administrative agent. AIF has granted a security interest in substantially all of its assets in the event of default under the credit facility. AIF may borrow on a revolving basis until April 22, 2016. Any loans outstanding under the credit facility must be repaid in full on

**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Notes to Financial Statements (continued)**

**December 31, 2015**

April 22, 2016. The loans bear interest at a rate of three-month LIBOR plus 1.00%. As of December 31, 2015, AIF has \$138,000,000 principal outstanding, which is the maximum commitment amount under the credit facility.

For the year ended December 31, 2015, the average daily principal loan balance outstanding on days where borrowings existed was \$138,000,000, the weighted average annual interest rate was 1.34% and the interest expense, which is included on the Statements of Operations in interest expense, was \$1,881,561.

Prior to April 24, 2015, AIF had a \$138,000,000 revolving credit facility with JPM as lender and administrative agent that expired on April 26, 2015. The loans bore interest at a rate of three-month LIBOR plus 1.20%.

The fair value of AIF's borrowings under the credit facility approximates the carrying amount presented in the accompanying Statements of Assets and Liabilities based on a yield analysis and remaining maturities for which AIF has determined would be categorized as Level 2 in the fair-value hierarchy.

The credit facility contains certain customary affirmative and negative covenants, including limitations on debt, liens and restricted payments, as well as certain portfolio limitations and customary prepayment provisions, including a requirement to prepay loans or take certain other actions if certain asset value tests are not met. As of December 31, 2015, AIF was not aware of any instances of non-compliance related to the credit facility.

In connection with AIF's entry into the credit facility, certain debt financing costs were incurred by AIF and are shown net of the principal amount in the Statements of Assets and Liabilities. The deferred financing costs are amortized over the life of the credit facility. The amortization of the deferred financing costs is included in the Statements of Operations.

**Note 9. General Commitments and Contingencies**

As of December 31, 2015, the Funds did not have any unfunded loan commitments outstanding. Unfunded loan commitments, if any, are marked to market on the relevant day of the valuation in accordance with the Funds valuation policies. Any related unrealized appreciation/(depreciation) on unfunded loan commitments is recorded on the Statements of Assets and Liabilities and the Statements of Operations. For the year ended December 31, 2015, AFT and AIF recorded a net change in unrealized appreciation on unfunded transactions totaling \$37,594 and \$35,307, respectively, resulting from an unfunded commitment held at December 31, 2014.

**Note 10. Indemnification**

The Funds each have a variety of indemnification obligations under contracts with their service providers. The Funds maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Funds. Based upon historical experience, the risk of loss from such claims is currently considered remote; however, there can be no assurance that losses will not occur or if claims are made against the Funds the losses will not be material.

**Note 11. Subsequent Event**

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were issued and has determined that there were no subsequent events that would require disclosure in or adjustments to the financial statements.

Effective January 1, 2016, Bret Leas no longer serves as a portfolio manager of AFT.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of

Apollo Senior Floating Rate Fund Inc. and Apollo Tactical Income Fund Inc.:

We have audited the accompanying statements of assets and liabilities of Apollo Senior Floating Rate Fund Inc. and Apollo Tactical Income Fund Inc. (the Funds ), including the schedules of investments, as of December 31, 2015, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Funds management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015 by correspondence with the custodian, agent banks and brokers; where replies were not received from agent banks and brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Apollo Senior Floating Rate Fund Inc. and Apollo Tactical Income Fund Inc. as of December 31, 2015, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

New York, New York

February 29, 2016

**Apollo Senior Floating Rate Fund Inc.**

**Apollo Tactical Income Fund Inc.**

**Additional Information**

**December 31, 2015 (unaudited)**

**Dividend Reinvestment Plan**

Unless a shareholder specifically elects to receive common stock of the Funds as set forth below, all net investment income dividends and all capital gains distributions declared by the Board will be payable in cash.

A shareholder may elect to have net investment income dividends and capital gains distributions reinvested in common stock of the Funds. To exercise this option, such shareholder must notify BNYMIS, the plan administrator and the Funds' transfer agent and registrar, in writing so that such notice is received by the plan administrator not less than 10 days prior to the record date fixed by the Board for the net investment income dividend and/or capital gains distribution involved.

The plan administrator will set up an account for shares acquired pursuant to the plan for each shareholder that elects to receive dividends and distributions in additional shares of common stock of the Funds (each a Participant). The plan administrator may hold each Participant's shares, together with the shares of other Participants, in non-certificated form in the plan administrator's name or that of its nominee.

The shares are acquired by the plan administrator for a participant's account, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized shares of common stock from the Funds ( Newly Issued Shares ) or (ii) by purchase of outstanding shares of common stock on the open market ( Open-Market Purchases ) on the NYSE or elsewhere. If, on the dividend payment date, the NAV per share of the common stock is equal to or less than the market price per share of the common stock plus estimated brokerage commissions (such condition being referred to as market premium ), the plan administrator will invest the dividend amount in Newly Issued Shares on behalf of the Participant. The number of Newly Issued Shares of common stock to be credited to the Participant's account will be determined by dividing the dollar amount of the dividend by the NAV per share on the date the shares are issued, unless the NAV is less than 95% of the then current market price per share, in which case the dollar amount of the dividend will be divided by 95% of the then current market price per share. If, on the dividend payment date, the NAV per share is greater than the market value (such condition being referred to as market discount ), the plan administrator will invest the dividend amount in shares acquired on behalf of the Participant in Open-Market Purchases.

The plan administrator's service fee, if any, and expenses for administering the plan will be paid for by the Funds. If a Participant elects by written notice to the plan administrator to have the plan administrator sell part or all of the shares held by the plan administrator in the Participant's account and remit the proceeds to the Participant, the plan administrator is authorized to deduct a \$15 transaction fee plus a 5¢ per share brokerage commission from the proceeds.

Shareholders who receive dividends in the form of stock are subject to the same federal, state and local tax consequences as are shareholders who elect to receive their dividends in cash. A shareholder's basis for determining gain or loss upon the sale of stock received in a dividend from the Funds will be equal to the total dollar amount of the dividend payable to the shareholders. Any stock received in a dividend will have a new holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. shareholder's account.

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Participants may terminate their accounts under the plan by notifying the plan administrator via its website at [bnymellon.com/shareowner](http://bnymellon.com/shareowner), by filling out the transaction request form located at the bottom of the Participant's statement and sending it to the plan administrator at P.O. Box 358035, Pittsburgh, PA 15252-8035 or by calling the plan administrator at 800-331-1710.

The plan may be terminated by the Funds upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Funds. All correspondence, including requests for additional information, concerning the plan should be directed to the plan administrator by mail at P.O. Box 358035, Pittsburgh, PA 15252-8035.

Annual Report | 47

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Directors and Officers****December 31, 2015 (unaudited)****Directors and Officers**

The Board of Directors of each Fund is responsible for the overall supervision of the operations of the Fund and performs the various duties imposed on the directors of investment companies by the Investment Company Act and applicable Maryland law. The directors of each Fund (the Directors) are divided into three classes, serving staggered three-year terms. Any vacancy on the Board of Directors may be filled only by a majority of the remaining Directors, except to the extent that the Investment Company Act requires the election of directors by shareholders.

Certain biographical and other information relating to the Directors and Executive Officers of the Funds is set out below, including their ages, their principal occupations for at least the last five years, the length of time served, the total number of portfolios overseen in the complex of funds advised by the Adviser, specifically AFT and AIF, and other public directorships.

<b>Directors and Officers Name, Address<sup>(1)</sup> and Year of Birth</b>	<b>Position(s) Held with the Funds</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios in the Complex of Funds Overseen by the Director</b>	<b>Other Public Directorships Held by the Director During Past Five Years</b>
INTERESTED DIRECTORS <sup>(2)</sup>					
Barry Cohen (born 1952)	Director and Chairman of the Board	AFT Director since 2011 and AIF Director since 2013; current terms end at the 2018 annual meeting.	Chief Operating Officer, Apollo Global Securities, LLC since 2011; Managing Director and Chief Operating Officer, Apollo Capital Management, L.P. since 2008.	2	None.
INDEPENDENT DIRECTORS <sup>(3)</sup>					



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Robert L. Borden (born 1963)	Director	AFT and AIF Director since November 2013; current terms end at the 2017 annual meeting.	Chief Investment Officer, Delegate Advisors, LLC since 2012; Chief Executive Officer and Chief Investment Officer, South Carolina Retirement System Investment Commission from 2006 to 2011.	2	None.
Glenn N. Marchak (born 1956)	Director; Audit Committee Chair	AFT Director since 2011 and AIF Director since 2013; current terms end at the 2016 annual meeting.	Private Investor; Corporate Director/Trustee.	2	Stone Harbor Emerging Markets Income Fund; Stone Harbor Emerging Markets Total Income Fund.
Carl J. Rickertsen (born 1960)	Director; Nominating and Corporate Governance Committee Chair	AFT Director since 2011 and AIF Director since 2013; current terms end at the 2017 annual meeting.	Managing Partner, Pine Creek Partners (private equity investment firm) since 2005.	2	Noranda Aluminum Holding Corporation; Berry Plastics Group, Inc.; MicroStrategy Incorporated.

**Apollo Senior Floating Rate Fund Inc.****Apollo Tactical Income Fund Inc.****Directors and Officers (continued)****December 31, 2015 (unaudited)**

<b>Directors and Officers Name, Address<sup>(1)</sup> and Year of Birth</b>	<b>Position(s) Held with the Funds</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios in the Complex of Funds Overseen by the Director</b>	<b>Other Public Directorships Held by the Director During Past Five Years</b>
Todd J. Slotkin (born 1953)	Lead Independent Director	AFT Director since 2011 and AIF Director since 2013; current terms end at the 2016 annual meeting.	Managing Director and Global Head, Alvarez & Marsal Asset Management Services, LLC since 2014; Co-Founder and Managing Partner, Newton Pointe Partners (consulting firm) from 2011 to 2014.	2	CBIZ, Inc.
Elliot Stein, Jr. (born 1949)	Director	AFT Director since 2011 and AIF Director since 2013; current terms end at the 2018 annual meeting.	Private Investor; Corporate Director/Trustee.	2	Apollo Investment Corporation; Global Cornerstone Holdings Limited.
<b>EXECUTIVE OFFICERS<sup>(4)</sup></b>					
Joseph Moroney (born 1971)	President and Chief Investment Officer	AFT since 2011 and AIF since 2013.	Loan product manager, Apollo Capital Management L.P. since 2008.	N/A	N/A
Frank Marra	Treasurer and Chief	AFT and AIF since 2014.	Senior Controller and Vice President, Apollo	N/A	N/A

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(born 1979)	Financial Officer		Capital Management, L.P. since 2009.		
Joseph D. Glatt (born 1973)	Secretary and Chief Legal Officer	AFT since 2011 and AIF since 2013.	Chief Legal Officer, Secretary and Vice President, Apollo Investment Corporation since 2014, 2010 and 2009, respectively; General Counsel, Apollo Capital Management L.P. since 2007.	N/A	N/A
Cindy Michel (born 1973)	Chief Compliance Officer	AFT since 2011 and AIF since 2013.	Chief Compliance Officer and Vice President, Apollo Investment Corporation since 2010; Director of Compliance, Apollo Global Management, LLC since 2007.	N/A	N/A

- (1) The address of each Director and Officer is care of the Apollo Senior Floating Rate Fund Inc. or the Apollo Tactical Income Fund Inc. at 9 West 57th Street, New York, NY 10019.
- (2) Interested person, as defined in the Investment Company Act, of the Funds. Mr. Cohen is an interested person of the Funds due to his affiliation with the Adviser.
- (3) Independent Directors are directors who are not interested persons, as defined in the Investment Company Act, of the Funds.
- (4) Executive officers of the Funds serve at the pleasure of the Board of Directors.

**Important Information About This Report**

**Investment Adviser**

Apollo Credit Management, LLC

9 West 57th Street

New York, NY 10019

**Administrator**

BNY Mellon Investment Servicing (US) Inc.

4400 Computer Drive

Westborough, MA 01581

**Transfer Agent**

BNY Mellon Investment Servicing (US) Inc.

P.O. Box 30170

College Station, TX 77842

**Custodian**

The Bank of New York Mellon

One Wall Street

New York, NY 10286

**Independent Registered Public**

**Accounting Firm**

Deloitte & Touche LLP

30 Rockefeller Plaza

New York, NY 10112

**Fund Counsel**

Willkie Farr & Gallagher LLP

787 Seventh Avenue

New York, NY 10019

This report has been prepared for shareholders of Apollo Senior Floating Rate Fund Inc. and Apollo Tactical Income Fund Inc. (the Funds). The Funds mail one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-888-301-3838 and additional reports will be sent to you.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to their portfolio securities, and the Funds' proxy voting records for the most recent period ended June 30, 2015 are available (i) without charge, upon request, by calling 1-888-301-3838 and (ii) on the SEC's website at <http://www.sec.gov>.

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and also may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330.

### **Privacy Policy**

We recognize and respect your privacy expectations, whether you are a visitor to our website, a potential shareholder, a current shareholder or even a former shareholder.

*Collection of Information.* We may collect nonpublic personal information about you from the following sources:

*Account applications and other forms*, which may include your name, address and social security number, written and electronic correspondence and telephone contacts;

*Website information*, including any information captured through our use of cookies; and

*Account history*, including information about the transactions and balances in your accounts with us or our affiliates.

*Disclosure of Information.* We may share the information we collect with our affiliates. We may also disclose this information as otherwise permitted by law. We do not sell your personal information to third parties for their independent use.

*Confidentiality and Security of Information.* We restrict access to nonpublic personal information about you to our employees and agents who need to know such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information, although you should be aware that data protection cannot be guaranteed.

9 West 57th Street, New York, NY 10019

1-888-301-3838 [www.agmfunds.com](http://www.agmfunds.com)

12/31/15

**Item 2. Code of Ethics.**

- (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (b) No response required.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description enumerated in paragraph (b) of this Item 2.
- (d) The registrant has not, during the period covered by this report, granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this Item 2.
- (e) Not Applicable.
- (f) The code of ethics is included on the registrant's website at: [www.agmfunds.com](http://www.agmfunds.com)

**Item 3. Audit Committee Financial Expert.**

The registrant's board of directors has determined that Glenn A. Marchak and Todd J. Slotkin are qualified to serve as audit committee financial experts serving on its audit committee and that they are independent, as defined in Item 3 of Form N-CSR.

**Item 4. Principal Accountant Fees and Services.**

Audit Fees

- (a) The aggregate fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal years ended December 31, 2014 and December 31, 2015 were \$190,000 and \$190,000, respectively.

Audit-Related Fees

- (b) The aggregate fees billed in the fiscal years ended December 31, 2014 and December 31, 2015 for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item were \$0 and \$0, respectively. The aggregate audit-related fees billed in the fiscal years ended December 31, 2014 and December 31, 2015 to Service Affiliates (as defined below) were \$0 and \$0, respectively.

Tax Fees

- (c) The aggregate fees billed in the fiscal years ended December 31, 2014 and December 31, 2015 for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning were \$7,420 and \$7,420, respectively. Tax fees are for tax services related to reviews of returns and various tax matters. The aggregate tax fees billed in the fiscal years ended December 31, 2014 and December 31, 2015 to Service Affiliates were \$0 and \$0, respectively.

All Other Fees

- (d) The aggregate fees billed in the fiscal years ended December 31, 2014 and December 31, 2015 for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item were \$0 and \$0, respectively. The aggregate such all other fees billed in the fiscal years ended December 31, 2014 and December 31, 2015 to Service Affiliates were \$0 and \$0, respectively.
- (e)(1) All services to be performed for the registrant and all services to be performed for the registrant's investment adviser or any entity controlling, controlled by or under common control with the adviser that provides ongoing services to the registrant ( Service Affiliates ), if the engagement relates directly to the operations and financial reporting of the registrant, by the registrant's principal accountant must be pre-approved by the registrant's audit committee.
- (e)(2) No services described in paragraphs (b) through (d) of this Item were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.
- (f) Not applicable.
- (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant and to Service Affiliates for the fiscal years ended December 31, 2014 and December 31, 2015 were \$7,420 and \$7,420, respectively.
- (h) Not applicable.



**Item 5. Audit Committee of Listed Registrants.**

- (a) The registrant has a separately designated audit committee consisting solely of independent directors of the registrant. The members of the audit committee are: Glenn N. Marchak (Chairman), Carl J. Rickertsen, Todd J. Slotkin and Elliot Stein, Jr.
  
- (b) Not applicable.

**Item 6. Investments.**

- (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this Form.
  
- (b) Not applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

The Proxy Voting Policies are included in this Item.

## Proxy Voting Policies and Procedures

of

### Apollo Credit Management, LLC

SEC registered advisers that have the authority to vote client proxies (which authority may be implied from a general grant of investment discretion) are required to adopt policies and procedures (i) reasonably designed to ensure that the adviser votes proxies in the best interests of its clients and (ii) that include how the adviser addresses material conflicts that may arise between the adviser's interests and those of its clients. It is expected that, in most cases, Apollo Credit Management, LLC (the adviser) will invest the assets of its clients in securities that do not generally carry voting rights. When a client account does have voting rights in a security, it follows the proxy voting policies and procedures summarized below:

In determining how to vote, officers of the adviser will consult with each other and other investment professionals affiliated with the adviser, taking into account the interests of the adviser's clients and investors as well as any potential conflicts of interest. The adviser will consult with legal counsel to identify potential conflicts of interest. Where a potential conflict of interest exists, the adviser may, if it so elects, resolve it by following the recommendation of a disinterested third party, including by seeking the direction of the independent directors of the client or, in extreme cases, by abstaining from voting. While the adviser may retain an outside service to provide voting recommendations and to assist in analyzing votes, the adviser does not expect to delegate its voting authority to any third party.

An officer of the adviser will keep a written record of how all such proxies are voted. The adviser will retain records of (1) proxy voting policies and procedures, (2) all proxy statements received (or it may rely on proxy statements filed on the SEC's EDGAR system in lieu thereof), (3) all votes cast, (4) investor requests for voting information, and (5) any specific documents prepared or received in connection with a decision on a proxy vote. If it uses an outside service, the adviser may rely on such service to maintain copies of proxy statements and records, so long as such service will provide a copy of such documents promptly upon request.

The adviser's proxy voting policies are not exhaustive and are designed to be responsive to the wide range of issues that may be subject to a proxy vote. In general, the adviser will vote proxies in accordance with these guidelines unless: (1) it has determined otherwise due to the specific and unusual facts and circumstances with respect to a particular vote, (2) the subject matter of the vote is not covered by these guidelines, (3) a material conflict of interest is present, or (4) it is necessary to vote contrary to the general guidelines to maximize shareholder value or the best interests of the adviser's clients. In reviewing proxy issues, the adviser generally uses the following guidelines:

**Elections of Directors:** In general, the adviser will vote in favor of the management-proposed slate of directors. If there is a proxy fight for seats on a portfolio company's board of directors, or the adviser determines that there are other compelling reasons for withholding a vote, it will determine the appropriate vote on the matter. The adviser may withhold votes for directors that fail to act on key issues, such as failure to: (1) implement proposals to declassify a board, (2) implement a majority vote requirement, (3) submit a rights plan to a shareholder vote

or (4) act on tender offers where a majority of shareholders have tendered their shares. Finally, the adviser may withhold votes for directors of non-U.S. issuers where there is insufficient information about the nominees disclosed in the proxy statement or where, in the adviser's discretion, the cost of voting will outweigh the perceived benefit.

**Appointment of Auditors:** The adviser believes that the board of an issuer remains in the best position to choose its independent auditors and the adviser will generally support management's recommendation in this regard.

**Changes in Capital Structure:** Changes in an issuer's charter or by-laws may be required by state or federal regulation. In general, the adviser will cast client votes in accordance with management on such proposals. However, the adviser will consider carefully any proposal regarding a change in corporate structure that is not required by state or federal regulation.

**Corporate Restructurings, Mergers and Acquisitions:** The adviser believes proxy votes dealing with corporate reorganizations are an extension of the investment decision. Accordingly, the adviser will analyze such proposals on a case-by-case basis and vote in accordance with its perception of client interests.

**Proposals Affecting Shareholder Rights:** The adviser generally will vote in favor of proposals that give shareholders a greater voice in the affairs of an issuer and oppose any measure that seeks to limit such rights. However, when analyzing such proposals, the adviser will balance the financial impact of the proposal against any impairment of shareholder rights as well as of a client's investment in the issuer.

**Corporate Governance:** The adviser recognizes the importance of good corporate governance. Accordingly, the adviser generally will favor proposals that promote transparency and accountability within an issuer.

**Anti-Takeover Measures:** The adviser will evaluate, on a case-by-case basis, any proposals regarding anti-takeover measures to determine the measure's likely effect on shareholder value dilution.

**Stock Splits:** The adviser generally will vote with management on stock split matters.

**Limited Liability of Directors:** The adviser generally will vote with management on matters that could adversely affect the limited liability of directors.

**Social and Corporate Responsibility:** The adviser will review proposals related to social, political and environmental issues to determine whether they may adversely affect shareholder value. The adviser may abstain from voting on such proposals where they do not have a readily determinable financial impact on shareholder value.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

(a)(1) As of December 31, 2015, the following individuals have primary responsibility for the day-to-day implementation of the registrant's investment strategy (the Portfolio Managers):

<b>Portfolio Managers</b>	<b>Title</b>	<b>Length of Service</b>	<b>Business Experience for Last 5 Years</b>
Joseph Moroney	President and Senior Portfolio Manager	Joined Apollo in 2008  Portfolio Manager since registrant's inception	Mr. Moroney is head of Apollo Credit Management, LLC's (the Adviser) Global Performing Credit business and is the senior portfolio manager for the registrant. Mr. Moroney joined the Adviser from Aladdin Capital Management where he served as the Senior Managing Director and Senior Portfolio Manager in the Leveraged Loan Group. Mr. Moroney's career spans 20 years, focused in financial advisory and investment management, with experience at various leading financial services firms including Merrill Lynch Investment Managers. Mr. Moroney graduated from Rutgers University with a BS in Ceramic Engineering and holds the Chartered Financial Analyst designation.
Bret Leas	Portfolio Manager	Joined Apollo in 2009  Portfolio Manager since registrant's inception	Mr. Leas is co-head of the Adviser's Structured Credit business and is a portfolio manager for the registrant. Mr. Leas joined the Adviser from Barclays Capital where he was a Director and served in a variety of different roles, most recently as a member of the Credit Structuring Group. From 2000 to 2004 he was an attorney at Weil, Gotshal & Manges LLP in the Structured Finance/Derivatives Group, primarily focusing on asset-backed securities, collateralized debt obligations and credit derivatives. Mr. Leas graduated cum laude from the University of Maryland with a BA in History and received his JD, cum laude, from Georgetown University Law Center.

James Vanek	Portfolio Manager	Joined Apollo in 2008  Portfolio Manager since 2014	Mr. Vanek serves as a portfolio manager of the registrant. Prior to joining the Adviser, Mr. Vanek was an Associate Director, Loan Sales & Trading in the Leveraged Finance Group at Bear Stearns. Mr. Vanek graduated from Duke University with a BS in Economics and a BA in Computer Science and received his MBA from Columbia Business School.
Greg Obenshain	Portfolio Manager	Joined Apollo in 2012  Portfolio Manager since registrant's inception	Mr. Obenshain serves as a portfolio manager of the registrant. Prior to joining the Adviser, Mr. Obenshain was a member of the investment team at Stone Tower Capital responsible for managing high yield bond managed accounts and analyzing and monitoring investments in the energy, utilities and mining sectors. Previously, Mr. Obenshain was a member of the Energy Financial Services group at GE Capital Corporation where he was responsible for evaluating leveraged loan investments in the energy space. Prior thereto, he worked at Braun Consulting as a management consultant. Mr. Obenshain graduated cum laude from Dartmouth College with an AB in History and graduated Beta Gamma Sigma from The Kellogg Graduate School of Management with concentrations in Analytical Finance and Marketing. Mr. Obenshain holds the Chartered Financial Analyst designation.

(a)(2) As of December 31, 2015, the Portfolio Managers listed above are also responsible for the day-to-day management of the following (not including the registrant):

Name of <u>Portfolio Manager</u>	Total No. of Accounts <u>Managed</u>	<u>Total Assets(1)</u>	No. of Accounts where Advisory Fee is Based on <u>Performance</u>	Total Assets in Accounts where Advisory Fee is Based on <u>Performance(2)(3)</u>
<b>Joseph Moroney</b> Registered Investment	1	\$0.413 billion	None	None
Companies: Other Pooled Investment	6	\$0.933 billion	3	\$0.289 billion
Vehicles: Other Accounts:	None	None	None	None
<b>Bret Leas</b> Registered Investment	1	\$0.413 billion	None	None

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Companies:

Other Pooled Investment	8	\$6.318 billion	4	\$0.737 billion
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Vehicles:

Other Accounts:	4	\$0.685 billion	2	\$0.217 billion
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**James Vanek**

Registered Investment	1	\$0.413 billion	None	None
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Companies:

Other Pooled Investment	7	\$7.450 billion	4	\$6.915 billion
Vehicles:				
Other Accounts:	7	\$1.573 billion	None	None
<b>Greg Obenshain</b>				
Registered Investment	None	None	None	None
Companies:				
Other Pooled Investment	2	\$0.679 billion	2	\$0.186 billion
Vehicles:				
Other Accounts:	3	\$0.939 billion	None	None

- (1) Total assets represent assets under management as defined by Apollo Global Management, LLC, which includes unfunded commitments.
- (2) Represent the assets under management of the accounts managed that generate incremental fees in addition to advisory fees.
- (3) Joseph Moroney is responsible for the oversight of the Global Performing Credit business which had AUM of \$31.1 billion as of December 31, 2015. The disclosures above only reflect those accounts where the Portfolio Managers have direct day to day responsibilities for oversight of the funds.

### Potential Conflicts of Interests

Actual or apparent conflicts of interest may arise when a Portfolio Manager has day-to-day management responsibilities with respect to more than one fund or other account.

Certain inherent conflicts of interest arise from the fact that the Portfolio Managers, the Adviser and its affiliates ( Apollo ) provide investment management services both to the registrant and the other Apollo-advised funds, including other funds, client accounts, proprietary accounts and any other investment vehicles that the Adviser and its affiliates may establish from time to time, in which the registrant will not have an interest. The Portfolio Managers, the Adviser and its affiliates may give advice and recommend securities to the other Apollo-advised funds that may differ from advice given to, or securities recommended or bought for, the registrant, even though their investment objectives may be the same or similar to those of the registrant.

The Adviser will seek to manage potential conflicts of interest in good faith; nonetheless, the portfolio strategies employed by the Portfolio Managers, the Adviser and its affiliates in managing the other Apollo-advised funds could conflict with the transactions and strategies employed by the Portfolio Managers in managing the registrant and may affect the prices and availability of the securities and instruments in which the registrant invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the registrant and the other Apollo-advised funds. It is the policy of the Adviser to generally share appropriate investment opportunities (and sale opportunities) with the other Apollo-advised funds to the extent consistent with applicable legal requirements. In general, this policy will result in such opportunities being allocated pro rata among the registrant and the other Apollo-advised funds. Nevertheless, investment and/or opportunities may be allocated other than on a pro rata basis, to the extent it is done in good faith and does not, or is not reasonably expected to, result in an improper disadvantage or advantage to one participating Apollo-advised fund as compared to another participating Apollo-advised fund.



In the event investment opportunities are allocated among the registrant and the other Apollo-advised funds, the registrant may not be able to structure its investment portfolio in the manner desired. Although the Adviser endeavors to allocate investment opportunities in a fair and equitable manner, it is possible that the registrant may not be given the opportunity to participate in certain investments made by the other Apollo-advised funds or portfolio managers affiliated with the Adviser. Furthermore, the registrant and the other Apollo-advised funds may make investments in securities where the prevailing trading activity may make impossible the receipt of the same price or execution on the entire volume of securities purchased or sold by the registrant and the other Apollo-advised funds. When this occurs, the various prices may be averaged, and the registrant will be charged or credited with the average price. Thus, the effect of the aggregation may operate on some occasions to the disadvantage of the registrant. In addition, under certain circumstances, the registrant may not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order.

It is possible that other Apollo-advised funds may make investments in the same or similar securities at different times and on different terms than the registrant. From time to time, the registrant and the other Apollo-advised funds may make investments at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. Conflicts may also arise because portfolio decisions regarding the registrant may benefit the other Apollo-advised funds. For example, the sale of a long position or establishment of a short position by the registrant may impair the price of the same security sold short by (and therefore benefit) one or more Apollo-advised funds, and the purchase of a security or covering of a short position in a security by the registrant may increase the price of the same security held by (and therefore benefit) one or more Apollo-advised funds.

While these conflicts cannot be eliminated, the Adviser, when consistent with fund objectives, guidelines and other fiduciary considerations and when practicable, the registrant and the other Apollo-advised funds may hold investments in the same levels of an issuer's capital structure in the same proportion at each level.

Although the professional staff of the Adviser will devote as much time to the management of the registrant as the Adviser deems appropriate to perform its obligations, the professional staff of the Adviser may have conflicts in allocating its time and services among the registrant and the Adviser's other investment vehicles and accounts. The Adviser and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the registrant and/or may involve substantial time and resources of the Adviser and its professional staff. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Adviser and their officers and employees will not be devoted exclusively to the business of the registrant but will be allocated between the business of the registrant and the management of the monies of other clients of the Adviser.

A conflict of interest may arise where the financial or other benefits available to a Portfolio Manager differ among the accounts that he manages. If the structure of the Adviser's (or its affiliates') management fee or the Portfolio Manager's compensation differs among accounts (such as where certain accounts pay higher management fees or performance based management fees), the Portfolio Managers may be motivated to favor accounts in which they have investment interests, or in which the Adviser or its affiliates have investment interests. Similarly, the desire to maintain assets under management or to enhance a Portfolio Manager's performance record or to derive other rewards, financial or otherwise, could influence the Portfolio Manager in affording preferential treatment to those accounts that could most significantly benefit the Portfolio Manager. For example, as reflected above, if a Portfolio Manager manages accounts that have performance fee arrangements, certain portions of his compensation will depend on the achievement of performance milestones on those accounts. The Portfolio Manager could be incented to afford preferential treatment to those accounts and thereby be subject to a potential conflict of interest.

The registrant and the Adviser have adopted compliance policies and procedures that are reasonably designed to address the various conflicts of interest that may arise for the Adviser and its staff members. However, there is no guarantee that such policies and procedures will be able to detect and prevent every situation in which an actual or potential conflict may arise.

**(a)(3) Compensation Structure of Portfolio Manager(s) or Management Team Members**

The Adviser's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include base compensation and discretionary compensation.

Base Compensation. Generally, portfolio managers receive an annual salary that is consistent with the market rate of annual salaries paid to similarly situated investment professionals.

**Discretionary Compensation.** Portfolio managers also receive discretionary compensation generally consisting of two components: an annual bonus and carried interest.

**Annual Bonus.** Generally, a portfolio manager receives an annual bonus based on such person's individual performance, operational performance for the Apollo-advised funds for which such person serves, and such portfolio manager's impact on the overall operating performance and potential to contribute to long-term value and growth. A portion of each annual bonus may be deferred and, at the discretion of Apollo, may be in the form of cash or equity of an Apollo entity, such as restricted stock units of Apollo Global Management, LLC.

**Carried Interest.** Generally, a portfolio manager receives carried interests with respect to the Apollo-advised funds for which such person serves as a portfolio manager, subject to standard terms and conditions, including vesting.

**(a)(4) Disclosure of Securities Ownership**

The dollar range of common stock of the registrant beneficially owned by each Portfolio Manager as of December 31, 2015 was as follows:

Name of Portfolio Manager	Dollar (\$) Range of Common Stock Beneficially Owned
Joseph Moroney	\$50,001 - \$100,000
Bret Leas	\$50,001 - \$100,000
James Vanek	\$50,001 - \$100,000
Greg Obenshain	\$50,001 - \$100,000

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

None in the reporting period.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's board of directors implemented since the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

**Item 11. Controls and Procedures.**

(a)

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The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act ) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits.**

- (a)(1) Not applicable.
- (a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (a)(3) Not applicable.
- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Apollo Tactical Income Fund Inc.

By (Signature and Title) /s/ Joseph Moroney  
Joseph Moroney, President  
  
(principal executive officer)

Date 2/25/16

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Joseph Moroney  
Joseph Moroney, President  
  
(principal executive officer)

Date 2/25/16

By (Signature and Title) /s/ Frank Marra  
Frank Marra, Treasurer and Chief  
  
Financial Officer  
  
(principal financial officer)

Date 2/25/16