

APOLLO INVESTMENT CORP

Form 10-Q

November 05, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarter Ended September 30, 2015

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 814-00646

APOLLO INVESTMENT CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

52-2439556

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

9 West 57th Street

37th Floor

10019

New York, N.Y.

(Address of principal executive office)

(Zip Code)

(212) 515-3450

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's Common Stock, \$.001 par value, outstanding as of November 5, 2015 was 233,400,951.

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 FORM 10-Q
 FOR THE QUARTER ENDED SEPTEMBER 30, 2015
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PART I. FINANCIAL INFORMATION

In this Quarterly Report, “Apollo Investment”, the “Company”, “AIC”, “we”, “us” and “our” refer to Apollo Investment Corporation unless the context otherwise states.

Item 1. Financial Statements

APOLLO INVESTMENT CORPORATION
STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except share and per share data)

	September 30, 2015 (unaudited)	March 31, 2015
Assets		
Non-controlled/non-affiliated investments (cost — \$2,399,503 and \$2,514,328, respectively)	\$2,198,354	\$2,357,042
Non-controlled/affiliated investments (cost — \$372,477 and \$297,948, respectively)	430,480	327,218
Controlled investments (cost — \$539,194 and \$674,299, respectively)	565,215	665,567
Total investments, at fair value (cost — \$3,311,174 and \$3,486,575, respectively) (Note 5)	3,194,049	3,349,827
Cash	11,418	3,766
Foreign currencies (cost — \$1,099 and \$4,856, respectively)	1,098	4,651
Receivable for investments sold	19,045	114,884
Interest receivable	29,131	43,312
Dividends receivable	12,640	5,425
Deferred financing costs	31,531	29,743
Prepaid expenses and other assets	3,943	9,283
Total Assets	\$3,302,855	\$3,560,891
Liabilities		
Debt (Note 6)	\$1,370,163	\$1,498,759
Payable for investments purchased	396	10,736
Dividends payable	46,851	47,348
Management and performance-based incentive fees payable (Note 3)	29,557	37,361
Interest payable	15,745	15,851
Accrued administrative services expense	1,631	2,000
Other liabilities and accrued expenses	11,652	11,228
Total Liabilities	\$1,475,995	\$1,623,283
Net Assets		
Common stock, par value \$.001 per share, 400,000,000 common shares authorized, 233,400,951 and 236,741,351 issued and outstanding, respectively	\$233	\$237
Paid-in capital in excess of par	3,176,526	3,197,715
Over-distributed net investment income	(29,240)	(35,589)
Accumulated net realized loss	(1,213,600)	(1,102,517)
Net unrealized loss	(107,059)	(122,238)
Total Net Assets	\$1,826,860	\$1,937,608
Total Liabilities and Net Assets	\$3,302,855	\$3,560,891

Net asset value per share (Note 9)	\$7.83	\$8.18
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See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
 STATEMENTS OF OPERATIONS (unaudited)
 (in thousands, except per share data)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2015	2014	2015	2014
Investment Income				
From non-controlled/non-affiliated investments:				
Interest	\$70,255	\$96,146	\$143,829	\$178,693
Dividends	911	1,275	1,787	2,116
Other income	2,828	4,038	6,145	6,294
From non-controlled/affiliated investments:				
Interest	224	971	451	3,196
Dividends	9,503	4,128	18,670	8,074
Other income	70	44	227	87
From controlled investments:				
Interest	10,629	10,104	21,183	18,955
Dividends	4,000	1,891	7,731	3,699
Other income	—	313	63	376
Total Investment Income	\$98,420	\$118,910	\$200,086	\$221,490
Expenses				
Management fees (Note 3)	\$16,727	\$18,878	\$34,079	\$36,989
Performance-based incentive fees (Note 3)	10,774	15,393	22,641	27,860
Interest and other debt expenses	21,764	18,946	44,200	37,848
Administrative services expense	1,650	1,525	3,083	2,958
Other general and administrative expenses	2,725	2,617	4,889	4,904
Total Expenses	\$53,640	\$57,359	\$108,892	\$110,559
Management and performance-based incentive fees waived (Note 3)	(4,722)	) (4,041)	) (9,237)	) (8,193)
Expense reimbursements (Note 3)	(59)	) (96)	) (117)	) (116)
Net Expenses	\$48,859	\$53,222	\$99,538	\$102,250
Net Investment Income	\$49,561	\$65,688	\$100,548	\$119,240
Realized and Unrealized Gain (Loss) on Investments and Foreign Currencies				
Net realized gain (loss):				
Investments				
Non-controlled/non-affiliated investments	\$(34,124)	) \$(173)	) \$(76,785)	) \$(11,889)
Non-controlled/affiliated investments	—	11,633	(67)	11,526
Controlled investments	3,148	—	(39,714)	—
Foreign currencies	819	134	5,483	(1,376)
Net realized gain (loss) on investments and foreign currencies	\$(30,157)) \$11,594) \$(111,083)) \$(1,739)

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
 STATEMENTS OF OPERATIONS (unaudited) (continued)
 (in thousands, except per share amounts)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2015	2014	2015	2014
Net change in unrealized gain (loss):				
Investments				
Non-controlled/non-affiliated investments	\$(48,094)	\$(51,169)	\$(43,863)	\$(48,574)
Non-controlled/affiliated investments	12,916	(1,961)	28,733	8,869
Controlled investments	7,980	10,700	34,753	22,080
Foreign currencies	6,047	7,115	(4,444)	6,727
Net change in unrealized gain (loss) on investments and foreign currencies	\$(21,151)	\$(35,315)	\$15,179	\$(10,898)
Net realized and net change in unrealized loss on investments and foreign currencies	(51,308)	(23,721)	(95,904)	(12,637)
Net Increase (Decrease) In Net Assets Resulting From Operations	\$(1,747)	\$41,967	\$4,644	\$106,603
Earnings (Loss) Per Share — Basic (Note 4)	\$(0.01)	\$0.18	\$0.02	\$0.45
Earnings (Loss) Per Share — Diluted (Note 4)	\$(0.01)	\$0.18	\$0.02	\$0.44

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
 STATEMENTS OF CHANGES IN NET ASSETS
 (in thousands, except shares)

	Six Months Ended September 30, 2015 (unaudited)	Year ended March 31, 2015	
Net Increase in Net Assets Resulting From Operations			
Net investment income	\$100,548	\$227,973	
Net realized loss on investments and foreign currencies	(111,083	) (13,368)
Net change in unrealized gain (loss) on investments and foreign currencies	15,179	(139,183)
Net Increase In Net Assets Resulting From Operations	\$4,644	\$75,422	
Distributions To Shareholders			
Distribution of net investment income	\$(94,199	) \$(165,626)
Distribution of return of capital	—	(23,767)
Net Decrease In Net Assets Resulting From Distributions To Shareholders	\$(94,199	) \$(189,393)
Capital Share Transactions			
Offering costs from issuance of common stock	\$—	\$(32)
Repurchase of common stock	(21,193) —	
Net Decrease In Net Assets From Capital Share Transactions	\$(21,193	) \$(32)
Total Decrease in Net Assets	\$(110,748	) \$(114,003)
Net Assets at Beginning of Period	1,937,608	2,051,611	
Net Assets at End of Period	\$1,826,860	\$1,937,608	
Capital Share Activity			
Shares Repurchased	3,340,400	—	

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
 STATEMENTS OF CASH FLOWS (unaudited)
 (in thousands)

	Six months ended September	
	30,	2014
	2015	2014
Cash Flows from Operating Activities		
Net increase in net assets resulting from operations	\$4,644	\$ 106,603
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Paid-in-kind (“PIK”) interest and dividends (Note 5)	(21,732	) (17,058)
Net amortization on investments	(3,521	) (4,742)
Accretion of discount on notes	300	—
Amortization of deferred financing costs	3,788	3,315
Increase (decrease) from foreign currency transactions	6,129	(1,953)
Net change in unrealized (gain) loss on investments and foreign currencies	(15,179	) 10,898
Net realized loss on investments and foreign currencies	111,083	1,739
Changes in operating assets and liabilities:		
Purchase of investments	(726,206	) (1,264,949)
Proceeds from disposition of investments	895,793	1,033,304
Decrease in interest receivable	14,181	4,821
Decrease (increase) in dividends receivable	(7,215	) 123
Increase in deferred financing costs	—	(225)
Decrease (increase) in prepaid expenses and other assets	5,340	(736)
Increase (decrease) in management and performance-based incentive fees payable	(7,804	) 7,263
Increase (decrease) in interest payable	(106	) 386
Decrease in accrued administrative services expense	(369	) (217)
Increase in other liabilities and accrued expenses	424	1,034
Net Cash (Used in) Provided by Operating Activities	\$259,550	\$(120,394)
Cash Flows From Financing Activities		
Offering costs for the issuance of common stock	\$—	\$(26)
Repurchase of common stock	(21,193) —
Dividends paid in cash	(94,697	) (94,697)
Proceeds from debt	1,011,973	1,759,696
Payments on debt	(1,146,162	) (1,547,163)
Deferred financing costs paid	(5,576	) (391)
Net Cash (Used In) Provided by Financing Activities	\$(255,655	) \$117,419
Net Increase (Decrease) In Cash	\$3,895	\$(2,975)
Effect of exchange rates on cash balances	204	(79)
Cash at the Beginning of Period	8,417	14,736
Cash at the End of Period	\$12,516	\$11,682
Supplemental Disclosure of Cash Flow Information		
Cash interest paid	\$38,480	\$33,091
Non-Cash Financing Activities		
PIK income (Note 5)	\$16,328	\$14,625
Non-cash re-organizations/restructuring of investments	\$134,089	\$16,141

See notes to financial statements.

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SCHEDULE OF INVESTMENTS (unaudited)

September 30, 2015

(in thousands except share data)

INVESTMENTS IN NON-CONTROLLED/NON-AFFILIATED INVESTMENTS—120.3%(10) CORPORATE DEBT—106.8% SECURED DEBT—90.6% 1ST LIEN SECURED DEBT—39.0%	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12)	Cost (12)	Fair Value (1)
1st Lien Secured Debt (excluding Revolvers and Letters of Credit)—38.9%	10.500%					
Aventine Renewable Energy Holdings, Inc.	Cash (15.000% PIK Toggle)	9/22/17	Chemicals, Plastics & Rubber	\$ 16,339	\$ 18,192	\$ 16,252
Aveta, Inc.	9.750% (3M L+825, 1.50% Floor)	12/12/17	Healthcare & Pharmaceuticals	51,315	50,538	38,144
Caza Petroleum Inc.	12.000% (12M L+1000, 2.00% Floor)	5/23/17	Energy – Oil & Gas	45,000	44,202	42,666
ChyronHego Corporation (18)	6.625% (3M L+563, 1.00% Floor)	3/9/20	High Tech Industries	32,638	32,032	31,985
CITGO Holding, Inc. (11)	9.500% (3M L+850, 1.00% Floor)	5/12/18	Utilities - Oil and Gas	16,737	15,899	16,497
Deep Gulf Energy II, LLC (23)	14.500% (14.500% or 6M L+1300, 1.50% Floor)	9/30/18	Energy – Oil & Gas	50,000	50,000	48,000
Delta Educational Systems, Inc.	16.000% PIK	12/11/16	Education	6,008	6,008	6,008
Dodge Data & Analytics LLC	9.750% (3M L+875, 1.00% Floor)	10/31/19	Business Services	53,902	52,986	52,419
Emergency Communications Network, LLC (18)	8.000% (3M L+700, 1.00% Floor)	6/12/21	High Tech Industries	22,444	22,121	22,107
Hunt Companies, Inc. (11)	9.625%	3/1/21		19,008	18,812	17,677

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			Diversified Investment Vehicles, Banking, Finance, Real Estate			
Magnetation, LLC (16)	12.000% PIK	12/7/15	Metals & Mining	12,673	12,673	12,267
Magnetation, LLC (11)(13)(14)(16)	11.000%	5/15/18	Metals & Mining	32,632	33,927	6,119
Maxus Capital Carbon SPE I, LLC (Skyonic Corp.)	13.000%	9/18/19	Chemicals, Plastics & Rubber	66,765	66,765	66,765
My Alarm Center, LLC (16)	9.000% (12M L+800, 1.00% Floor)	1/9/18	Business Services	42,614	42,614	42,614
My Alarm Center, LLC (16)(23)	9.000% (12M L+800 Funded, 0.350% Unfunded, 1.00% Floor)	1/9/18	Business Services	12,789	12,789	12,789
My Alarm Center, LLC (16)(23)	9.000% (3M L+800 Funded, 0.350% Unfunded, 1.00% Floor)	1/9/18	Business Services	3,868	3,868	3,868
Osage Exploration & Development, Inc. (11)(17)	13.000% (12M L+1100, 2.00% Floor)	4/27/16	Energy – Oil & Gas	25,000	24,856	14,465
Pelican Energy, LLC (17)	10.000% (7.000% Cash / 3.000% PIK)	12/31/18	Energy – Oil & Gas	28,098	27,256	24,782

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN

NON-CONTROLLED/NON-AFFILIATED

INVESTMENTS—120.3%(10)

1st Lien Secured Debt (excluding Revolvers and Letters of Credit)—38.9% (continued)

	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12)	Cost	Fair Value (1)
	9.750%					
	(12M L+875, 1.00% Floor)	3/30/21	High Tech Industries	\$ 9,975	\$9,975	\$9,825
Saba Software, Inc. (18)						
	9.250%	8/22/19	Business Services	C\$33,000	29,603	24,368
SCM Insurance Services, Inc. (17)						
	19.000% (13.000% Cash / 6.000% PIK)	9/12/16	Energy – Oil & Gas	83,106	83,106	79,574
Spotted Hawk Development, LLC						
	7.430% (3M L+643, 1.00% Floor)	1/15/20	High Tech Industries	32,094	32,094	31,372
Telestream Holdings Corporation (18)						
	9.500% (3M L+750, 1.00% Floor)	1/13/19	Telecommunications	19,501	19,501	19,501
UniTek Global Services Inc. (16)						
	8.500% (3M L+750, 1.00% Floor)	1/13/19	Telecommunications	32,367	32,367	30,748
UniTek Global Services Inc. (16)						
	12.000%	2/28/19	Energy – Oil & Gas	40,517	40,517	39,301
Venoco, Inc.						
Total 1st Lien Secured Debt (excluding Revolvers and Letters of Credit)					\$782,701	\$710,113
Funded and Unfunded Revolver Obligations—0.1%						
Alliant Holdings, (Unfunded Revolver) (8)(21)(23)	0.500% Unfunded	8/14/20	Insurance	\$ 15,000	\$(1,575)	\$(1,575)
	2.933% (12M L+275, 0.190% Floor)	10/26/16	Telecommunications	3,303	3,106	3,138
Avaya Inc., (Revolver) (23)						
	0.625% Unfunded	1/27/17	Diversified Investment Vehicles,	25,000	(11)	(750)
CIT Group, Inc., (Unfunded Revolver) (8)(17)(21)(23)						

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Banking, Finance,
Real Estate

	4.672%						
	(3M						
	L+450,						
	0.17%						
	Floor) /						
Confie Seguros Holding II Co., (Revolver)	6.750%	12/10/18	Insurance	1,800	1,800	1,611	
(16)(23)	(3M						
	P+350,						
	3.25%						
	Floor)						
	Funded						
Confie Seguros Holding II Co., (Unfunded	0.500%	12/10/18	Insurance	1,864	(294	) (196)
Revolver) (8)(16)(21)	Unfunded						
	9.000%						
	(3M						
My Alarm Center, LLC, (Revolver)	L+800,	1/9/18	Business Services	833	833	833	
(16)(23)	1.00%						
	Floor)						
My Alarm Center, LLC, (Unfunded	0.350%	1/9/18	Business Services	5,417	—	—	
Revolver) (16)(21)(23)	Unfunded						
Tibco Software Inc., (Unfunded Revolver)	0.500%	12/5/19	High Tech	6,000	(50	) (450)
(8)(21)(23)	Unfunded		Industries				
			Diversified				
Transfirst Holdings, Inc., (Unfunded	0.500%	11/12/19	Investment Vehicles,	2,943	(12	) (88)
Revolver) (8)(16)(21)	Unfunded		Banking, Finance,				
			Real Estate				
UniTek Global Services Inc., (Unfunded	0.500%	1/13/19	Telecommunications	5,000	—	—	
Revolver) (16)(21)	Unfunded						
Total Funded and Unfunded Revolver Obligations					\$3,797	\$2,523	

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN

NON-CONTROLLED/NON-AFFILIATED
INVESTMENTS—120.3%(10)

	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12)	Cost	Fair Value (1)
Letters of Credit—0.0%						
Confie Seguros Holding II Co., Letter of Credit (8)(16)(23)	4.500%	6/29/16	Insurance	\$500	\$—	\$(53)
Confie Seguros Holding II Co., Letter of Credit (8)(16)(23)	4.500%	1/13/16	Insurance	336	—	(35)
Transfirst Holdings, Inc., Letter of Credit (8)(16)(23)	3.750%	11/12/19	Diversified Investment Vehicles, Banking, Finance, Real Estate	57	—	(2)
UniTek Global Services Inc., Letter of Credit (16)(23)	7.500%	1/13/19	Telecommunications	15,711	—	—
UniTek Global Services Inc., Letter of Credit (16)(23)	7.500%	1/13/19	Telecommunications	1,850	—	—
Total Letters of Credit					\$—	\$(90)
TOTAL 1ST LEIN SECURED DEBT					\$786,498	\$712,546
2nd Lien Secured Debt—51.6%						
	9.750%					
	(3M					
Access CIG, LLC	L+875, 1.00%	10/17/22	Business Services	\$35,755	\$34,096	\$34,861
	Floor)					
	9.500%					
	(3M					
Active Network, Inc.	L+850, 1.00%	11/15/21	Business Services	19,672	19,591	18,615
	Floor)					
American Energy - Woodford LLC/AEW Finance Corp (11)	12.000%	12/30/20	Energy – Oil & Gas	3,500	2,409	1,199
	9.250%					
	(3M					
Appriss Holdings, Inc.	L+825, 1.00%	5/21/21	Business Services	32,750	32,299	32,750
	Floor)					
	10.250%					
	(3M					
Armor Holdings, Inc. (American Stock Transfer and Trust Company)	L+900, 1.25%	12/26/20	Diversified Investment Vehicles, Banking, Finance, Real Estate	8,000	7,876	7,930
	Floor)					
Asurion Corporation	8.500%	3/3/21	Insurance	67,590	67,301	61,507
	(3M					

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	L+750, 1.00% Floor) 9.500% (3M					
1A Smart Start, LLC	L+850, 1.00% Floor) 10.250% (3M	8/19/22	Consumer Services	35,000	34,308	34,300
Confie Seguros Holding II Co.	L+900, 1.25% Floor) 35.000% PIK	5/8/19	Insurance	22,344	22,236	22,288
Delta Educational Systems, Inc.	9.500% (3M	6/10/18	Education	1,083	1,083	1,603
Deltek, Inc.	L+850, 1.00% Floor) 11.750% (3M	6/26/23	Business Services	33,736	33,243	33,841
Elements Behavioral Health, Inc.	L+875 Cash / 2.000% PIK, 1.00% Floor) 11.000%	2/11/20	Healthcare & Pharmaceuticals	9,500	9,426	9,443
Extraction Oil & Gas Holdings, LLC	& 10.000% 7.750% (3M	5/29/19	Energy – Oil & Gas	52,633	52,000	52,264
Garden Fresh Restaurant Corp. (16)	L+625 PIK, 1.50% Floor) 15.000% (12M	1/1/19	Hotel, Gaming, Leisure, Restaurants	8,585	7,034	6,267
Garden Fresh Restaurant Corp. (16)	L+1350 PIK, 1.50% Floor)	1/1/19	Hotel, Gaming, Leisure, Restaurants	43,037	41,367	38,303

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
 SCHEDULE OF INVESTMENTS (unaudited) (continued)
 September 30, 2015

(in thousands, except share data)

INVESTMENTS IN NON-CONTROLLED/NON-AFFILIATED INVESTMENTS—120.3%(10) 2nd Lien Secured Debt—51.6% (continued)	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12)	Cost	Fair Value (1)
GCA Services Group, Inc.	9.250% (3M L+800, 1.25% Floor)	11/2/20	Business Services	\$ 19,333	\$19,464	\$19,333
Grocery Outlet, Inc.	9.250% (3M L+825, 1.00% Floor)	10/21/22	Food & Grocery	28,000	27,614	27,930
GTCR Valor Companies, Inc.	9.500% (3M L+850, 1.00% Floor)	11/30/21	Business Services	35,000	34,685	34,475
Infiltrator Systems Integrated, LLC	9.750% (3M L+875, 1.00% Floor)	5/26/23	Manufacturing, Capital Equipment	13,889	13,619	13,819
Institutional Shareholder Services, Inc.	8.500% (3M L+750, 1.00% Floor)	4/30/22	Business Services	6,640	6,582	6,408
Kronos, Inc.	9.750% (3M L+850, 1.25% Floor)	4/30/20	Business Services	4,525	4,502	4,621
MediaOcean, LLC	9.500% (3M L+850, 1.00% Floor)	8/15/23	Business Services	18,000	17,468	18,000
Miller Energy Resources, Inc. (17)(14)	14.750% (3M L+1075 Cash / 2.000% PIK,	2/3/18	Energy – Oil & Gas	88,568	88,568	62,978

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	2.000% Floor)					
	8.500% (3M					
MSC Software Corp. (17)	L+750, 1.00% Floor)	5/31/21	High Tech Industries	13,448	13,333	13,078
	9.750% (3M					
Novolex Holdings, Inc.	L+875, 1.00% Floor)	6/5/22	Containers, Packaging & Glass	42,045	41,065	41,782
	9.250% (3M					
Pabst Brewing Company	L+825, 1.00% Floor)	11/14/22	Consumer Goods – Durable	27,000	26,687	26,663
	10.000% (3M					
Premier Trailer Leasing, Inc.	L+900, 1.00% Floor)	9/24/20	Transportation – Cargo, Distribution	52,000	51,098	53,040
River Cree Enterprises LP (11)(17)	11.000%	1/20/21	Hotel, Gaming, Leisure, Restaurants	C\$23,000	21,683	17,198
SiTV, Inc. (11)	10.375% 9.250% (3M	7/1/19	Broadcasting & Subscription	2,219	2,219	1,642
SMG	L+825, 1.00% Floor)	2/27/21	Hotel, Gaming, Leisure, Restaurants	19,900	19,900	20,000
	11.250% (3M					
Sprint Industrial Holdings, LLC	L+1000, 1.25% Floor)	11/14/19	Containers, Packaging & Glass	16,163	15,431	12,688
SquareTwo Financial Corp. (Collect America, Ltd.) (17)	11.625%	4/1/17	Diversified Investment Vehicles, Banking, Finance, Real Estate	65,152	64,516	40,720
	10.250% (3M					
STG-Fairway Acquisitions, Inc.	L+925, 1.00% Floor)	6/26/23	Business Services	15,000	14,633	14,700
TASC, Inc.	12.000%	5/21/21	Aerospace & Defense	21,815	21,072	22,197
TMK Hawk Parent, Corp.		10/1/22		34,000	33,692	34,170

8.500%
(3M
L+750,
1.00%
Floor)

Transportation –
Cargo,
Distribution

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN

NON-CONTROLLED/NON-AFFILIATED

INVESTMENTS—120.3%(10)

2nd Lien Secured Debt—51.6% (continued)

	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount (12)	Cost	Fair Value (1)
Transfirst Holdings, Inc.	9.000% (3M L+800, 1.00% Floor)	11/11/22	Diversified Investment Vehicles, Banking, Finance, Real Estate	\$21,840	\$21,674	\$21,663
Velocity Technology Solutions, Inc.	9.000% (3M L+775, 1.25% Floor)	9/28/20	Business Services	16,500	16,230	16,005
Venoco, Inc.	8.875% Cash (12.000% PIK Toggle) 9.750% (3M	2/28/19	Energy – Oil & Gas	35,843	46,020	28,029
Vertafore, Inc.	L+825, 1.50% Floor)	10/27/17	Business Services	36,436	36,320	36,755
Total 2nd Lien Secured Debt					\$1,022,344	\$943,065
TOTAL SECURED DEBT					\$1,808,842	\$1,655,611
UNSECURED DEBT—16.2%						
Aerojet Rocketdyne Holdings, Inc. (formerly GenCorp, Inc.) (17)	9.500% (3M L+850, 1.00% Floor)	4/18/22	Aerospace & Defense	\$10,500	\$10,500	\$10,500
American Tire Distributors, Inc. (11)	10.250% 9.500% (3M	3/1/22	Transportation – Cargo, Distribution	24,281	24,281	24,888
Canacol Energy Ltd. (17)(23)	L+850, 1.00% Floor)	12/31/19	Energy – Oil & Gas	75,000	73,256	71,813
Delta Educational Systems, Inc.	16.000% PIK	5/12/17	Education	26,128	25,935	20,314
My Alarm Center, LLC	16.250% (13.000% Cash /	7/9/18	Business Services	4,320	4,320	4,320

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	3.250%					
	PIK)					
Radio One, Inc. (11)	9.250%	2/15/20	Broadcasting & Subscription	15,804	15,717	13,611
	13.000%					
	Cash					
Sorenson Holdings, LLC (11)	(13.000%	10/31/21	Consumer Goods – Durable	68	45	68
	PIK					
	Toggle)					
Tibco Software Inc. (11)	11.375%	12/1/21	High Tech Industries	6,984	6,798	7,001
U.S. Security Associates Holdings, Inc.	11.000%	7/28/18	Business Services	135,000	135,000	136,350
UniTek Global Services Inc.	15.000%	7/13/19	Telecommunications	6,814	6,814	6,814
	PIK					
TOTAL UNSECURED DEBT					\$302,666	\$295,679
TOTAL CORPORATE DEBT					\$2,111,508	\$1,951,290
STRUCTURED PRODUCTS AND OTHER—10.7%						
Asset Repackaging Trust Six B.V. (11)(17)(19)	13.945%	5/18/27	Utilities – Electric	\$58,411	\$25,139	\$33,294
Craft 2013-1, Credit-Linked Note (11)(16)(17)	9.524%	4/17/22	Diversified Investment Vehicles, Banking, Finance, Real Estate	25,000	25,071	24,259
	(3M L+925)					
Craft 2013-1, Credit-Linked Note (16)(17)	9.524%	4/17/22	Diversified Investment Vehicles, Banking, Finance, Real Estate	7,625	7,736	7,402
	(3M L+925)					
Craft 2014-1A, Credit-Linked Note (11)(17)	9.924%	5/15/21	Diversified Investment Vehicles, Banking, Finance, Real Estate	42,500	42,443	41,516
	(3M L+965)					

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN

NON-CONTROLLED/NON-AFFILIATED

INVESTMENTS—120.3%(10)

STRUCTURED PRODUCTS AND OTHER—10.7% (continued)

	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12)	Cost	Fair Value (1)
Craft 2015-2, Credit-Linked Note (11)(17)	9.589% (3M L+925)	1/16/24	Diversified Investment Vehicles, Banking, Finance, Real Estate	\$ 26,000	\$ 26,000	\$ 24,797
Dark Castle Holdings, LLC	35.400%	N/A	Media – Diversified & Production	24,395	1,189	2,270
JP Morgan Chase & Co., Credit-Linked Note (17)	12.531% (12M L+1225)	12/20/21	Diversified Investment Vehicles, Banking, Finance, Real Estate	43,250	41,727	42,506
NXT Capital CLO 2014-1, LLC, Class E Notes (11)(17)	5.777% (3M L+550)	4/23/26	Diversified Investment Vehicles, Banking, Finance, Real Estate	5,000	4,680	4,462
Renaissance Umiat, LLC, ACES Tax Receivable (15)(17)	11.240%- 12.370%	N/A	Energy – Oil & Gas	—	15,296	15,236
TOTAL STRUCTURED PRODUCTS AND OTHER					\$ 189,281	\$ 195,742
PREFERRED EQUITY—1.6%				Shares		
CA Holding, Inc. (Collect America, Ltd.), Series A Preferred Stock (13)(17)	N/A	N/A	Diversified Investment Vehicles, Banking, Finance, Real Estate	32,961	\$ 788	\$—
Crowley Holdings, Series A Preferred Stock (11)	12.000% (10.000% Cash / 2.000% PIK)	N/A	Transportation – Cargo, Distribution	22,500	23,310	23,712
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Preferred Stock (Convertible) (13)(14)	12.500% PIK	N/A	Education	332,500	6,863	—
		5/12/18	Education	12,360	27,685	138

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Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Preferred Stock (13)(14)	13.500% PIK					
Varietal Distribution Holdings, LLC, Class A Preferred Unit	8.000% PIK	N/A	Transportation – Cargo, Distribution	3,097	4,842	4,842
TOTAL PREFERRED EQUITY					\$63,488	\$28,692

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN

NON-CONTROLLED/NON-AFFILIATED
INVESTMENTS—120.3%(10)

EQUITY—1.2%

Common Equity/Interests—1.0%

	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount	Cost (12)	Fair Value (1)
				Shares		
ATD Corporation (Accelerate Parent Corp), Common Stock	N/A	N/A	Transportation – Cargo, Distribution	1,664,045	1,714	\$2,640
CA Holding, Inc. (Collect America, Ltd.), Series A Common Stock (13)(17)	N/A	N/A	Diversified Investment Vehicles, Banking, Finance, Real Estate	25,000	2,500	—
CA Holding, Inc. (Collect America, Ltd.), Series AA Common Stock (13)(17)	N/A	N/A	Diversified Investment Vehicles, Banking, Finance, Real Estate	4,294	429	—
Caza Petroleum Inc., Net Profits Interest (13)	N/A	N/A	Energy – Oil & Gas	—	1,202	—
Caza Petroleum Inc., Overriding Royalty Interest	N/A	N/A	Energy – Oil & Gas	—	339	34
Clothesline Holdings, Inc. (Angelica Corporation), Common Stock (13)	N/A	N/A	Healthcare & Pharmaceuticals	6,000	6,000	1,014
Explorer Coinvest, LLC (Booz Allen), Common Stock (17)	N/A	N/A	Business Services	192	1,468	4,675
Garden Fresh Restaurant Holdings, LLC., Common Stock (13)	N/A	N/A	Hotel, Gaming, Leisure, Restaurants	50,000	5,000	—
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Common Stock (13)	N/A	N/A	Education	17,500	175	—
Pelican Energy, LLC, Net Profits Interest (13)(17)	N/A	N/A	Energy – Oil & Gas	1,098,572	1,099	—
Skyline Data, News and Analytics LLC, Class A Common Unit (13)	N/A	N/A	Business Services	4,500	4,500	4,500
Sorenson Holdings, LLC, Membership Interests (13)	N/A	N/A	Consumer Goods – Durable	587	—	103
Univar, Inc., Common Stock (13)	N/A	N/A	Wholesale	290,015	5,755	5,264
Varietal Distribution Holdings, LLC, Class A Common Unit (13)	N/A	N/A	Transportation – Cargo, Distribution	28,028	28	73
Total Common Equity/Interests					\$30,209	\$18,303

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except warrants)

INVESTMENTS IN

NON-CONTROLLED/NON-AFFILIATED

INVESTMENTS—120.3%(10)

Warrants—0.2%

	Interest Rate (20)	Maturity Date	Industry (9)	Warrants	Cost	Fair Value (1)
CA Holding, Inc. (Collect America, Ltd.), Common Stock Warrants (13)(17)	N/A	N/A	Diversified Investment Vehicles, Banking, Finance, Real Estate	12,255	\$8	\$—
Energy & Exploration Partners, Inc., Common Stock Warrants (13)	N/A	N/A	Energy – Oil & Gas	60,778	2,374	—
Fidji Luxco (BC) S.C.A., Common Stock Warrants (2)(13)(17)	N/A	N/A	High Tech Industries	18,113	182	4,105
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Class A-1 Preferred Stock Warrants (13)	N/A	N/A	Education	45,947	459	—
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Class B-1 Preferred Stock Warrants (13)	N/A	N/A	Education	104,314	1,043	—
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Common Stock Warrants (13)	N/A	N/A	Education	9,820	98	—
Osage Exploration & Development, Inc., Common Stock Warrants (13)(17)	N/A	N/A	Energy – Oil & Gas	1,496,843	—	—
Spotted Hawk Development, LLC, Common Stock Warrants (13)	N/A	N/A	Energy – Oil & Gas	54,545	852	222
Total Warrants					\$5,016	\$4,327
TOTAL EQUITY					\$35,225	\$22,630
Total Investments in Non-Controlled/ Non-Affiliated Investments					\$2,399,503	\$2,198,354

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN NON-CONTROLLED/AFFILIATED INVESTMENTS—23.6%(4)(10) CORPORATE DEBT—0.1% SECURED DEBT—0.1% 1st Lien Secured Debt—0.1%	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12)	Cost	Fair Value (1)
Renewable Funding Group, Inc. (16)	8.000%	6/3/16	Diversified Investment Vehicles, Banking, Finance, Real Estate	\$2,014,941	\$2,015	\$2,383
Total 1st Lien Secured Debt					\$2,015	\$2,383
TOTAL SECURED DEBT					\$2,015	\$2,383
TOTAL CORPORATE DEBT					\$2,015	\$2,383
STRUCTURED PRODUCTS AND OTHER—11.9%						
Golden Bear Warehouse LLC, Equity (3)(17)	N/A	N/A	Diversified Investment Vehicles, Banking, Finance, Real Estate	\$20,741	\$20,741	\$23,268
Golden Hill CLO I, LLC, Equity (3)(17)	N/A	N/A	Diversified Investment Vehicles, Banking, Finance, Real Estate	70,944	70,752	73,072
Highbridge Loan Management 3-2014, Ltd, Subordinated Notes (3)(11)(17)(22)	14.510%	1/18/25	Diversified Investment Vehicles, Banking, Finance, Real Estate	8,163	5,974	5,922
Ivy Hill Middle Market Credit Fund IX, Ltd, Subordinated Notes (3)(11)(17)(22)	16.410%	10/18/25	Diversified Investment Vehicles, Banking, Finance, Real Estate	12,500	10,790	10,448
Ivy Hill Middle Market Credit Fund X, Ltd, Subordinated Notes (3)(11)(17)(22)	13.780%	7/18/27	Diversified Investment Vehicles, Banking,	14,000	12,457	12,154

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Jamestown CLO I LTD, Subordinated Notes (3)(11)(17)(22)	—	11/5/24	Finance, Real Estate Diversified Investment Vehicles, Banking, Finance, Real Estate	4,325	3,261	2,803
MCF CLO I, LLC, Membership Interests (3)(4)(11)(17)(22)	23.740%	4/20/23	Finance, Real Estate Diversified Investment Vehicles, Banking, Finance, Real Estate	38,918	34,035	36,548
MCF CLO III, LLC, Class E Notes (3)(11)(17)	4.725% (3M L+445)	1/20/24	Finance, Real Estate Diversified Investment Vehicles, Banking, Finance, Real Estate	12,750	11,512	10,959
MCF CLO III, LLC, Membership Interests (3)(11)(17)(22)	19.840%	1/20/24	Finance, Real Estate Diversified Investment Vehicles, Banking, Finance, Real Estate	41,900	35,676	37,020
Slater Mill Loan Fund LP, LP Certificates (3)(17)(22)	8.200%	N/A	Finance, Real Estate Diversified Investment Vehicles, Banking, Finance, Real Estate	8,375	5,569	5,529
TOTAL STRUCTURED PRODUCTS AND OTHER					\$210,767	\$217,723
PREFERRED EQUITY—7.2%				Shares		
AMP Solar (UK) Limited, Class A Preference Shares (2)(17)	16.430%	10/31/49	Energy - Electricity	74,429,212	\$114,307	\$112,302

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN

NON-CONTROLLED/AFFILIATED INVESTMENTS—23.6%(4)(10) PREFERRED EQUITY—7.2% (continued)	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12) Shares	Cost	Fair Value (1)
Renewable Funding Group, Inc., Series B Preferred Stock (13)	N/A	N/A	Diversified Investment Vehicles, Banking, Finance, Real Estate	1,505,868	\$8,343	\$19,114
TOTAL PREFERRED EQUITY					\$122,650	\$131,416
EQUITY—4.3%						
Common Equity/Interests—4.3%						
AMP Solar Group, Inc., Class A Common Unit (3)(13)(17)	N/A	N/A	Energy - Electricity	140,688	\$6,000	\$6,000
Generation Brands Holdings, Inc., Basic Common Stock (3)(13)	N/A	N/A	Consumer Goods – Durable	9,007	—	8,264
Generation Brands Holdings, Inc., Series 2L Common Stock (3)(13)	N/A	N/A	Consumer Goods – Durable	36,700	11,242	33,674
Generation Brands Holdings, Inc., Series H Common Stock (3)(13)	N/A	N/A	Consumer Goods – Durable	7,500	2,298	6,881
LVI Group Investments, LLC, Common Units (3)(13)	N/A	N/A	Environmental Industries	212,460	17,505	24,139
Total Common Equity/Interests					\$37,045	\$78,958
TOTAL EQUITY					\$37,045	\$78,958
Total Investments in Non-Controlled/Affiliated Investments					\$372,477	\$430,480

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands, except share data)

INVESTMENTS IN

CONTROLLED

INVESTMENTS—30.9%(5)(10)

CORPORATE DEBT—19.3%

SECURED DEBT—19.3%

Funded and Unfunded Revolver Obligations—19.3%

	Interest Rate (20)	Maturity Date	Industry (9)	Par Amount(12)	Cost	Fair Value (1)
Merx Aviation Finance, LLC, (Revolver) (5)(16)	12.000% Funded	10/31/18	Aviation and Consumer Transport	\$ 352,084	\$352,084	\$352,084
Merx Aviation Finance, LLC, (Unfunded Revolver) (5)(13)(16)	0.000% Unfunded	10/31/18	Aviation and Consumer Transport	47,916	—	—
Total Funded and Unfunded Revolver Obligations					\$352,084	\$352,084
Letters of Credit—0.0%						
Merx Aviation Finance Assets Ireland Limited, Letter of Credit (5)(16)(23)	2.250%	9/30/16	Aviation and Consumer Transport	\$ 1,800	\$—	\$—
Merx Aviation Finance Assets Ireland Limited, Letter of Credit (5)(16)(23)	2.250%	9/30/16	Aviation and Consumer Transport	1,800	—	—
Merx Aviation Finance, LLC, Letter of Credit (5)(16)(23)	2.250%	7/13/16	Aviation and Consumer Transport	177	—	—
Total Letters of Credit					\$—	\$—
TOTAL SECURED DEBT					\$352,084	\$352,084
TOTAL CORPORATE DEBT					\$352,084	\$352,084
EQUITY—11.7%						
Common Equity/Interests—11.7%						
Dynamic Product Tankers (Prime), LLC, Class A Units (5)(17)(24)	N/A	N/A	Transportation – Cargo, Distribution	—	\$38,756	\$38,756
Merx Aviation Finance, LLC, Membership Interests (5)(13)	N/A	N/A	Aviation and Consumer Transport	—	82,354	108,375
MSEA Tankers LLC, Class A Units (5)(17)(25)	N/A	N/A	Transportation – Cargo, Distribution	—	66,000	66,000
Total Common Equity/Interests					\$187,110	\$213,131
TOTAL EQUITY					\$187,110	\$213,131
Total Investments in Controlled Investments					\$539,194	\$565,215
Total Investments—174.8% (6)(7)					\$3,311,174	\$3,194,049
Liabilities in Excess of Other Assets—(74.8)%						\$(1,367,189)
Net Assets—100.0%						\$1,826,860

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

September 30, 2015

(in thousands)

(1) Fair value is determined in good faith by or under the direction of the Board of Directors of the Company (Note 2).

(2) Fidji Luxco (BC) S.C.A. is a EUR denominated investment and AMP Solar (UK) Limited is a GBP denominated investment.

(3) Denotes investments where the governing documents of the entity preclude the Company from controlling management of the entity and therefore the Company has determined that the entity is not a controlled affiliate.

(4) Denotes investments in which we are an "Affiliated Person", as defined in the 1940 Act, due to holding the power to vote or owning 5% or more of the outstanding voting securities of the investment but not controlling the company.

(4) Fair value as of March 31, 2015 and September 30, 2015 along with transactions during the six months ended September 30, 2015 in these Affiliated investments are as follows:

Name of Issue	Fair Value at March 31, 2015	Gross Additions (Cost)	Gross Reductions (Cost)	Change in Unrealized Gain (Loss)	Fair Value at September 30, 2015	Net Realized Gain (Loss)	Interest/Dividend/Other Income
AMP Solar Group, Inc., Class A Common Unit	\$3,500	\$2,500	\$—	\$—	\$ 6,000	\$—	\$ —
AMP Solar (UK) Limited, Class A Preference Shares	65,171	47,952	—	(821)	) 112,302	—	5,020
Generation Brands Holdings, Inc. (Quality Homes), Basic Common Stock	6,699	—	—	1,565	8,264	—	—
Generation Brands Holdings, Inc. (Quality Homes), Series 2L Common Stock	27,294	—	—	6,380	33,674	—	—
Generation Brands Holdings, Inc. (Quality Homes), Series H Common Stock	5,578	—	—	1,303	6,881	—	—
Golden Bear Warehouse LLC, Equity	6,833	25,096	(8,589)	(72)	) 23,268	—	473
Golden Hill CLO I, LLC, Equity	73,587	—	(726)	) 211	73,072	—	3,991
Highbridge Loan Management 3-2014, Ltd., Class E Notes, L+600, 1/18/25	2,121	3	(2,280)	) 156	—	(67)	) 34
Highbridge Loan Management 3-2014, Ltd., Subordinated Notes, 1/18/25	6,722	—	(563)	(237)	) 5,922	—	431
Ivy Hill Middle Market Credit Fund IX, Ltd., Subordinated Notes, 10/18/25	11,375	—	(585)	(342)	) 10,448	—	875
Ivy Hill Middle Market Credit Fund X, Ltd., Subordinated Notes, 7/18/27	—	12,457	—	(303)	) 12,154	—	303
Jamestown CLO I LTD, Subordinated Notes, 11/5/24	3,698	—	(172)	(723)	) 2,803	—	175
	8,669	—	—	15,470	24,139	—	175

LVI Group Investments, LLC, Common Units							
MCF CLO I, LLC, Membership Interests, 4/20/23	38,490	—	(1,052	) (890	) 36,548	—	3,625
MCF CLO III, LLC, Class E Notes L+445, 1/20/24	11,220	56	—	(317	) 10,959	—	363
MCF CLO III, LLC, Membership Interests, 1/20/24	38,984	—	(1,280	) (684	) 37,020	—	3,263
Renewable Funding Group, Inc., 0.000%, 9/30/15	1,000	—	(1,000) —	—	—	—
Renewable Funding Group, Inc., 8.000%, 6/3/16	—	2,015	—	368	2,383	—	54
Renewable Funding Group, Inc., Series B Preferred Stock	9,309	1,000	(118	) 8,923	19,114	—	—
Slater Mill Loan Fund LP, LP Certificates	6,968	—	(185	) (1,254	) 5,529	—	566
	\$327,218	\$91,079	\$(16,550	) \$28,733	\$ 430,480	\$(67	)\$ 19,348

Gross additions includes increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the accretion of discounts, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company into this category from a different category.

Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the amortization of premiums, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.

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APOLLO INVESTMENT CORPORATION
 SCHEDULE OF INVESTMENTS (unaudited) (continued)
 September 30, 2015
 (in thousands)

As of September 30, 2015, the Company has a 28%, 26%, 33%, 32%, 100%, 100%, 97%, 98%, and 26% equity ownership interest in Generation Brands Holdings, Inc. (Quality Homes), Highbridge Loan Management, Ltd., Ivy Hill Middle Market Credit Fund IX, Ltd., Ivy Hill Middle Market Credit Fund X, Ltd., Golden Hill CLO I, LLC, Golden Bear Warehouse, LLC, MCF CLO I, LLC, MCF CLO III, LLC, and Slater Mill Loan Fund LP, respectively. With respect to these portfolio companies, shown under “Non-Controlled/Affiliated”, the Company does not have the right to elect or appoint more than 25% of the directors or another party has the right to elect or appoint more directors than the Company and has the right to appoint certain members of senior management. Therefore, the Company has determined that these entities are not controlled affiliates.

Denotes investments in which we are deemed to exercise a controlling influence over the management or policies of a company, as defined in the 1940 Act, due to beneficially owning, either directly or through one or more (5) controlled companies, more than 25% of the outstanding voting securities of the investment. Fair value as of March 31, 2015 and September 30, 2015 along with transactions during the six months ended September 30, 2015 in these Controlled investments are as follows:

Name of Issue	Fair Value at March 31, 2015	Gross Additions (Cost)	Gross Reductions (Cost)	Change in Unrealized Gain (Loss)	Fair Value at September 30, 2015	Net Realized Gain (Loss)	Interest/Dividend/ Other Income
Dynamic Product Tankers (Prime), LLC, Class A Units	\$—	\$38,800					