

Apollo Senior Floating Rate Fund Inc.
Form N-CSRS
August 29, 2014

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 811-22481

Apollo Senior Floating Rate Fund Inc.

(Exact name of registrant as specified in charter)

9 West 57th Street

New York, New York 10019

(Address of principal executive offices) (Zip code)

Joseph Moroney, President

9 West 57th Street

New York, New York 10019

(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2014

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

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

Apollo Tactical Income Fund Inc. (NYSE: AIF)

Semi-Annual Report

June 30, 2014

(unaudited)

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Economic and market conditions change frequently.

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

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

Apollo Senior Floating Rate Fund Inc.

Apollo Tactical Income Fund Inc.

Manager Commentary (unaudited)

As of June 30, 2014

Dear Shareholders,

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

The first half of 2014 was an ideal environment for credit investors. Economic growth was just right strong enough to inspire confidence in some, not strong enough to give the Fed the confidence to accelerate tapering or consider raising rates earlier than expected. This in turn kept treasury rates low (and in fact drove them slightly lower), providing a backdrop for strong performance from fixed income asset classes and a lack of volatility. The result was a high-yield bond market trading at all-time low yields and a leveraged loan market that saw spreads compress as demand for floating-rate product exceeded supply (again!).

Fundamentally, the benign environment seen during 2013 continued, as the default rate by number of issuers for the 12-month period ended June 30, 2014 was 0.83% for leveraged loans and by principal amount was 1.08% (excluding Energy Future Holdings Corp., formerly known as TXU Corp.). Of note, we saw zero defaults for the Funds portfolio holdings over that period. This compares to long-term averages of 3.9% for high-yield bonds (as referenced in the J.P. Morgan High-Yield Default Monitor) and 3.4% for leveraged loans (as measured by the J.P. Morgan Leveraged Loan Index) since 1998. The downside of this benign credit risk environment is that while the cycle churns forward and excess demand abounds, structures and lending terms tend to suffer. Leverage, particularly for new issue loans backing leveraged buyouts, has continued to increase throughout the first six months of the year, with an increasing number of transactions levered 6-7 times. The offset to this negative trend is that fixed charge coverage, which represents a company's ability to service their interest expense and capital expenditures, remained strong at a record 3.2 times during the first half of 2014.

Year-to-date June 30, 2014, the levered loan market returned 2.6% (as measured by the S&P/LSTA Leveraged Loan Index), and the high-yield bond market returned 5.6% (as measured by the BofA Merrill Lynch High-Yield Master II Index), and appear to be trending toward a second rare coupon-clipping performance. However, given the lack of volatility and interest rate performance mentioned above, loans and high-yield bonds have underperformed other asset classes with the 10-year treasury gaining 6.13%, investment grade bonds gaining 5.94% (as measured by the BofA Merrill Lynch U.S. Corporate Master Index), and the S&P 500 gaining 6.97% through June 30, 2014.

That performance was a little surprising to us since coming into 2014 we were expecting more volatility than we have seen thus far. While we were right on one of our key predictions, that the string of strong inflows to loan mutual funds would reverse, we did not anticipate the new issuance of collateralized loan obligations (CLOs) to grow as much as it has, more than absorbing the loss of demand from retail funds and depriving our prediction of a key source of kindling for potential volatility. In fact, CLOs are likely one of the top stories in the leveraged finance world thus far in 2014, as their \$61 billion of issuance through June 30, 2014 has far surpassed expectations and shows no signs of slowing down, serving to keep demand for loans, and by extension prices and spreads, steady and tight.

As the credit cycle continues to progress, it seems reasonable to assume that increasing leverage, rising interest rates and tepid economic growth will conspire to cause a gradual increase in defaults and distress over the next 1 to 2 years,

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pushing default rates closer to their long-term averages. That said, given the strong current tone in the market, we do not expect a material increase in defaults for the remainder of 2014.

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.

Sincerely,

Apollo Credit Management, LLC

4 | Semi-Annual Report

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

As of June 30, 2014 (unaudited)

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

| | |
|------------------|-------|
| Loans | 92.0% |
| High-Yield Bonds | 6.6% |
| Equity/Other | 1.4% |

Portfolio Characteristics ^(a)

| | |
|--|--------------|
| Weighted Average Floating-Rate Spread | 4.81% |
| Weighted Average Fixed-Rate Coupon | 10.25% |
| Weighted Average Days to Reset (floating assets) | 62 |
| Weighted Average Modified Duration (in years) (fixed assets) | 2.55 |
| Average Position Size | \$ 2,214,846 |
| Number of Positions | 192 |
| Weighted Average Rating | B |

Credit Quality ^(b)

| | |
|----------------|-------|
| BBB- or Higher | 0.2% |
| BB | 5.2% |
| B | 84.5% |
| CCC+ or Lower | 6.2% |
| Not Rated | 3.9% |

Top 5 Industries (as % of Current Market Value of Investment Securities) ^(c)

| | |
|---|--------------|
| Banking, Finance, Insurance & Real Estate | 13.5% |
| Services: Business | 10.9% |
| Healthcare & Pharmaceuticals | 10.3% |
| Telecommunications | 8.0% |
| Media: Broadcasting & Subscription | 7.0% |
| Total | 49.7% |

Top 10 Issuers (as % of Current Market Value of Investment Securities) ^(d)

| | |
|------------------------|------|
| First Data Corp. | 2.8% |
| Opal Acquisition, Inc. | 1.8% |
| Global Tel*Link Corp. | 1.7% |
| Asurion, LLC | 1.4% |

| | |
|-------------------------------------|--------------|
| Securus Technologies Holdings, Inc. | 1.3% |
| Hyperion Finance S.a.r.l. | 1.3% |
| Charming Charlie, LLC | 1.2% |
| Premier Dental Services, Inc. | 1.2% |
| WideOpenWest Finance, LLC | 1.2% |
| National Financial Partners Corp. | 1.2% |
| Total | 15.1% |

Performance Comparison

| | Six Months Ended June 30, 2014 | Since Inception on February 23, 2011 to June 30, 2014 |
|--|---|--|
| AFT - Stock Price | 3.00% ^(e) | 3.81% ^{(e)(f)} |
| AFT - NAV | 3.66% ^(e) | 7.18% ^{(e)(f)} |
| S&P/LSTA Leveraged Loan Index ^(g) | 2.60% | 4.88% ^(f) |

- (a) Averages based on par value of investment securities, except for the weighted average modified duration, which is based on market value.
- (b) Credit quality is calculated as a percentage of fair value of investment securities at June 30, 2014. 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 Investors Service (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 June 30, 2014 (unaudited)

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

| | |
|-------------------|-------|
| Loans | 61.1% |
| High-Yield Bonds | 29.0% |
| Structured Credit | 8.9% |
| Equity/Other | 1.0% |

Portfolio Characteristics ^(a)

| | |
|---|--------------|
| Weighted Average Floating-Rate Spread | 5.60% |
| Weighted Average Fixed-Rate Coupon | 8.75% |
| Weighted Average Days to Reset (floating assets) | 58 |
| Weighted Average Modified Duration (in years) (fixed assets) | 3.12 |
| Average Position Size | \$ 2,588,918 |
| Number of Positions | 156 |
| Weighted Average Rating | B |

Credit Quality ^(b)

| | |
|---------------|-------|
| BB | 11.2% |
| B | 71.9% |
| CCC+ or Lower | 12.5% |
| Not Rated | 4.4% |

Top 5 Industries (as % of Current Market Value of Investment Securities) ^(c)

| | |
|---|--------------|
| Banking, Finance, Insurance & Real Estate | 13.0% |
| Structured Finance | 8.9% |
| Services: Business | 8.4% |
| Healthcare & Pharmaceuticals | 7.6% |
| Consumer Goods: Non-Durable | 6.5% |
| Total | 44.4% |

Top 10 Issuers (as % of Current Market Value of Investment Securities) ^(d)

| | |
|--|------|
| StoneMor Partners, L.P. / Cornerstone Family Services of West Virginia | 2.0% |
| First Data Corp. | 1.9% |
| Molycorp, Inc. | 1.8% |

| | |
|---|--------------|
| Atlas Senior Loan Fund Ltd. | 1.7% |
| Land O Lakes Capital Trust I | 1.7% |
| TPC Group, Inc. | 1.6% |
| Sidewinder Drilling, Inc. | 1.5% |
| Securus Technologies Holdings, Inc. | 1.5% |
| InVentiv Health, Inc. | 1.5% |
| Jefferies Finance, LLC / JFIN Co-Issuer Corp. | 1.5% |
| Total | 16.7% |

Performance Comparison

| | Six Months Ended June 30, 2014 | Since Inception on February 25, 2013 to June 30, 2014 |
|--|---|---|
| AIF - Stock Price | 5.98% ^(e) | 0.59% ^{(e)(f)} |
| AIF - NAV | 6.04% ^(e) | 10.58% ^{(e)(f)} |
| S&P/LSTA Leveraged Loan Index ^(g) | 2.60% | 4.93% ^(f) |

- (a) Averages based on par value of investment securities, except for the weighted average modified duration, which is based on market value.
- (b) Credit quality is calculated as a percentage of fair value of investment securities at June 30, 2014. 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.
- (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****June 30, 2014 (unaudited)**

| | <u>Principal Amount (\$)</u> | <u>Value (\$)</u> |
|--|----------------------------------|-------------------|
| Senior Loans (a) - 132.9% | | |
| AEROSPACE & DEFENSE - 9.3% | | |
| Camp International Holding Co. 2013 First Lien Replacement Term Loan, 4.75%, 05/31/19 | 1,300,215 | 1,307,795 |
| 2013 Second Lien Replacement Term Loan, 8.25%, 11/29/19 | 1,000,000 | 1,027,500 |
| Deltek, Inc. First Lien Term Loan, 10/10/18 (b) | 3,498,442 | 3,526,867 |
| Second Lien Term Loan, 10.00%, 10/10/19 | 1,091,000 | 1,116,229 |
| ILC Industries, LLC First Lien Term Loan, 8.00%, 07/11/18 | 4,422,112 | 4,433,167 |
| Photonis Technologies SAS Term Loan, 8.50%, 09/18/19 | 3,910,350 | 3,929,902 |
| The SI Organization, Inc. (c) First Lien Term Loan, 11/23/19 (b) | 662,383 | 665,284 |
| Second Lien Term Loan, 05/23/20 (b) | 606,000 | 607,897 |
| SRA International, Inc. Term Loan, 6.50%, 07/20/18 | 3,573,772 | 3,591,659 |
| TASC, Inc. First Lien Term Loan, 6.50%, 05/22/20 | 1,570,000 | 1,542,525 |
| Second Lien Term Loan, 12.00%, 05/23/21 (d) | 2,339,943 | 2,316,544 |
| U.S. Joiner Holding Co. Term Loan, 7.00%, 04/16/20 (e) | 2,493,750 | 2,487,516 |
| WP CPP Holdings, LLC First Lien Term Loan, 4.75%, 12/28/19 | 1,163,640 | 1,170,185 |
| | | 27,723,070 |
| AUTOMOTIVE - 1.2% | | |

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| | | |
|--|-----------|-----------|
| American Tire Distributors, Inc. Delayed Draw Term Loan, 06/01/18 (b) | 139,429 | 140,561 |
| Initial Term Loan, 06/01/18 (b) | 1,249,440 | 1,259,591 |
| Fram Group Holdings Inc./Prestone Holdings Inc. Second Lien Term Loan, 10.50%, 01/29/18 | 2,000,000 | 1,910,000 |
| Transtar Holding Co. First Lien Term Loan, 5.75%, 10/09/18 | 186,536 | 186,711 |
| | | 3,496,863 |

BANKING, FINANCE, INSURANCE & REAL ESTATE - 14.0%

| | | |
|--|-----------|-----------|
| Amwins Group, LLC First Lien New Term Loan, 5.00%, 09/06/19 | 1,729,304 | 1,735,789 |
|--|-----------|-----------|

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

BANKING, FINANCE, INSURANCE & REAL ESTATE (continued)

| | | |
|--|-----------|-----------|
| Asurion, LLC Incremental Tranche B-1 Term Loan, 5.00%, 05/24/19 | 4,458,483 | 4,492,390 |
| Second Lien Term Loan, 8.50%, 03/03/21 | 1,562,000 | 1,623,504 |
| Hub International Ltd. Initial Term Loan, 4.25%, 10/02/20 | 2,769,060 | 2,777,713 |
| Hyperion Finance S.a.r.l. (United Kingdom) Term Loan, 5.75%, 10/17/19 (f) | 5,373,000 | 5,408,811 |
| Institutional Shareholder Services Inc. First Lien Term Loan, 4.75%, 04/30/21 (e) | 3,250,000 | 3,258,125 |
| Medical Card System, Inc. Term Loan, 12.00%, 09/17/15 (e) (g) | 4,788,268 | 4,716,444 |
| MMM Holdings, Inc. MMM Term Loan, 9.75%, 12/12/17 | 750,223 | 756,787 |
| MSO of Puerto Rico, Inc. MSO Term Loan, 9.75%, 12/12/17 | 545,432 | 550,204 |
| National Financial Partners Corp. Term Loan B, 5.25%, 07/01/20 | 5,138,118 | 5,175,369 |
| SG Acquisition, Inc. First Lien Initial Term Loan, 7.25%, 12/21/18 (e) | 2,607,224 | 2,620,260 |
| USI, Inc. Initial Term Loan, 4.25%, 12/27/19 | 4,835,372 | 4,850,990 |
| VFH Parent LLC Term Loan, 5.75%, 11/08/19 | 691,685 | 688,226 |
| Walter Investment Management Corp. Tranche B Term Loan, 4.75%, 12/18/20 | 3,320,640 | 3,288,479 |

41,943,091

BEVERAGE, FOOD & TOBACCO - 5.0%

| | | |
|--|-----------|-----------|
| AdvancePierre Foods, Inc. First Lien Term Loan, 5.75%, 07/10/17 | 702,132 | 703,666 |
| ARG IH Corp. Term Loan, 5.00%, 11/15/20 | 1,910,400 | 1,924,718 |
| Arysta LifeScience SPC, LLC First Lien Initial Term Loan, 4.50%, 05/29/20 | 1,194,929 | 1,199,411 |
| Second Lien Term Loan, 8.25%, 11/30/20 (e) | 1,028,000 | 1,048,560 |
| Dole Food Co., Inc. Tranche B Term Loan, 4.50%, 11/01/18 | 2,325,878 | 2,332,658 |
| Hearthside Group Holdings, LLC Term Loan, 4.50%, 06/02/21 | 1,642,000 | 1,655,005 |
| Performance Food Group, Inc. Second Lien Term Loan, 6.25%, 11/14/19 | 1,038,993 | 1,051,336 |

See accompanying Notes to Financial Statements. | 7

Apollo Senior Floating Rate Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | <u>Principal Amount (\$)</u> | <u>Value (\$)</u> |
|--|----------------------------------|-------------------|
| Senior Loans (a) (continued) | | |
| BEVERAGE, FOOD & TOBACCO (continued) | | |
| PFS Holding Corp. First Lien Term Loan, 4.50%, 01/31/21 | 2,803,973 | 2,761,913 |
| Shearer's Foods, LLC First Lien Term Loan, 06/19/21 (b) | 791,666 | 794,389 |
| Winebow Holdings, Inc. (The Vintner Group, Inc.) First Lien Term Loan, 07/01/21 (b) | 699,029 | 701,650 |
| Second Lien Term Loan, 01/02/22 (b) | 744,897 | 746,759 |
| | | 14,920,065 |
| CAPITAL EQUIPMENT - 1.0% | | |
| Tank Holding Corp. (Roto Acquisition Corp.) First Lien Term Loan, 4.25%, 07/09/19 | 3,059,244 | 3,063,068 |
| CHEMICALS, PLASTICS & RUBBER - 2.2% | | |
| AI Chem & Cy S.C.A. (Luxembourg) Tranche B-1 Term Loan, 4.50%, 10/03/19 (f) | 426,909 | 429,577 |
| Tranche B-2 Term Loan, 4.50%, 10/03/19 (f) | 221,503 | 222,887 |
| Cyanco Intermediate Corp. Term Loan, 5.50%, 05/01/20 | 2,774,611 | 2,782,935 |
| Kronos Worldwide, Inc. Initial Term Loan, 4.75%, 02/18/20 | 628,425 | 635,891 |

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| | | |
|---|-----------|-----------|
| Tronox Pigments B. V. (Netherlands) New Term Loan, 4.00%, 03/19/20 (f) | 736,557 | 738,999 |
| Univar Inc. Term Loan B, 5.00%, 06/30/17 | 1,728,052 | 1,737,634 |
| | | 6,547,923 |

CONSUMER GOODS: DURABLE - 0.5%

| | | |
|--|-----------|-----------|
| Bluestem Brands, Inc. Term Loan, 7.50%, 12/06/18 | 1,024,371 | 1,032,054 |
| Britax U.S. Holdings Inc. First Lien Term Loan B, 4.50%, 10/15/20 | 581,668 | 554,038 |
| | | 1,586,092 |

CONSUMER GOODS: NON-DURABLE - 8.9%

| | | |
|--|-----------|-----------|
| ABG Intermediate Holdings 2 LLC First Lien Term Loan, 5.50%, 05/27/21 | 3,541,125 | 3,563,256 |
| Allflex Holdings III, Inc. Second Lien Initial Term Loan, 8.00%, 07/19/21 | 2,400,000 | 2,427,000 |
| BRG Sports, Inc. First Lien Term Loan, 6.50%, 04/15/21 (e) | 2,140,000 | 2,164,075 |

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

CONSUMER GOODS: NON-DURABLE (continued)

| | | |
|--|-----------|-----------|
| Fender Musical Instruments Corp. Initial Term Loan, 5.75%, 04/03/19 | 445,000 | 449,450 |
| Herff Jones, Inc. Term Loan B, 5.50%, 06/25/19 | 3,660,577 | 3,693,742 |
| Insight Pharmaceuticals LLC First Lien Term Loan, 6.26%, 08/25/16 (e) | 3,132,937 | 3,138,811 |
| The Men's Wearhouse, Inc. Tranche B Term Loan, 4.50%, 06/18/21 | 2,430,000 | 2,446,961 |
| Nine West Holdings, Inc. Initial Term Loan, 4.75%, 10/08/19 | 1,320,000 | 1,328,705 |
| Unsecured Initial Term Loan, 6.25%, 01/08/20 | 1,000,000 | 1,005,935 |
| Polyconcept Investments B.V. | | |

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| | | |
|--|-----------|------------|
| Term Loan, 06/28/19 (b) The Topps Co., Inc. | 3,800,897 | 3,791,395 |
| Term Loan, 7.25%, 10/02/18 (e) | 2,517,350 | 2,492,176 |
| | | 26,501,506 |

CONTAINERS, PACKAGING & GLASS - 1.2%

| | | |
|---|-----------|-----------|
| Berlin Packaging LLC Term Loan B, 4.75%, 04/02/19 | 495,000 | 499,178 |
| Devix Topco (France) First Lien Term Loan B, 4.25%, 05/03/21 (f) | 1,525,000 | 1,530,726 |
| Pelican Products, Inc. First Lien Term Loan, 5.25%, 04/10/20 | 1,536,150 | 1,551,512 |
| | | 3,581,416 |

ENERGY: OIL & GAS - 8.4%

| | | |
|--|-----------|-----------|
| Atlas Energy, L.P. Term Loan, 6.50%, 07/31/19 (e) | 1,250,550 | 1,270,090 |
| Azure Midstream Energy LLC Term Loan, 6.50%, 11/15/18 | 876,152 | 885,461 |
| BBTS Borrower L.P. Term Loan, 7.75%, 06/04/19 | 4,282,127 | 4,328,695 |
| Chief Exploration & Development LLC Second Lien Term Loan, 05/16/21 (b) (e) | 2,380,000 | 2,439,500 |
| Drillships Financing Holding Inc. Tranche B-1 Term Loan, 6.00%, 03/31/21 | 3,258,037 | 3,317,105 |
| EMG Utica, LLC Term Loan, 4.75%, 03/27/20 (e) | 1,553,000 | 1,558,824 |
| HGIM Corp. Term Loan A, 5.00%, 06/18/18 (e) | 5,027,980 | 5,040,550 |
| McDermott Finance LLC Term Loan, 5.25%, 04/16/19 | 837,000 | 846,420 |
| Pacific Drilling S.A. (Luxembourg) Term Loan, 4.50%, 06/03/18 (f) | 1,269,180 | 1,275,526 |

8 | See accompanying Notes to Financial Statements.

Apollo Senior Floating Rate Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | Principal | |
|--|--------------------|-------------------|
| | <u>Amount (\$)</u> | <u>Value (\$)</u> |
| Senior Loans (a) (continued) | | |
| ENERGY: OIL & GAS (continued) | | |
| Power Buyer, LLC | | |
| First Lien Delayed Draw Term Loan, 4.25%, 05/06/20 (e) | 48,565 | 47,593 |
| First Lien Initial Term Loan, 4.25%, 05/06/20 (e) | 914,108 | 895,826 |
| Sprint Industrial Holdings, Inc. | | |
| First Lien Term Loan, 7.00%, 05/14/19 | 2,173,870 | 2,190,174 |
| W3 Co. | | |
| First Lien Term Loan, 5.75%, 03/13/20 (e) | 927,195 | 914,446 |
| | | 25,010,210 |
| ENVIRONMENTAL INDUSTRIES - 1.3% | | |
| Environmental Resources Management (United Kingdom) | | |
| Term Loan, 05/09/21 (b) (f) | 3,920,000 | 3,900,420 |
| FOREST PRODUCTS & PAPER - 0.8% | | |
| Caraustar Industries, Inc. | | |
| Term Loan, 7.50%, 05/01/19 | 2,327,529 | 2,360,999 |
| HEALTHCARE & PHARMACEUTICALS - 13.7% | | |

| | | |
|--|-----------|-----------|
| ABB/Con-Cise Optical Group LLC | | |
| Term Loan B-1, 4.50%, 02/06/19 | 1,516,034 | 1,516,033 |
| Amneal Pharmaceuticals LLC | | |
| Term Loan B, 5.75%, 11/01/19 | 2,243,050 | 2,258,942 |
| Ardent Medical Services, Inc. | | |
| First Lien Term Loan, 6.75%, 07/02/18 | 2,915,784 | 2,936,428 |
| ATI Holdings, Inc. | | |
| Term Loan, 5.00%, 12/20/19 | 1,085,470 | 1,099,038 |
| Dialysis Newco, Inc. (dba DSI Renal) | | |
| First Lien Term Loan B, 4.75%, 04/23/21 | 2,330,000 | 2,337,771 |
| Healogics, Inc. | | |
| First Lien Term Loan B, 5.25%, 02/05/19 | 1,023,050 | 1,027,684 |
| InVentiv Health, Inc. | | |
| Consolidated Term Loan, 7.50%, 08/04/16 | 2,387,546 | 2,403,220 |
| Term Loan B-3, 7.75%, 05/15/18 | 729,448 | 731,271 |
| Opal Acquisition, Inc. | | |
| First Lien Term Loan, 5.00%, 11/27/20 | 7,541,968 | 7,571,419 |
| Premier Dental Services, Inc. | | |
| First Lien Term Loan, 6.00%, 11/01/18 | 5,228,804 | 5,257,118 |
| Sheridan Holdings, Inc. | | |
| 2013 First Lien Initial Term Loan, 4.50%, 06/29/18 | 1,319,340 | 1,321,319 |
| Smile Brands Group Inc. | | |
| Term Loan, 08/16/19 (b) | 4,367,000 | 4,257,825 |
| Steward Health Care System LLC | | |
| Term Loan, 6.75%, 04/10/20 (e) | 3,274,272 | 3,241,529 |

PrincipalAmount (\$)Value (\$)**HEALTHCARE & PHARMACEUTICALS (continued)**

| | | |
|---|-----------|------------|
| U.S. Renal Care, Inc. | | |
| First Lien Tranche B-2 Term Loan, 4.25%, 07/03/19 | 4,133,181 | 4,151,904 |
| Second Lien Term Loan, 10.25%, 01/03/20 (e) | 818,000 | 832,315 |
| | | 40,943,816 |

HIGH TECH INDUSTRIES - 6.8%

| | | |
|---|-----------|-----------|
| The Active Network, Inc. (Lanyon, Inc.) | | |
| First Lien Term Loan, 5.50%, 11/13/20 | 1,573,284 | 1,568,375 |
| Flexera Software LLC | | |

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| | | |
|--|-----------|------------|
| First Lien Term Loan, 4.50%, 04/02/20 Freescale Semiconductor, Inc. | 1,290,000 | 1,292,148 |
| Tranche B5 Term Loan, 5.00%, 01/15/21 GTCR Valor Companies, Inc. (c) | 1,935,375 | 1,947,316 |
| First Lien Term Loan, 05/30/21 (b) Kronos Inc. | 1,149,846 | 1,146,253 |
| First Lien Incremental Term Loan, 4.50%, 10/30/19 Landesk Group, Inc. | 4,715,506 | 4,759,714 |
| First Lien New Term Loan, 5.00%, 02/25/20 | 3,426,013 | 3,438,843 |
| Second Lien Term Loan, 8.25%, 02/25/21 MSC Software Corp. | 563,000 | 566,285 |
| First Lien Initial Term Loan, 5.00%, 05/29/20 Vision Solutions, Inc. | 1,790,000 | 1,805,662 |
| First Lien Term Loan, 6.00%, 07/23/16 (e) | 3,803,384 | 3,803,384 |
| | | 20,327,980 |

HOTEL, GAMING & LEISURE - 2.4%

| | | |
|--|-----------|-----------|
| Centaur Acquisition, LLC | | |
| Second Lien Term Loan, 8.75%, 02/20/20 | 826,000 | 842,520 |
| Deluxe Entertainment Services Group Inc. Initial Term Loan, 6.50%, 02/28/20 | 1,033,299 | 1,033,299 |
| Diamond Resorts Corp. Term Loan, 5.50%, 05/09/21 (e) | 909,000 | 916,954 |
| Mohegan Tribal Gaming Authority Term Loan B, 5.50%, 11/19/19 | 1,099,674 | 1,120,183 |
| Peppermill Casinos, Inc. Term Loan B, 7.25%, 11/09/18 (e) | 1,969,965 | 2,021,676 |
| Planet Fitness Holdings, LLC Term Loan, 4.75%, 03/31/21 | 1,336,650 | 1,345,004 |
| | | 7,279,636 |

MEDIA: ADVERTISING, PRINTING & PUBLISHING - 6.4%

| | | |
|---|-----------|-----------|
| F & W Media, Inc. Term Loan, 7.75%, 06/30/19 (e) | 4,206,365 | 4,206,365 |
|---|-----------|-----------|

See accompanying Notes to Financial Statements. | 9

Apollo Senior Floating Rate Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

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

Senior Loans (a) (continued)**MEDIA: ADVERTISING, PRINTING & PUBLISHING (continued)**

| | | |
|--|-----------|------------|
| Information Resources, Inc. Term Loan, 4.75%, 09/30/20 | 2,901,671 | 2,927,061 |
| Merrill Communications LLC Term Loan, 5.75%, 03/08/18 | 3,892,541 | 3,965,526 |
| The Reader s Digest Association, Inc. Term Loan, 12.50%, 09/30/15 (e) | 3,004,805 | 2,895,881 |
| Springer SBM Two GMBH (Germany) Initial Term Loan B2, 5.00%, 08/14/20 (f) | 5,010,140 | 5,026,598 |
| | | 19,021,431 |

MEDIA: BROADCASTING & SUBSCRIPTION - 8.7%

| | | |
|---|-----------|-----------|
| CCO Holdings, LLC Term Loan E, 3.00%, 07/01/20 | 511,918 | 504,774 |
| Emmis Communications Corp. Term Loan B, 06/10/21 (b) | 2,000,000 | 2,015,000 |
| Granite Broadcasting Corp. First Lien Tranche B Term Loan, 6.75%, 05/23/18 (e) | 1,085,478 | 1,086,157 |
| Hargray Communications Group, Inc. (HCP Acquisition LLC) Term Loan B, 4.75%, 06/26/19 | 2,276,010 | 2,289,530 |
| Hemisphere Media Holdings, LLC (Intermedia Espanol, Inc.) Term Loan B, 6.25%, 07/30/20 | 2,326,500 | 2,361,398 |
| Hubbard Radio, LLC Tranche 1 Term Loan, 4.50%, 04/29/19 | 638,341 | 640,470 |
| Learfield Communications, Inc. | | |

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| | | |
|---|-----------|------------|
| 2014 First Lien Replacement Term Loan, 4.50%, 10/09/20 Numericable U.S. LLC | 1,243,750 | 1,256,188 |
| Dollar Denominated Tranche B-1 Term Loan, 4.50%, 05/21/20 | 1,597,738 | 1,609,849 |
| Dollar Denominated Tranche B-2 Term Loan, 4.50%, 05/21/20 SESAC Holdco II LLC | 1,382,262 | 1,392,739 |
| First Lien Term Loan, 5.00%, 02/07/19 Telecommunications Management, LLC | 920,684 | 929,320 |
| First Lien Initial Term Loan, 4.75%, 04/30/20 | 1,018,869 | 1,027,784 |
| Second Lien Initial Term Loan, 9.00%, 10/30/20 WideOpenWest Finance, LLC | 710,475 | 718,467 |
| Term Loan B, 4.75%, 04/01/19 William Morris Endeavor Entertainment, LLC (IMG Worldwide Holdings, LLC) | 5,170,757 | 5,193,379 |
| First Lien Term Loan, 5.25%, 05/06/21 | 5,050,000 | 5,094,188 |
| | | 26,119,243 |

Principal

Amount (\$)

Value (\$)

MEDIA: DIVERSIFIED & PRODUCTION - 1.4%

| | | |
|---|-----------|-----------|
| Tech Finance & Co. S.C.A. (Luxembourg) U.S. Term Loan, 5.50%, 07/11/20 (f) | 4,239,288 | 4,297,599 |
|---|-----------|-----------|

METALS & MINING - 0.7%

| | | |
|--|-----------|-----------|
| Oxbow Carbon LLC (Oxbow Calcining LLC) Term Loan B, 8.00%, 01/19/20 | 2,000,000 | 2,052,500 |
|--|-----------|-----------|

RETAIL - 6.1%

| | | |
|--|-----------|-----------|
| 99¢ Only Stores Tranche B-2 Term Loan, 4.50%, 01/11/19 Charming Charlie, LLC | 1,807,778 | 1,820,432 |
| Initial Term Loan, 9.00%, 12/24/19 Evergreen Acqco 1 L.P. | 5,335,531 | 5,402,226 |
| New Term Loan, 5.00%, 07/09/19 HMK Intermediate Holdings LLC | 3,337,587 | 3,335,501 |
| Term Loan, 5.00%, 03/30/19 (e) | 1,127,000 | 1,127,000 |

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| | | |
|--|-----------|------------|
| Sears Roebuck Acceptance Corp. (Kmart Corp.) Term Loan, 5.50%, 06/30/18 | 3,004,900 | 3,042,461 |
| Smart & Final, Inc. First Lien Term Loan, 4.75%, 11/15/19 | 2,681,435 | 2,692,160 |
| Vince, LLC (Vince Intermediate Holding, LLC) Term Loan B, 6.00%, 11/27/19 | 726,857 | 736,851 |
| | | 18,156,631 |

SERVICES: BUSINESS - 15.8%

| | | |
|---|-----------|-----------|
| Applied Systems, Inc. First Lien Initial Term Loan, 4.25%, 01/25/21 | 2,019,850 | 2,029,475 |
| Aptean, Inc. First Lien Term Loan, 5.25%, 02/26/20 | 3,514,193 | 3,536,156 |
| ARC Document Solutions, Inc. Term Loan B, 6.25%, 12/20/18 | 2,334,375 | 2,373,768 |
| Brock Holdings III, Inc. First Lien Term Loan, 6.00%, 03/16/17 | 1,599,448 | 1,604,935 |
| Catalent Pharma Solutions, Inc. Dollar Term Loan, 05/20/21 (b) | 2,400,000 | 2,416,932 |
| EIG Investors Corp. Term Loan, 5.00%, 11/09/19 | 3,306,088 | 3,317,114 |
| Evergreen Skills Lux S.a.r.l. (Luxembourg) First Lien Initial Term Loan, 4.50%, 04/28/21 (f) | 2,540,000 | 2,543,975 |
| GCA Services Group, Inc. First Lien Replacement Term Loan, 4.25%, 11/01/19 | 923,407 | 924,368 |
| Second Lien Initial Term Loan, 9.25%, 11/01/20 | 834,400 | 846,394 |

10 | See accompanying Notes to Financial Statements.

Apollo Senior Floating Rate Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | Principal | |
|---|--------------------|-------------------|
| | <u>Amount (\$)</u> | <u>Value (\$)</u> |
| Senior Loans (a) (continued) | | |
| SERVICES: BUSINESS (continued) | | |
| Genex Holdings, Inc. First Lien Term Loan, 05/28/21 (b) | 993,000 | 1,001,068 |
| Infogroup Inc. Term Loan B, 7.50%, 05/26/18 | 3,887,309 | 3,671,097 |
| Mirror Bidco Corp. Term Loan B, 4.25%, 12/28/19 | 1,013,626 | 1,015,314 |
| Nord Anglia Education Finance LLC Initial Term Loan, 4.50%, 03/31/21 | 2,080,000 | 2,084,555 |
| Onex Carestream Finance L.P. First Lien 2013 Term Loan, 5.00%, 06/07/19 | 4,110,650 | 4,123,496 |
| Second Lien Term Loan, 9.50%, 12/07/19 | 1,000,000 | 1,023,750 |
| SGS Cayman, L.P. (Cayman Islands) Term Loan, 7.25%, 03/06/19 (f) | 1,444,917 | 1,455,754 |
| SNL Financial LC New Term Loan, 4.50%, 10/23/18 | 946,246 | 950,684 |
| Stafford Logistics, Inc. (dba Custom Ecology, Inc.) Term Loan, 6.75%, 06/26/19 (e) | 2,519,550 | 2,533,722 |
| Sutherland Global Services Inc. U.S. Tranche Term Loan, 7.25%, 03/06/19 | 3,199,458 | 3,223,454 |
| Transfirst Holdings, Inc. Second Lien Term Loan B-1, 7.50%, 06/27/18 | 2,500,000 | 2,521,088 |
| TriNet HR Corp. Term Loan B2, 5.00%, 08/20/20 | 3,979,925 | 3,979,925 |
| | | 47,177,024 |

SERVICES: CONSUMER - 1.7%

| | | |
|---|-----------|-----------|
| Laureate Education, Inc. 2018 New Series Extended Term Loan, 5.00%, 06/15/18 | 5,242,493 | 5,137,644 |
|---|-----------|-----------|

TELECOMMUNICATIONS - 10.4%

| | | |
|---|-----------|-----------|
| Avaya Inc. Term Loan B-3, 4.73%, 10/26/17 | 2,256,579 | 2,214,268 |
| Global Tel*Link Corp. First Lien Term Loan, 05/23/20 (b) | 7,394,836 | 7,376,349 |
| Grande Communications Networks LLC Term Loan B, 4.50%, 05/29/20 | 4,057,188 | 4,053,394 |
| Integra Telecom Holdings, Inc. Replacement Term Loan, 5.25%, 02/22/19 | 1,062,550 | 1,071,050 |
| LTS Buyer LLC (Sidera Networks, Inc.) Second Lien Term Loan, 8.00%, 04/12/21 | 456,665 | 463,137 |
| Ntelos Inc. Term Loan B, 11/09/19 (b) | 4,049,609 | 4,059,733 |

Principal

Amount (\$)

Value (\$)

TELECOMMUNICATIONS (continued)

| | | |
|--|-----------|------------|
| Securus Technologies Holdings, Inc. First Lien Initial Term Loan, 4.75%, 04/30/20 | 2,569,609 | 2,583,523 |
| Second Lien New Term Loan, 9.00%, 04/30/21 | 2,800,000 | 2,846,088 |
| The TelX Group, Inc. Second Lien Initial Term Loan, 7.50%, 04/09/21 | 600,000 | 602,376 |
| Term Loan B, 4.50%, 04/09/20 | 890,000 | 892,114 |
| U.S. TelePacific Corp. Term Loan, 5.75%, 02/23/17 | 4,854,253 | 4,905,853 |
| | | 31,067,885 |

TRANSPORTATION: CARGO - 1.2%

| | | |
|---|-----------|-----------|
| Carrix, Inc. Term Loan, 01/07/19 (b) | 2,500,000 | 2,359,375 |
| Commercial Barge Line Co. | | |

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| | | |
|---|-----------|-----------|
| First Lien Initial Term Loan, 7.50%, 09/22/19 (e) | 1,120,813 | 1,129,219 |
| | | 3,488,594 |

TRANSPORTATION: CONSUMER - 2.6%

| | | |
|--|-----------|-----------|
| Landmark Aviation FBO Canada, Inc. (Canada) Canadian Term Loan, 4.75%, 10/25/19 (f) | 187,616 | 188,132 |
| LM U.S. Member LLC (LM U.S. Corp. Acquisition Inc.) Term Loan B, 10/25/19 (b) | 500,000 | 501,375 |
| First Lien Initial Term Loan, 4.75%, 10/25/19 | 2,780,997 | 2,788,645 |
| Travel Leaders Group, LLC Tranche B Term Loan, 7.00%, 12/05/18 (e) | 1,190,893 | 1,193,126 |
| Travelport LLC New Term Loan B, 6.25%, 06/26/19 | 3,186,810 | 3,265,285 |
| | | 7,936,563 |

UTILITIES: ELECTRIC - 1.2%

| | | |
|--|-----------|-----------|
| Energy Future Intermediate Holding Co. LLC (EFIH Finance Inc.) Term Loan, 4.25%, 06/19/16 | 2,240,000 | 2,255,803 |
| Panda Sherman Power, LLC Construction Term Loan Advances, 9.00%, 09/14/18 (e) | 1,200,000 | 1,232,250 |
| | | 3,488,053 |

| | | |
|--|--|--------------------|
| Total Senior Loans (Cost \$391,805,610) | | 397,129,322 |
|--|--|--------------------|

Corporate Notes and Bonds - 9.5%

BANKING, FINANCE, INSURANCE & REAL ESTATE - 4.1%

| | | |
|--------------------------------------|------------|------------|
| First Data Corp. 12.63%, 01/15/21 | 10,000,000 | 12,337,500 |
|--------------------------------------|------------|------------|

Apollo Senior Floating Rate Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | <u>Principal Amount (\$)</u> | <u>Value (\$)</u> |
|---|----------------------------------|-------------------|
| Corporate Notes and Bonds (continued) | | |
| ENVIRONMENTAL INDUSTRIES - 0.7% | | |
| Tervita Corp. (Canada) 9.75%, 11/01/19 (f) (h) | 2,142,000 | 2,088,450 |
| HEALTHCARE & PHARMACEUTICALS - 1.2% | | |
| Valeant Pharmaceuticals International, Inc. (Canada) 7.50%, 07/15/21 (f) (h) | 3,200,000 | 3,556,000 |
| MEDIA: BROADCASTING & SUBSCRIPTION - 1.3% | | |
| Columbus International Inc. (Barbados) 7.38%, 03/30/21 (f) (h) | 1,285,000 | 1,389,406 |
| Intelsat Jackson Holdings S.A. (Luxembourg) 5.50%, 08/01/23 (f) | 1,000,000 | 998,750 |
| Radio One Inc. 9.25%, 02/15/20 (h) | 1,484,000 | 1,613,850 |
| | | 4,002,006 |
| MEDIA: DIVERSIFIED & PRODUCTION - 0.9% | | |

| | | |
|-----------------------------------|-----------|-----------|
| SiTV Inc. 10.38%, 07/01/19 (h) | 2,493,000 | 2,567,790 |
|-----------------------------------|-----------|-----------|

METALS & MINING - 0.1%

| | | |
|--|---------|---------|
| Murray Energy Corp. 8.63%, 06/15/21 (h) | 300,000 | 326,250 |
|--|---------|---------|

TELECOMMUNICATIONS - 1.2%

| | | |
|--|-----------|-----------|
| Avanti Communications Group PLC (United Kingdom) 10.00%, 10/01/19 (f) (h) | 3,333,000 | 3,549,645 |
|--|-----------|-----------|

Total Corporate Notes and Bonds**(Cost \$25,837,520)****28,427,641**

| <u>Share Amount</u> | <u>Value (\$)</u> |
|-------------------------|-------------------|
|-------------------------|-------------------|

Common Stock - 0.7%**MEDIA: ADVERTISING, PRINTING & PUBLISHING - 0.7%**

| | | |
|---|--------|-----------|
| The Reader's Digest Association, Inc. (e) (i) | 50,210 | 2,146,478 |
|---|--------|-----------|

Total Common Stock**(Cost \$5,212,858)****2,146,478****Preferred Stock - 1.3%****BANKING, FINANCE, INSURANCE & REAL ESTATE - 1.3%**

| | | |
|--|---------|-----------|
| Watford Holdings Ltd. (Bermuda) 8.50% (e) (f) | 160,000 | 3,920,000 |
|--|---------|-----------|

| | | |
|---|--------|----------------------|
| Total Preferred Stock (Cost \$3,920,000) | | 3,920,000 |
| Warrants - 0.0% | | |
| BANKING, FINANCE, INSURANCE & REAL ESTATE - 0.0% | | |
| Medical Card System, Inc. 07/26/18 (e) | 54,913 | 10,983 |
| Total Warrants (Cost \$) | | 10,983 |
| Total Investments-144.4% (Cost of \$426,775,988) | | 431,634,424 |
| Other Assets & Liabilities, Net-5.5% | | 16,532,708 |
| Loan Outstanding-(49.9)% | | (149,269,000) |
| Net Assets (Applicable to Common Shares)-100.0% | | 298,898,132 |

- (a) Senior Loans are senior, secured loans made to companies whose debt is rated below investment grade and investments with similar characteristics. Senior Loans typically hold a first lien priority and pay interest at rates that are determined periodically on the basis of a floating base lending rate plus a spread. Unless otherwise identified, all Senior Loans carry a variable rate of interest. These base lending rates are primarily the London Interbank Offered Rate (LIBOR) and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate used by commercial lenders. The rates shown represent the weighted average rate at June 30, 2014. 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) All or a portion of this position has not settled. Full contract rates do not take effect until settlement date.
- (c) Senior Loan assets have additional unfunded loan commitments. As of June 30, 2014, the Fund had unfunded loan commitments, which could be extended at the option of the borrower, pursuant to the following loan agreements:

| Borrower | Unfunded Loan Commitments |
|----------------------------|--------------------------------------|
| GTCR Valor Companies, Inc. | \$867,435 |

The SI Organization, Inc. 88,001

Total unfunded loan commitments \$955,436

- (d) Fixed rate asset.
- (e) Fair Value Level 3 security. All remaining securities are categorized as Level 2.
- (f) Foreign issuer traded in U.S. dollars.
- (g) Represents a payment-in-kind security which may pay interest in additional principal amount.
- (h) Securities exempt from registration pursuant to Rule 144A under the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. At June 30, 2014, these securities amounted to \$15,091,391, or 5.05% of net assets.
- (i) Non income-producing asset.

12 | See accompanying Notes to Financial Statements.

Apollo Tactical Income Fund Inc.**Schedule of Investments****June 30, 2014 (unaudited)**

| | <u>Principal Amount (\$)</u> | <u>Value (\$)</u> |
|---|----------------------------------|-------------------|
| Senior Loans (a) - 86.9% | | |
| AEROSPACE & DEFENSE - 7.8% | | |
| Camp International Holding Co. 2013 Second Lien Replacement Term Loan, 8.25%, 11/29/19 | 1,350,000 | 1,387,125 |
| Deltek, Inc. First Lien Term Loan, 10/10/18 (b) | 1,212,423 | 1,222,274 |
| ILC Industries, LLC Term Loan 2, 11.50%, 07/11/19 (c) | 4,000,000 | 3,940,000 |
| Photonis Technologies SAS Term Loan, 8.50%, 09/18/19 | 3,910,350 | 3,929,902 |
| The SI Organization, Inc. (d) First Lien Term Loan, 11/23/19 (b) Second Lien Term Loan, 05/23/20 (b) | 662,383 | 665,284 |
| SRA International, Inc. Term Loan, 6.50%, 07/20/18 | 606,000 | 607,897 |
| TASC, Inc. First Lien Term Loan, 6.50%, 05/22/20 Second Lien Term Loan, 12.00%, 05/23/21 (e) | 2,925,783 | 2,940,427 |
| U.S. Joiner Holding Co. Term Loan, 7.00%, 04/16/20 (c) | 1,570,000 | 1,542,525 |
| WP CPP Holdings, LLC Second Lien Term Loan B-1, 8.75%, 04/30/21 | 2,339,943 | 2,316,544 |
| | 2,493,750 | 2,487,516 |
| | 1,435,000 | 1,451,831 |
| | | 22,491,325 |

BANKING, FINANCE, INSURANCE & REAL ESTATE - 8.6%

| | | |
|---|-----------|------------|
| Asurion, LLC | | |
| Second Lien Term Loan, 8.50%, 03/03/21 | 3,124,000 | 3,247,008 |
| Hyperion Finance S.a.r.l. (United Kingdom) | | |
| Term Loan, 5.75%, 10/17/19 (f) | 5,373,000 | 5,408,811 |
| Institutional Shareholder | | |
| Services Inc. | | |
| First Lien Term Loan, 4.75%, 04/30/21 (c) | 3,250,000 | 3,258,125 |
| Medical Card System, Inc. | | |
| Term Loan, 12.00%, | | |
| 09/17/15 (c) (g) | 4,419,939 | 4,353,640 |
| MMM Holdings, Inc. | | |
| MMM Term Loan, 9.75%, 12/12/17 | 1,293,209 | 1,304,524 |
| MSO of Puerto Rico, Inc. | | |
| MSO Term Loan, 9.75%, 12/12/17 | 940,197 | 948,424 |
| National Financial Partners Corp. | | |
| Term Loan B, 5.25%, 07/01/20 | 5,138,118 | 5,175,369 |
| Nuveen Investments, Inc. | | |
| Tranche B First Lien Term Loan, 4.16%, 05/13/17 | 286,000 | 286,874 |
| VFH Parent, LLC | | |
| Term Loan, 5.75%, 11/08/19 | 775,586 | 771,708 |
| | | 24,754,483 |

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

BEVERAGE, FOOD & TOBACCO - 2.7%

| | | |
|--|-----------|-----------|
| ARG IH Corp. | | |
| Term Loan, 5.00%, 11/15/20 | 1,910,400 | 1,924,718 |
| Arysta LifeScience SPC, LLC | | |
| Second Lien Term Loan, 8.25%, 11/30/20 (c) | 1,028,000 | 1,048,560 |
| Hearthside Group Holdings, LLC | | |
| Term Loan, 4.50%, 06/02/21 | 1,642,000 | 1,655,005 |
| PFS Holding Corp. | | |
| Second Lien Term Loan, 8.25%, 01/31/22 (c) | 714,000 | 697,935 |
| Shearer s Foods, LLC | | |
| First Lien Term Loan, | | |
| 06/19/21 (b) | 791,666 | 794,389 |
| Winebow Holdings, Inc. | | |
| (The Vintner Group, Inc.) | | |
| First Lien Term Loan, 07/01/21 (b) | 699,029 | 701,650 |
| Second Lien Term Loan, | | |
| 01/02/22 (b) | 989,795 | 992,269 |

7,814,526

CHEMICALS, PLASTICS & RUBBER - 0.9%

| | | |
|--|-----------|-----------|
| Cyanco Intermediate Corp. Term Loan, 5.50%, 05/01/20 | 1,889,220 | 1,894,887 |
| Kronos Worldwide, Inc. Initial Term Loan, 4.75%, 02/18/20 | 628,425 | 635,891 |
| | | 2,530,778 |

CONSUMER GOODS: DURABLE - 0.4%

| | | |
|---|-----------|-----------|
| Bluestem Brands, Inc. Term Loan, 7.50%, 12/06/18 | 1,024,371 | 1,032,054 |
|---|-----------|-----------|

CONSUMER GOODS: NON-DURABLE - 7.4%

| | | |
|--|-----------|------------|
| ABG Intermediate Holdings 2 LLC First Lien Term Loan, 5.50%, 05/27/21 | 3,541,125 | 3,563,257 |
| Allflex Holdings III, Inc. Second Lien Initial Term Loan, 8.00%, 07/19/21 | 2,400,000 | 2,427,000 |
| BRG Sports, Inc. First Lien Term Loan, 6.50%, 04/15/21 (c) | 2,140,000 | 2,164,075 |
| Fender Musical Instruments Corp. Initial Term Loan, 5.75%, 04/03/19 | 445,000 | 449,450 |
| Herff Jones, Inc. Term Loan B, 5.50%, 06/25/19 | 3,660,577 | 3,693,742 |
| Insight Pharmaceuticals, LLC First Lien Term Loan, 6.26%, 08/25/16 (c) | 485,361 | 486,271 |
| Nine West Holding Corp. Unsecured Initial Term Loan, 6.25%, 01/08/20 | 2,744,518 | 2,760,807 |
| Polyconcept Investments B.V. Term Loan, 6.00%, 06/28/19 | 3,334,977 | 3,326,640 |
| The Topps Company, Inc. Term Loan, 7.25%, 10/02/18 (c) | 2,517,350 | 2,492,176 |
| | | 21,363,418 |

See accompanying Notes to Financial Statements. | 13

Apollo Tactical Income Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | Principal Amount (\$) | Value (\$) |
|--|----------------------------------|-------------------|
| Senior Loans (a) (continued) | | |
| CONTAINERS, PACKAGING & GLASS - 0.5% | | |
| Pelican Products, Inc. First Lien Term Loan, 5.25%, 04/10/20 | 1,536,150 | 1,551,512 |
| ENERGY: OIL & GAS - 4.9% | | |
| Atlas Energy, L.P. Term Loan, 6.50%, 07/31/19 (c) | 1,250,550 | 1,270,090 |
| Azure Midstream Energy, LLC Term Loan, 6.50%, 11/15/18 | 876,152 | 885,461 |
| Chief Exploration & Development LLC Second Lien Term Loan, 05/16/21 (b) (c) | 3,570,000 | 3,659,250 |
| Drillships Financing Holding, Inc. Tranche B-1 Term Loan, 6.00%, 03/31/21 | 3,258,037 | 3,317,105 |
| HGIM Corp. Term Loan A, 5.00%, 06/18/18 (c) | 748,825 | 750,697 |
| McDermott Finance LLC Term Loan, 5.25%, 04/16/19 | 837,000 | 846,420 |
| Sprint Industrial Holdings, Inc. First Lien Term Loan, 7.00%, 05/14/19 | 2,173,870 | 2,190,174 |
| W3 Co. First Lien Term Loan, 5.75%, 03/13/20 (c) | 1,112,487 | 1,097,191 |
| | | 14,016,388 |
| ENVIRONMENTAL INDUSTRIES - 1.3% | | |
| | 3,920,000 | 3,900,420 |

Environmental Resources Management (United Kingdom) 05/09/21 (b) (f)

FOREST PRODUCTS & PAPER - 1.0%

| | | |
|--|-----------|-----------|
| Caraustar Industries, Inc. Term Loan, 7.50%, 05/01/19 | 2,792,541 | 2,832,698 |
|--|-----------|-----------|

HEALTHCARE & PHARMACEUTICALS - 7.6%

| | | |
|---|-----------|-----------|
| Amneal Pharmaceuticals LLC Term Loan B, 5.75%, 11/01/19 | 2,243,050 | 2,258,942 |
| Ardent Medical Services, Inc. First Lien Term Loan, 6.75%, 07/02/18 | 815,018 | 820,788 |
| Dialysis Newco, Inc. (dba DSI Renal) First Lien Term Loan B, 4.75%, 04/23/21 | 2,330,000 | 2,337,771 |
| InVentiv Health, Inc. Consolidated Term Loan, 7.50%, 08/04/16 | 446,030 | 448,958 |
| Opal Acquisition, Inc. First Lien Term Loan, 5.00%, 11/27/20 | 5,417,387 | 5,438,542 |
| Premier Dental Services, Inc. First Lien Term Loan, 6.00%, 11/01/18 | 3,719,596 | 3,739,737 |
| Smile Brands Group, Inc. Term Loan, 08/16/19 (b) | 4,367,000 | 4,257,825 |

| | | |
|--------------------|-------------------|--|
| Principal | | |
| Amount (\$) | Value (\$) | |

HEALTHCARE & PHARMACEUTICALS (continued)

| | | |
|---|-----------|------------|
| Steward Health Care System, LLC Term Loan, 6.75%, 04/10/20 (c) | 1,512,720 | 1,497,593 |
| U.S. Renal Care, Inc. Incremental Tranche B-1 Second Lien Term Loan 2, 8.50%, 07/03/20 | 1,212,000 | 1,230,180 |
| | | 22,030,336 |

HIGH TECH INDUSTRIES - 4.3%

| | | |
|--|---------|---------|
| The Active Network, Inc. (Lanyon, Inc.) First Lien Term Loan, 5.50%, 11/13/20 | 628,799 | 626,837 |
|--|---------|---------|

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Second Lien Term Loan,

| | | |
|---|-----------|------------|
| 9.50%, 11/15/21 GTCR Valor Companies, Inc. (d) First Lien Term Loan, 05/30/21 (b) Landesk Group, Inc. First Lien New Term Loan, 5.00%, 02/25/20 Second Lien Term Loan, | 2,584,195 | 2,593,885 |
| 8.25%, 02/25/21 MSC Software Corp. First Lien Initial Term Loan, 5.00%, 05/29/20 Second Lien Term Loan, | 1,149,846 | 1,146,253 |
| 8.50%, 05/28/21 (c) | 3,426,013 | 3,438,843 |
| | 1,682,000 | 1,691,814 |
| | 901,000 | 908,884 |
| | 2,050,000 | 2,070,500 |
| | | 12,477,016 |

HOTEL, GAMING & LEISURE - 3.3%

| | | |
|--|-----------|-----------|
| Centaur Acquisition, LLC Second Lien Term Loan, 8.75%, 02/20/20 Deluxe Entertainment Services Group, Inc. Initial Term Loan, 6.50%, 02/28/20 Diamond Resorts Corp. Term Loan, 5.50%, 05/09/21 (c) Mohegan Tribal Gaming Authority Term Loan B, 5.50%, 11/19/19 Peppermill Casinos, Inc. Term Loan B, 7.25%, 11/09/18 (c) Planet Fitness Holdings LLC Term Loan, 4.75%, 03/31/21 | 3,000,000 | 3,060,000 |
| | 1,033,299 | 1,033,299 |
| | 909,000 | 916,954 |
| | 1,099,674 | 1,120,183 |
| | 1,974,902 | 2,026,743 |
| | 1,336,650 | 1,345,004 |
| | | 9,502,183 |

MEDIA: ADVERTISING, PRINTING & PUBLISHING - 4.5%

| | | |
|--|-----------|------------|
| F & W Media, Inc. Term Loan, 7.75%, 06/30/19 (c) Merrill Communications, LLC Term Loan, 5.75%, 03/08/18 Springer SBM Two GMBH (Germany) Initial Term Loan B2, 5.00%, 08/14/20 (f) | 4,206,365 | 4,206,365 |
| | 4,547,481 | 4,632,746 |
| | 4,017,640 | 4,030,839 |
| | | 12,869,950 |

14 | See accompanying Notes to Financial Statements.

Apollo Tactical Income Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | Principal Amount (\$) | Value (\$) |
|---|----------------------------------|-------------------|
| Senior Loans (a) (continued) | | |
| MEDIA: BROADCASTING & SUBSCRIPTION - 5.0% | | |
| Emmis Communications Corp. Term Loan B, 06/10/21 (b) | 2,000,000 | 2,015,000 |
| Hargray Communications Group, Inc. (HCP Acquisition LLC) Term Loan B, 4.75%, 06/26/19 | 2,276,010 | 2,289,530 |
| Hemisphere Media Holdings, LLC (Intermedia Espanol, Inc.) Term Loan B, 6.25%, 07/30/20 | 2,326,500 | 2,361,398 |
| SESAC Holdco II LLC First Lien Term Loan, 5.00%, 02/07/19 | 403,976 | 407,765 |
| Telecommunications Management, LLC First Lien Initial Term Loan, 4.75%, 04/30/20 | 1,018,869 | 1,027,784 |
| Second Lien Initial Term Loan, 9.00%, 10/30/20 | 1,065,712 | 1,077,701 |
| William Morris Endeavor Entertainment, LLC (IMG Worldwide Holdings, LLC) First Lien Term Loan, 5.25%, 05/06/21 | 5,050,000 | 5,094,188 |
| | | 14,273,366 |
| MEDIA: DIVERSIFIED & PRODUCTION - 1.5% | | |
| Tech Finance & Co. S.C.A. (Luxembourg) U.S. Term Loan, 5.50%, 07/11/20 (f) | 4,239,288 | 4,297,599 |
| METALS & MINING - 1.1% | | |
| | 3,000,000 | 3,078,750 |

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Oxbow Carbon, LLC (Oxbow Calcining, LLC)
Term Loan B, 8.00%, 01/19/20

RETAIL - 0.7%

| | | |
|--|-----------|-----------|
| Charming Charlie, LLC Initial Term Loan, 9.00%, 12/24/19 | 1,226,940 | 1,242,276 |
| Vince, LLC (Vince Intermediate Holding, LLC) Term Loan B, 6.00%, 11/27/19 | 726,857 | 736,851 |
| | | 1,979,127 |

SERVICES: BUSINESS - 11.9%

| | | |
|---|-----------|-----------|
| Applied Systems, Inc. Second Lien Initial Term Loan, 7.50%, 01/24/22 | 1,090,600 | 1,114,866 |
| Aptean, Inc. First Lien Term Loan, 5.25%, 02/26/20 | 1,519,193 | 1,528,687 |
| ARC Document Solutions, Inc. Term Loan B, 6.25%, 12/20/18 | 2,334,375 | 2,373,768 |
| EIG Investors Corp. Term Loan, 5.00%, 11/09/19 | 2,112,219 | 2,119,264 |
| Genex Holdings, Inc. First Lien Term Loan, 05/28/21 (b) | 993,000 | 1,001,068 |

| Principal Amount (\$) | Value (\$) |
|----------------------------------|-------------------|
| | |

SERVICES: BUSINESS (continued)

| | | |
|---|-----------|-----------|
| Infogroup, Inc. Term Loan B, 7.50%, 05/26/18 | 3,751,564 | 3,542,902 |
| Nord Anglia Education Finance, LLC Initial Term Loan, 4.50%, 03/31/21 | 2,080,000 | 2,084,555 |
| Onex Carestream Finance L.P. Second Lien Term Loan, 9.50%, 12/07/19 | 5,639,588 | 5,773,528 |
| SGS Cayman, L.P. (Cayman Islands) Term Loan, 7.25%, 03/06/19 (f) | 1,745,236 | 1,758,325 |
| Stadium Management (SMG) Second Lien Term Loan, 9.25%, 02/27/21 (c) | 2,490,000 | 2,533,575 |
| Stafford Logistics, Inc. (dba Custom Ecology, Inc.) Term Loan, 6.75%, 06/26/19 (c) | 2,519,550 | 2,533,722 |
| | 3,864,451 | 3,893,434 |

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| | | |
|---|-----------|------------|
| Sutherland Global Services, Inc. U.S. Tranche Term Loan, 7.25%, 03/06/19 TriNet HR Corp. Term Loan B2, 5.00%, 08/20/20 | 3,979,925 | 3,979,925 |
| | | 34,237,619 |

SERVICES: CONSUMER - 1.3%

| | | |
|---|-----------|-----------|
| Laureate Education, Inc. New Series 2018 Extended Term Loan, 5.00%, 06/15/18 | 3,877,442 | 3,799,893 |
|---|-----------|-----------|

TELECOMMUNICATIONS - 5.7%

| | | |
|---|-----------|------------|
| Global Tel*Link Corp. First Lien Term Loan, 05/23/20 (b) | 3,005,649 | 2,998,134 |
| Ntelos Inc. Term Loan B, 11/09/19 (b) | 4,049,609 | 4,059,733 |
| Securus Technologies Holdings, Inc. First Lien Initial Term Loan, 4.75%, 04/30/20 Second Lien New Term Loan, 9.00%, 04/30/21 | 997,488 | 1,002,889 |
| | 5,000,000 | 5,082,300 |
| The TelX Group, Inc. Second Lien Initial Term Loan B, 7.50%, 04/09/21 | 600,000 | 602,376 |
| U.S. TelePacific Corp. Term Loan, 5.75%, 02/23/17 | 2,506,018 | 2,532,657 |
| | | 16,278,089 |

TRANSPORTATION: CARGO - 1.4%

| | | |
|--|-----------|-----------|
| Carrix, Inc. Term Loan, 01/07/19 (b) | 2,500,000 | 2,359,375 |
| Commercial Barge Line Co. First Lien Initial Term Loan, 7.50%, 09/22/19 (c) | 1,680,725 | 1,693,330 |
| | | 4,052,705 |

TRANSPORTATION: CONSUMER - 2.3%

| | | |
|--|---------|---------|
| LM U.S. Member LLC (LM U.S. Corp. Acquisition Inc.) Term Loan B, 10/25/19 (b) | 651,515 | 653,307 |
|--|---------|---------|

See accompanying Notes to Financial Statements. | 15

Apollo Tactical Income Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | <u>Principal Amount (\$)</u> | <u>Value (\$)</u> |
|---|----------------------------------|--------------------|
| Senior Loans (a) (continued) | | |
| TRANSPORTATION: CONSUMER (continued) | | |
| Travel Leaders Group, LLC Tranche B Term Loan, 7.00%, 12/05/18 (c) | 1,190,893 | 1,193,126 |
| Travelport, LLC New Term Loan B, 6.25%, 06/26/19 | 4,692,600 | 4,808,155 |
| | | 6,654,588 |
| UTILITIES: ELECTRIC - 0.8% | | |
| Energy Future Intermediate Holding Co. LLC (EFIH Finance Inc.) Term Loan, 4.25%, 06/19/16 | 2,240,000 | 2,255,803 |
| Total Senior Loans (Cost \$245,823,777) | | 250,074,626 |

Corporate Notes and Bonds - 41.3%**BANKING, FINANCE, INSURANCE & REAL ESTATE - 8.5%**

First Data Corp.

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| | | |
|--|-----------|------------|
| 10.63%, 06/15/21 | 5,000,000 | 5,850,000 |
| 11.25%, 01/15/21 | 1,800,000 | 2,106,000 |
| Jefferies Finance, LLC / JFIN Co-Issuer Corp. | | |
| 7.38%, 04/01/20 (h) | 5,500,000 | 5,802,500 |
| KCG Holdings, Inc. (Knight Capital) | | |
| 8.25%, 06/15/18 (h) | 3,934,000 | 4,194,628 |
| Nationstar Mortgage, LLC | | |
| 6.50%, 07/01/21 | 3,860,000 | 3,888,950 |
| SquareTwo Financial Corp. | | |
| 11.63%, 04/01/17 | 2,684,000 | 2,603,480 |
| | | 24,445,558 |

BEVERAGE, FOOD & TOBACCO - 4.4%

| | | |
|---|-----------|------------|
| Chiquita Brands International Inc. / Chiquita Brands LLC | | |
| 7.88%, 02/01/21 | 5,256,000 | 5,742,180 |
| Land O Lakes Capital Trust I | | |
| 7.45%, 03/15/28 (h) | 6,719,000 | 6,802,988 |
| | | 12,545,168 |

CAPITAL EQUIPMENT - 0.4%

| | | |
|-------------------------|-----------|-----------|
| Waterjet Holdings, Inc. | | |
| 7.63%, 02/01/20 (h) | 1,043,000 | 1,110,795 |

CHEMICALS, PLASTICS & RUBBER - 5.1%

| | | |
|---|-----------|------------|
| Magnetation, LLC / Mag Finance Corp. | | |
| 11.00%, 05/15/18 (h) | 2,600,000 | 2,853,500 |
| Rentech Nitrogen Partners, L.P./Rentech Nitrogen Finance Corp. | | |
| 6.50%, 04/15/21 (h) | 5,000,000 | 5,075,000 |
| TPC Group, Inc. 8.75%, 12/15/20 (h) | 6,000,000 | 6,675,000 |
| | | 14,603,500 |

CONSUMER GOODS: NON-DURABLE - 1.9%

| | | |
|---|-----------|-----------|
| American Greetings Corp. 7.38%, 12/01/21 | 5,000,000 | 5,331,250 |
|---|-----------|-----------|

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

ENERGY: OIL & GAS - 4.0%

| | | |
|---|-----------|------------|
| Sidewinder Drilling, Inc. 9.75%, 11/15/19 (c) (h) | 6,000,000 | 6,120,000 |
| Summit Midstream Holdings, LLC / Summit Midstream Finance Corp. 7.50%, 07/01/21 | 5,000,000 | 5,475,000 |
| | | 11,595,000 |

HEALTHCARE & PHARMACEUTICALS - 3.2%

| | | |
|---|-----------|-----------|
| InVentiv Health, Inc. 11.00%, 08/15/18 (h) | 5,750,000 | 5,520,000 |
| Valeant Pharmaceuticals International, Inc. (Canada) 7.50%, 07/15/21 (f) (h) | 3,200,000 | 3,556,000 |
| | | 9,076,000 |

HOTEL, GAMING & LEISURE - 0.7%

| | | |
|---|-----------|-----------|
| DreamWorks Animation SKG, Inc. 6.88%, 08/15/20 (h) | 2,000,000 | 2,165,000 |
|---|-----------|-----------|

MEDIA: BROADCASTING & SUBSCRIPTION - 2.7%

| | | |
|--|-----------|-----------|
| Columbus International, Inc. (Barbados) 7.38%, 03/30/21 (f) (h) | 1,285,000 | 1,389,406 |
| | 2,625,000 | 2,815,312 |

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| | | |
|-----------------------------------|-----------|-----------|
| Nara Cable Funding Ltd. (Ireland) | | |
| 8.88%, 12/01/18 (f) (h) | | |
| Ono Finance II PLC (Ireland) | | |
| 10.88%, 07/15/19 (f) (h) | 1,800,000 | 1,975,500 |
| Radio One, Inc. | | |
| 9.25%, 02/15/20 (h) | 1,484,000 | 1,613,850 |
| | | 7,794,068 |

MEDIA: DIVERSIFIED & PRODUCTION - 0.9%

| | | |
|------------------|-----------|-----------|
| SiTV Inc. | | |
| 07/01/19 (b) (h) | 2,493,000 | 2,567,790 |

METALS & MINING - 3.5%

| | | |
|----------------------|-----------|------------|
| Molycorp, Inc. | | |
| 10.00%, 06/01/20 | 8,000,000 | 7,400,000 |
| SunCoke Energy, Inc. | | |
| 7.38%, 02/01/20 (h) | 2,000,000 | 2,145,000 |
| 7.38%, 02/01/20 (h) | 606,000 | 649,935 |
| | | 10,194,935 |

SERVICES: CONSUMER - 2.9%

| | | |
|--|-----------|-----------|
| StoneMor Partners, L.P./ | | |
| Cornerstone Family Services of West Virginia | | |
| 7.88%, 06/01/21 (h) | 7,921,000 | 8,356,655 |

TELECOMMUNICATIONS - 3.1%

| | | |
|---|-----------|-----------|
| Avanti Communications Group PLC | | |
| (United Kingdom) 10.00%, 10/01/19 (f) (h) | 3,333,000 | 3,549,645 |
| Avaya, Inc. | | |
| 9.00%, 04/01/19 (h) | 5,255,000 | 5,484,906 |
| | | 9,034,551 |

**Total Corporate Notes and
Bonds**
(Cost \$114,277,066)

118,820,270

16 | See accompanying Notes to Financial Statements.

Apollo Tactical Income Fund Inc.**Schedule of Investments (continued)****June 30, 2014 (unaudited)**

| | Principal Amount (\$) | Value (\$) |
|--|----------------------------------|-------------------|
| Asset-Backed Securities (i) - 12.7% | | |
| Atlas Senior Loan Fund Ltd. (Cayman Islands) | | |
| Series 2012-1A, Class B2L, 6.47%, 08/15/24 (f) (h) (j) | 2,000,000 | 1,996,250 |
| Series 2012-1A, Class B3L, 7.72%, 08/15/24 (c) (f) (h) (j) | 5,000,000 | 5,006,250 |
| Battalion CLO Ltd. (Cayman Islands) | | |
| Series 2012-3A, Class D, 5.53%, 01/18/25 (f) (h) (j) | 1,650,000 | 1,574,678 |
| Cent CLO 17 Ltd. (Cayman Islands) | | |
| Series 2013-17A, Class D, 6.22%, 01/30/25 (c) (f) (h) (j) | 4,000,000 | 3,956,000 |
| Cent CLO L.P. (Cayman Islands) | | |
| Series 2012-16X, Class D, 6.23%, 08/01/24 (f) (j) | 2,000,000 | 1,978,860 |
| CIFC Funding Ltd. (Cayman Islands) | | |
| Series 2012-1X, Class B2L, 7.23%, 08/14/24 (c) (f) (j) | 2,000,000 | 2,000,000 |
| Series 2012-2X, Class B2L, 6.23%, 12/05/24 (c) (f) (j) | 3,000,000 | 2,955,000 |
| Dryden XXIV Senior Loan Fund (Cayman Islands) | | |
| Series 2012-24A, Class E, Collateralized Loan Obligation, 6.12%, 11/15/23 (f) (h) (j) | 1,000,000 | 987,229 |
| JFIN CLO 2012 Ltd. (Cayman Islands) | | |
| Series 2012-1A, Class D, 5.73%, 07/20/23 (f) (h) (j) | 3,000,000 | 2,864,251 |
| Marea CLO Ltd. (Cayman Islands) | | |
| Series 2012-1A, Class E, 6.33%, 10/16/23 (c) (f) (h) (j) | 4,000,000 | 3,966,320 |
| NXT Capital CLO 2014-1, LLC | | |
| 5.80%, 04/23/26 (c) (h) (j) | 5,000,000 | 4,652,350 |
| | Principal Amount (\$) | Value (\$) |
| OCP CLO Ltd. (Cayman Islands) | | |
| Series 2014-5A, Class E, 5.49%, 04/26/26 (c) (f) (h) (j) | 3,000,000 | 2,548,200 |
| Octagon Investment Partners XIV Ltd. (Cayman Islands) | | |
| | 2,200,000 | 2,076,646 |

Series 2012-1A, Class E, 6.74%, 01/15/24 (c) (f) (h) (j)

| | |
|---|-------------------|
| Total Asset-Backed Securities (Cost \$36,648,005) | 36,562,034 |
|---|-------------------|

| | <u>Share Amount</u> | <u>Value (\$)</u> |
|--|-------------------------|-------------------|
|--|-------------------------|-------------------|

Preferred Stock - 1.4%**BANKING, FINANCE, INSURANCE & REAL ESTATE - 1.4%**

| | | |
|---|---------|-----------|
| Watford Holdings Ltd. (Bermuda) 8.50% (c) (f) | 160,000 | 3,920,000 |
|---|---------|-----------|

| | | |
|--|--|------------------|
| Total Preferred Stock (Cost \$3,920,000) | | 3,920,000 |
|--|--|------------------|

Warrants - 0.0%**BANKING, FINANCE, INSURANCE & REAL ESTATE - 0.0%**

| | | |
|--|--------|--------|
| Medical Card System, Inc. 07/26/18 (c) | 50,689 | 10,138 |
|--|--------|--------|

| | | |
|-------------------------------------|--|---------------|
| Total Warrants (Cost \$) | | 10,138 |
|-------------------------------------|--|---------------|

| | | |
|--|--|--------------------|
| Total Investments-142.3% (Cost of \$400,668,848) | | 409,387,068 |
|--|--|--------------------|

| | | |
|---|--|-------------------|
| Other Assets & Liabilities, Net-5.7% | | 16,401,299 |
|---|--|-------------------|

| | | |
|---------------------------------|--|----------------------|
| Loan Outstanding-(48.0)% | | (138,000,000) |
|---------------------------------|--|----------------------|

| | | |
|---------------------------|--|--------------------|
| Net Assets -100.0% | | 287,788,367 |
|---------------------------|--|--------------------|

- (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

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commercial lenders. The rates shown represent the weighted average rate at June 30, 2014. 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) All or a portion of this position has not settled. Full contract rates do not take effect until settlement date.
- (c) Fair Value Level 3 security. All remaining securities are categorized as Level 2.
- (d) Senior Loan assets have additional unfunded loan commitments. As of June 30, 2014, the Fund had unfunded loan commitments, which could be extended at the option of the borrower, pursuant to the following loan agreements:

| Borrower | Unfunded Loan Commitments |
|--|----------------------------------|
| GTCR Valor Companies, Inc. | \$867,435 |
| The SI Organization, Inc. | 88,001 |
| Total unfunded loan commitments | \$955,436 |

- (e) Fixed rate asset.
- (f) Foreign issuer traded in U.S. dollars.

See accompanying Notes to Financial Statements. | 17

Apollo Tactical Income Fund Inc.

Schedule of Investments (continued)

June 30, 2014 (unaudited)

- (g) Represents a payment-in-kind security which may pay interest in additional principal amount.
- (h) Securities exempt from registration pursuant to Rule 144A under the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. At June 30, 2014, these securities amounted to \$110,051,584, or 38.2% of net assets.
- (i) Asset-backed securities 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 which, due to the diversification of the underlying risk, generally represent a lower level of risk than the original assets. The redemption of the securities issued by the SPV typically takes place at maturity out of the cash flow generated by the collected claims.
- (j) Floating rate asset. The interest rate shown reflects the rate in effect at June 30, 2014.

18 | See accompanying Notes to Financial Statements.

Apollo Senior Floating Rate Fund Inc.**Apollo Tactical Income Fund Inc.****Statements of Assets and Liabilities****June 30, 2014 (unaudited)**

| | Apollo Senior Floating Rate Fund Inc. | Apollo Tactical Income Fund Inc. |
|--|--|---|
| Assets: | | |
| Investment securities at fair value (cost \$426,775,988 and \$400,668,848, respectively) | \$ 431,634,424 | \$ 409,387,068 |
| Cash and cash equivalents | 35,132,032 | 31,349,124 |
| Interest and dividends receivable | 2,607,586 | 3,741,237 |
| Receivable for investment securities sold | 9,277,838 | 11,053,062 |
| Unrealized appreciation on unfunded transactions (Note 9) | 7,242 | 7,242 |
| Other receivable | 876 | 876 |
| Deferred financing costs | 233,904 | 88,429 |
| Prepaid expenses | 273,943 | 275,873 |
| | | |
| Total Assets | \$ 479,167,845 | \$ 455,902,911 |
| Liabilities: | | |
| Borrowings under credit facility (Note 8) | \$ 149,269,000 | \$ 138,000,000 |
| Payable for investment securities purchased | 29,676,787 | 29,074,829 |
| Interest payable | 278,676 | 215,209 |
| Distributions payable to common shareholders | 84,959 | 96,384 |
| Investment advisory fee payable | 368,000 | 349,519 |
| Other payables and accrued expenses due to affiliates | 125,050 | 155,108 |
| Other payables and accrued expenses | 467,241 | 223,495 |
| | | |
| Total Liabilities | 180,269,713 | 168,114,544 |
| | | |
| Net Assets (Applicable to Common Shareholders) | \$ 298,898,132 | \$ 287,788,367 |

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) | \$ 296,705,488 | \$ 275,652,326 |
| Undistributed net investment income | 1,294,981 | 1,873,986 |
| Accumulated net realized (loss)/gain from investments | (3,968,015) | 1,536,593 |
| Net unrealized appreciation on investments and unfunded transactions | 4,865,678 | 8,725,462 |
| Net Assets (Applicable to Common Shareholders) | \$ 298,898,132 | \$ 287,788,367 |

| | | |
|--|-------------------|-------------------|
| Number of Common Shares outstanding | 15,573,061 | 14,464,026 |
| Net Asset Value, per Common Share | \$ 19.19 | \$ 19.90 |

See accompanying Notes to Financial Statements. | 19

Apollo Senior Floating Rate Fund Inc.**Apollo Tactical Income Fund Inc.****Statements of Operations****For the Six Months Ended June 30, 2014 (unaudited)**

| | Apollo Senior Floating Rate Fund Inc. | Apollo Tactical Income Fund Inc. |
|--|--|---|
| Investment Income: | | |
| Interest | \$ 13,733,137 | \$ 14,908,055 |
| Dividends | 85,000 | 85,000 |
| Total Investment Income | 13,818,137 | 14,993,055 |
| Expenses: | | |
| Investment advisory fee (Note 3) | 2,234,791 | 2,101,830 |
| Interest and commitment fee expense (Note 8) | 1,028,785 | 998,433 |
| Audit and legal fees | 226,946 | 208,710 |
| Administrative services of the Adviser (Note 3) | 280,000 | 280,000 |
| Insurance expense | 176,480 | 176,480 |
| Amortization of deferred financing costs (Note 8) | 449,653 | 53,531 |
| Board of Directors fees (Note 3) | 59,682 | 59,682 |
| Other operating expenses (Note 3) | 213,846 | 196,621 |
| Total Expenses | 4,670,183 | 4,075,287 |
| Net Investment Income | 9,147,954 | 10,917,768 |
| Net Realized and Unrealized Gain on Investments | | |
| Net realized gain on investments | 1,045,881 | 1,141,455 |
| Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions (Note 9) | 378,139 | 3,705,961 |

| | | |
|---|-----------|-----------|
| Net realized and unrealized gain on investments | 1,424,020 | 4,847,416 |
|---|-----------|-----------|

Distributions to Preferred Shareholders:

| | | |
|----------------------------|-----------|--|
| From net investment income | (244,641) | |
|----------------------------|-----------|--|

| | | |
|---|----------------------|----------------------|
| Net Increase in Net Assets, Applicable to Common Shareholders, Resulting From Operations | \$ 10,327,333 | \$ 15,765,184 |
|---|----------------------|----------------------|

20 | See accompanying Notes to Financial Statements.

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

| | Six Months Ended June 30, 2014 (unaudited) | Year Ended December 31, 2013 |
|---|--|--|
| Increase in Net Assets: | | |
| From Operations | | |
| Net investment income | \$ 9,147,954 | \$ 20,796,588 |
| Net realized gain/(loss) on investments | 1,045,881 | (3,951,563) |
| Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions | 378,139 | 9,536,604 |
| Distributions to preferred shareholders | (244,641) | (677,510) |
| Net increase in net assets from operations | 10,327,333 | 25,704,119 |
| Distributions to Common Shareholders | | |
| From net investment income | (9,160,074) | (19,606,326) |
| Total distributions to common shareholders | (9,160,074) | (19,606,326) |
| Capital Transactions from Common Shares | | |
| Reinvestment of dividends | | 811,136 |
| Net increase in net assets from share transactions | | 811,136 |
| Total increase in net assets | \$ 1,167,259 | \$ 6,908,929 |
| Net Assets Applicable to Common Shares | | |
| Beginning of period | 297,730,873 | 290,821,944 |
| End of period | \$ 298,898,132 | \$ 297,730,873 |

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| | | |
|-------------------------------------|--------------|--------------|
| Undistributed net investment income | \$ 1,294,981 | \$ 1,543,192 |
|-------------------------------------|--------------|--------------|

See accompanying Notes to Financial Statements. | 21

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

| | Six Months Ended June 30, 2014 (unaudited) | Period Ended December 31, 2013* |
|---|--|---|
| Increase in Net Assets: | | |
| From Operations | | |
| Net investment income | \$ 10,917,768 | \$ 14,875,457 |
| Net realized gain on investments | 1,141,455 | 569,675 |
| Net change in unrealized appreciation/(depreciation) on investments and unfunded transactions | 3,705,961 | 5,019,501 |
| Net increase in net assets from operations | 15,765,184 | 20,464,633 |
| Distributions to Common Shareholders | | |
| From net investment income | (10,153,746) | (13,797,712) |
| From realized gains on investments | | (174,537) |
| Total distributions to common shareholders | (10,153,746) | (13,972,249) |
| Capital Transactions from Common Shares | | |
| Proceeds from sale of common shares | | 276,162,889 |
| Offering costs (Note 6) | | (578,352) |
| Net increase in net assets from share transactions | | 275,584,537 |
| Total increase in net assets | \$ 5,611,438 | \$ 282,076,921 |
| Net Assets Applicable to Common Shares | | |
| Beginning of period | 282,176,929 | 100,008** |
| End of period | \$ 287,788,367 | \$ 282,176,929 |

| | | |
|-------------------------------------|--------------|--------------|
| Undistributed net investment income | \$ 1,873,986 | \$ 1,106,712 |
|-------------------------------------|--------------|--------------|

* For the period from February 25, 2013 (commencement of operations) to December 31, 2013.

** Represents initial seed capital invested by Apollo Credit Management, LLC.

22 | See accompanying Notes to Financial Statements.

Apollo Senior Floating Rate Fund Inc.**Statement of Cash Flows****For the Six Months Ended June 30, 2014 (unaudited)****Cash Flows From Operating Activities**

Net increase in net assets from operations excluding distributions to preferred shareholders \$ 10,571,974

Adjustments to Reconcile Net Increase in Net Assets from Operations Excluding Distributions to Preferred Shareholders to Net Cash Flows Provided by Operating Activities

Net realized gain on investments (1,045,881)

Net change in unrealized (appreciation)/depreciation on investments and unfunded transactions (378,139)

Net amortization/(accretion) of premium/(discount) (406,551)

Purchase of investment securities (163,709,203)

Proceeds from disposition of investment securities 182,147,530

Amortization of deferred financing costs 449,653

Accrued deferred financing costs (211,154)

Changes in Operating Assets and Liabilities

Decrease in interest receivable 271,822

Increase in other receivable (876)

Increase in prepaid expenses (218,888)

Decrease in interest payable (238,211)

Decrease in investment advisory fee payable (15,179)

Decrease in other payables and accrued expenses due to affiliates (148,135)

Increase in other payables and accrued expenses 121,639

Net cash flows provided by operating activities 27,190,401

Cash Flows From Financing Activities

Proceeds from borrowing under the credit facility 149,269,000

Repayment of the credit facility (122,704,615)

Deferred financing costs (38,846)

Repurchase of Series A Preferred Shares (30,680,000)

Distributions paid to common shareholders (9,189,357)

Distributions paid to preferred shareholders (413,081)

Net cash flows used in financing activities (13,756,899)

Net Increase in Cash and Cash Equivalents 13,433,502

Cash and cash equivalents, beginning of period 21,698,530

| | |
|--|---------------|
| Cash and cash equivalents, end of period | \$ 35,132,032 |
|--|---------------|

Supplemental Disclosure of Cash Flow Information

| | |
|--|--------------|
| Cash paid during the period for interest and commitment fees | \$ 1,266,996 |
|--|--------------|

See accompanying Notes to Financial Statements. | 23

Apollo Tactical Income Fund Inc.**Statement of Cash Flows****For the Six Months Ended June 30, 2014 (unaudited)****Cash Flows From Operating Activities**

Net increase in net assets from operations \$ 15,765,184

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

Net realized gain on investments (1,141,455)

Net change in unrealized (appreciation)/depreciation on investments and unfunded transactions (3,705,961)

Net amortization/(accretion) of premium/(discount) (277,314)

Purchase of investment securities (154,119,176)

Proceeds from disposition of investment securities 165,257,680

Amortization of deferred financing costs 53,531

Changes in Operating Assets and Liabilities

Decrease in interest receivable 970,594

Increase in other receivable (876)

Increase in prepaid expenses (220,818)

Decrease in interest payable (5,632)

Decrease in investment advisory fee payable (6,990)

Decrease in other payables and accrued expenses due to affiliates (423,123)

Decrease in other expenses and liabilities (83,082)

Net cash flows provided by operating activities 22,062,562

Cash Flows From Financing Activities

Distributions paid to common shareholders (10,198,116)

Net cash flows used in financing activities (10,198,116)

Net Increase in Cash and Cash Equivalents 11,864,446

Cash and cash equivalents, beginning of period 19,484,678

Cash and cash equivalents, end of period \$ 31,349,124

Supplemental Disclosure of Cash Flow Information

| | |
|--|--------------|
| Cash paid during the period for interest | \$ 1,004,065 |
|--|--------------|

24 | See accompanying Notes to Financial Statements.

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

For a Common Share outstanding throughout the period

| | For the Six Months Ended June 30, 2014 (unaudited) | For the Year Ended December 31, 2013 | For the Year Ended December 31, 2012 | For the Period Ended December 31, 2011^(a) |
|---|---|---|---|---|
| Per Common Share Operating Performance: | | | | |
| Net Asset Value, Beginning of Period | \$ 19.12 | \$ 18.73 | \$ 17.68 | \$ 19.10 ^(b) |
| Income from Investment Operations: | | | | |
| Net investment income | 0.59 | 1.34 | 1.39 | 1.00 |
| Net realized and unrealized gain/(loss) on investments | 0.09 | 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 | 0.66 | 1.65 | 2.44 | (0.48) |
| Less Distributions Paid to Common Shareholders from: | | | | |
| Net investment income | (0.59) | (1.26) | (1.38) | (0.88) |
| Net realized gain on investments | | | (0.01) | (0.02) |
| Total distributions paid to Common Shareholders | (0.59) | (1.26) | (1.39) | (0.90) |
| Common Share offering charges to paid-in capital | | | | (0.04) |
| Net Asset Value, End of Period | \$ 19.19 | \$ 19.12 | \$ 18.73 | \$ 17.68 |
| Market Value, End of Period | \$ 18.05 | \$ 18.10 | \$ 18.77 | \$ 16.01 |
| Total return based on net asset value ^(c) | 3.66% ^(d) | 9.19% | 14.23% | (2.43)% ^(d) |
| Total return based on market value ^(c) | 3.00% ^(d) | 3.14% | 26.41% | (15.62)% ^(d) |
| Ratios to Average Net Assets Applicable to Common Shareholders: | | | | |
| Ratio of total expenses to average net assets | 3.16% ^(e) | 3.00% | 3.21% | 2.99% ^(e) |
| Ratio of net expenses to average net assets | 3.16% ^(e) | 3.00% | 3.18% | 2.88% ^(e) |
| Ratio of net investment income to average net assets ^(f) | 6.18% ^(e) | 7.03% | 7.51% | 6.49% ^(e) |
| | 6.02% ^(e) | 6.80% | 7.25% | 6.33% ^(e) |

Ratio of net investment income to average net assets net of distributions to Series A Preferred Shareholders

Supplemental Data:

| | | | | |
|-------------------------------------|----------------------|-----------|-----------|----------------------|
| Portfolio turnover rate | 41.2% ^(d) | 72.0% | 66.6% | 41.5% ^(d) |
| Net assets at end of period (000 s) | \$298,898 | \$297,731 | \$290,822 | \$273,650 |

Senior Securities:

| | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Total Series A Preferred Shares outstanding | | 1,534 | 1,534 | 1,534 |
| Liquidation and market value per Series A Preferred Shares | \$ | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Asset coverage per share ^(g) | \$ | \$294,078 | \$289,574 | \$278,380 |
| Loan outstanding (in 000 s) | \$149,269 | \$122,705 | \$122,705 | \$122,705 |
| Asset coverage per \$1,000 of loan outstanding | \$ 3,002 ^(h) | \$ 3,676 ⁽ⁱ⁾ | \$ 3,620 ⁽ⁱ⁾ | \$ 3,480 ⁽ⁱ⁾ |

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

(d) Not annualized.

(e) Annualized.

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

(g) 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.

(h) 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.

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

See accompanying Notes to Financial Statements. | 25

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

For a Common Share outstanding throughout the period

| | For the Six Months Ended June 30, 2014 (Unaudited) | For the Period Ended December 31, 2013^(a) |
|--|---|---|
| Per Common Share Operating Performance: | | |
| Net Asset Value, Beginning of Period | \$ 19.51 | \$ 19.10 ^(b) |
| Income from Investment Operations: | | |
| Net investment income | 0.75 | 1.03 |
| Net realized and unrealized gain on investments | 0.34 | 0.39 |
| Total from investment operations | 1.09 | 1.42 |
| Less Distributions Paid to Common Shareholders from: | | |
| Net investment income | (0.70) | (0.96) |
| Net realized gain on investments | | (0.01) |
| Total distributions paid to Common Shareholders | (0.70) | (0.97) |
| Common share offering charges to paid-in capital | | (0.04) |
| Net Asset Value, End of Period | \$ 19.90 | \$ 19.51 |
| Market Value, End of Period | \$ 18.35 | \$ 18.00 |
| Total return based on net asset value ^(c) | 6.04% ^(d) | 7.94% ^(d) |
| Total return based on market value ^(c) | 5.98% ^(d) | (4.90)% ^(d) |
| Ratios to Average Net Assets Applicable to Common Shareholders: | | |
| Ratio of total expenses to average net assets | 2.87% ^(e) | 2.58% ^(e) |
| Ratio of net expenses to average net assets | 2.87% ^(e) | 2.55% ^(e) |
| Ratio of net investment income to average net assets | 7.70% ^(e) | 6.38% ^(e) |
| Supplemental Data: | | |
| Portfolio turnover rate | 40.9% ^(d) | 72.4% ^(d) |
| Net assets at end of period (000 s) | \$ 287,788 | \$ 282,177 |
| Senior Securities: | | |
| Loan outstanding (in 000 s) | \$ 138,000 | \$ 138,000 |
| Asset coverage per \$1,000 of loan outstanding ^(f) | \$ 3,085 | \$ 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.

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- (c) Total return based on net asset value and total return based on market value assuming all distributions reinvested at reinvestment rate.
- (d) Not annualized.
- (e) Annualized.
- (f) 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.

26 | See accompanying Notes to Financial Statements.

Apollo Senior Floating Rate Fund Inc.

Apollo Tactical Income Fund Inc.

Notes to Financial Statements

June 30, 2014 (unaudited)

Note 1. Organization and Operations

Apollo Senior Floating Rate Fund Inc. (AFT) and Apollo Tactical Income Fund Inc. (AIF) (individually, a Fund or collectively, 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 will seek 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 will seek 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, collateralized loan obligations (CLOs) and asset-backed securities), bank loans, corporate loans, convertible and preferred securities, government and municipal obligations, mortgage-backed securities, repurchase agreements, and other fixed-income instruments of a similar nature that may be represented by derivatives such as options, forwards, futures contracts or

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

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

Note 2. Significant Accounting Policies

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

Apollo Senior Floating Rate Fund Inc.

Apollo Tactical Income Fund Inc.

Notes to Financial Statements (continued)

June 30, 2014 (unaudited)

Fund Valuation

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

Security Valuation

The Funds value their investments primarily using the mean of the bid and ask prices provided by a nationally recognized security pricing service or broker. Senior Loans, corporate notes and bonds, common stock, warrants and asset-backed securities are priced based on valuations provided by an approved independent third-party pricing service or broker, if available. If market or broker quotations are not available, or a price is not available from an independent third-party pricing service or broker, or if the price provided by the independent third-party pricing service or broker is believed to be unreliable, the security will be fair valued pursuant to procedures adopted by the Board. In general, fair value 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 can, but are not obligated to, 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 instruments in active markets to which the Funds have access at the date of measurement;

Level 2 Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments 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 or liability 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 third-party pricing services, and the existence of contemporaneous observable trades in the market.

Apollo Senior Floating Rate Fund Inc.

Apollo Tactical Income Fund Inc.

Notes to Financial Statements (continued)

June 30, 2014 (unaudited)