

APOLLO INVESTMENT CORP
Form 10-Q
October 30, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 814-00646

APOLLO INVESTMENT CORPORATION

(Exact name of Registrant as specified in its charter)

Maryland

52-2439556

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

9 West 57th Street

37th Floor

10019

New York, New York

(Address of principal executive offices)

(Zip Code)

(212) 515-3450

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock Outstanding at October 29, 2018

\$0.001 par value 211,574,594

APOLLO INVESTMENT CORPORATION

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PART I. FINANCIAL INFORMATION

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

Item 1. Financial Statements

APOLLO INVESTMENT CORPORATION

STATEMENTS OF ASSETS AND LIABILITIES

(In thousands, except share and per share data)

	September 30, 2018 (Unaudited)	March 31, 2018
Assets		
Investments at fair value:		
Non-controlled/non-affiliated investments (cost — \$1,511,531 and \$1,471,492, respectively)	\$ 1,479,233	\$ 1,450,033
Non-controlled/affiliated investments (cost — \$67,911 and \$73,943, respectively)	58,963	68,954
Controlled investments (cost — \$770,675 and \$723,161, respectively)	786,545	729,060
Cash and cash equivalents	17,124	14,035
Foreign currencies (cost — \$2,139 and \$1,292, respectively)	2,134	1,298
Cash collateral on options contracts	1,865	5,016
Receivable for investments sold	3,158	2,190
Interest receivable	21,939	22,272
Dividends receivable	2,550	2,550
Deferred financing costs	12,094	14,137
Variation margin receivable on options contracts	—	1,846
Prepaid expenses and other assets	1,187	419
Total Assets	\$ 2,386,792	\$ 2,311,810
Liabilities		
Debt	\$ 946,236	\$ 789,846
Payable for investments purchased	3,877	41,827
Distributions payable	31,942	32,447
Management and performance-based incentive fees payable	16,853	16,585
Interest payable	5,695	5,310
Accrued administrative services expense	2,232	2,507
Variation margin payable on options contracts	534	—
Other liabilities and accrued expenses	8,271	5,202
Total Liabilities	\$ 1,015,640	\$ 893,724
Commitments and contingencies (Note 10)		
Net Assets	\$ 1,371,152	\$ 1,418,086
Net Assets		
Common stock, \$0.001 par value (400,000,000 shares authorized; 212,056,994 and 216,312,096 shares issued and outstanding, respectively)	\$ 212	\$ 216
Paid-in capital in excess of par	2,612,529	2,636,507
Accumulated over-distributed net investment income	(10,750)	(10,229)
Accumulated net realized loss	(1,197,728)	(1,166,471)
Net unrealized loss	(33,111)	(41,937)
Net Assets	\$ 1,371,152	\$ 1,418,086

Net Asset Value Per Share	\$6.47	\$6.56
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See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
 STATEMENTS OF OPERATIONS (Unaudited)
 (In thousands, except per share data)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2018	2017	2018	2017
Investment Income				
Non-controlled/non-affiliated investments:				
Interest income (excluding Payment-in-kind (“PIK”) interest income)	\$44,586	\$39,319	\$84,029	\$78,271
PIK interest income	816	2,118	2,066	4,174
Other income	1,810	2,647	3,213	3,777
Non-controlled/affiliated investments:				
Interest income (excluding PIK interest income)	—	1	—	115
Dividend income	295	981	607	2,068
PIK interest income	—	2,501	—	4,938
Other income	—	—	—	(306)
Controlled investments:				
Interest income (excluding PIK interest income)	15,075	14,241	29,565	29,315
Dividend income	1,985	3,303	7,250	8,153
PIK interest income	1,467	1,351	2,895	2,668
Total Investment Income	\$66,034	\$66,462	\$129,625	\$133,173
Expenses				
Management fees	\$9,258	\$12,290	\$18,131	\$24,415
Performance-based incentive fees	6,359	8,037	13,782	15,949
Interest and other debt expenses	14,903	13,832	28,480	28,047
Administrative services expense	1,857	1,692	3,495	3,368
Other general and administrative expenses	3,524	1,620	6,056	4,176
Total expenses	35,901	37,471	69,944	75,955
Management and performance-based incentive fees waived	(1,834)	(5,081)	(3,690)	(10,091)
Expense reimbursements	(196)	(85)	(339)	(168)
Net Expenses	\$33,871	\$32,305	\$65,915	\$65,696
Net Investment Income	\$32,163	\$34,157	\$63,710	\$67,477
Net Realized and Change in Unrealized Gains (Losses)				
Net realized gains (losses):				
Non-controlled/non-affiliated investments	\$228	\$(7,309)	\$(9,718)	\$(97,148)
Non-controlled/affiliated investments	2,007	—	2,007	(146,840)
Option contracts	(10,311)	(5)	(23,520)	(5)
Foreign currency transactions	2	3,695	(26)	6,619
Net realized losses	(8,074)	(3,619)	(31,257)	(237,374)
Net change in unrealized gains (losses):				
Non-controlled/non-affiliated investments	(5,717)	10,049	(10,839)	101,287
Non-controlled/affiliated investments	(3,094)	1,489	(3,960)	157,219
Controlled investments	1,393	1,284	9,973	(5,784)
Option contracts	10,926	(1,873)	10,359	(1,873)
Foreign currency translations	432	(9,700)	3,293	(20,384)
Net change in unrealized losses	3,940	1,249	8,826	230,465
Net Realized and Change in Unrealized Losses	\$(4,134)	\$(2,370)	\$(22,431)	\$(6,909)
Net Increase (Decrease) in Net Assets Resulting from Operations	\$28,029	\$31,787	\$41,279	\$60,568

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Earnings Per Share — Basic	\$0.13	\$0.14	\$0.19	\$0.28
Earnings Per Share — Diluted	N/A	N/A	N/A	N/A

See notes to financial statements.

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STATEMENTS OF CHANGES IN NET ASSETS

(In thousands, except share data)

	Six Months Ended September 30, 2018 (Unaudited)	Year Ended March 31, 2018
Operations		
Net investment income	\$63,710	\$133,387
Net realized losses	(31,257)	(258,128)
Net change in unrealized losses	8,826	211,770
Net Increase in Net Assets Resulting from Operations	\$41,279	\$87,029
Distributions to Stockholders		
Distribution of net investment income	\$(64,231)	\$(86,906)
Distribution of return of capital	—	(44,088)
Net Decrease in Net Assets Resulting from Distributions to Stockholders	\$(64,231)	\$(130,994)
Capital Share Transactions		
Repurchase of common stock	\$(23,982)	\$(19,746)
Net Decrease in Net Assets Resulting from Capital Share Transactions	\$(23,982)	\$(19,746)
Net Assets		
Net decrease in net assets during the period	\$(46,934)	\$(63,711)
Net assets at beginning of period	1,418,086	1,481,797
Net Assets at End of Period	\$1,371,152	\$1,418,086
Capital Share Activity		
Shares repurchased during the period	(4,255,102)	(3,382,558)
Shares issued and outstanding at beginning of period	216,312,096	219,694,654
Shares Issued and Outstanding at End of Period	212,056,994	216,312,096

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
 STATEMENTS OF CASH FLOWS (Unaudited)
 (In thousands)

	Six Months Ended September 30,	
	2018	2017
Operating Activities		
Net increase (decrease) in net assets resulting from operations	\$41,279	\$60,568
Net realized losses	31,257	237,374
Net change in unrealized losses	(8,826)	(230,465)
Net amortization of premiums and accretion of discounts on investments	(3,358)	(3,563)
Accretion of discount on notes	297	297
Amortization of deferred financing costs	2,345	2,418
Gains/losses from foreign currency transactions	(26)	6,619
PIK interest and dividends capitalized	(4,089)	(10,501)
Changes in operating assets and liabilities:		
Purchases of investments	(760,464)	(580,567)
Proceeds from sales and repayments of investments	639,764	618,789
Purchases of option contracts	(23,740)	(5,062)
Proceeds from option contracts	546	5,041
Net settlement of option contracts	12,414	—
Decrease (increase) in interest receivable	332	(1,063)
Decrease (increase) in dividends receivable	—	3,346
Decrease (increase) in prepaid expenses and other assets	(768)	132
Increase (decrease) in management and performance-based incentive fees payable	268	2,064
Increase (decrease) in interest payable	385	(39)
Increase (decrease) in accrued administrative services expense	(275)	(465)
Increase (decrease) in other liabilities and accrued expenses	3,069	(2,220)
Net Cash Used in/Provided by Operating Activities	\$(69,590)	\$102,703
Financing Activities		
Issuances of debt	\$553,603	\$622,483
Payments of debt	(394,500)	(627,219)
Financing costs paid and deferred	(10)	(170)
Repurchase of common stock	(23,982)	(3,956)
Distributions paid	(64,736)	(65,908)
Net Cash Used in/Provided by Financing Activities	\$70,375	\$(74,770)
Cash, Cash Equivalents, Foreign Currencies and Collateral on Option Contracts		
Net increase (decrease) in cash, cash equivalents, foreign currencies and collateral on option contracts during the period	\$785	\$27,933
Effect of foreign exchange rate changes on cash and cash equivalents	(11)	2
Cash, cash equivalents, foreign currencies and collateral on option contracts at beginning of period	20,349	11,280
Cash, Cash Equivalents, Foreign Currencies and Collateral on Option Contracts at the End of Period	\$21,123	\$39,215
Supplemental Disclosure of Cash Flow Information		
Cash interest paid	\$25,455	\$25,326

Non-Cash Activity
PIK income

\$4,961 \$11,780

See notes to financial statements.
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SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2018

(In thousands, except share data)

Industry / Company	Investment Type	Interest Rate (20)	Maturity Date	Par / Shares (12)	Cost (30)	Fair Value (1) (31)	
Advertising, Printing & Publishing							
A-L Parent LLC	Second Lien Secured Debt	9.50% (1M L+725, 1.00% Floor)	12/02/24	\$5,536	\$5,491	\$5,591	(10)
American Media, Inc.	First Lien Secured Debt	10.35% (3M L+800, 1.00% Floor)	08/24/20	12,344	12,149	12,714	
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	08/24/20	1,778	(25)	—	(21)(23)
					12,124	12,714	
Simplifi Holdings, Inc.	First Lien Secured Debt	7.74% (1M L+550, 1.00% Floor)	09/28/22	25,492	25,018	25,237	(9)
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	09/28/22	2,400	(9)	(24)	(8)(9)(21)(23)
					25,009	25,213	
Total Advertising, Printing & Publishing					\$42,624	\$43,518	
Aerospace & Defense							
Erickson Inc	First Lien Secured Debt - Revolver	9.90% (3M L+750, 1.00% Floor)	04/28/22	\$27,956	\$27,956	\$27,327	(9)(23)
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	04/28/22	10,479	(402)	(236)	(8)(9)(21)(23)
	First Lien Secured Debt - Letters of Credit	7.50%	9/30/18 - 4/30/20	6,564	—	(147)	(8)(9)(23)
					27,554	26,944	
ILC Dover LP	Second Lien Secured Debt	10.89% (3M L+850, 1.00% Floor)	06/28/24	20,000	19,601	19,550	
PAE Holding Corporation	Second Lien Secured Debt	11.89% (3M L+950, 1.00% Floor)	10/20/23	28,097	27,481	28,237	(10)
Total Aerospace & Defense					\$74,636	\$74,731	
Automotive							
Accelerate Parent Corp.	Common Equity/Interests - Common Stock	N/A	N/A	1,664,046 Shares	\$1,714	\$—	(13)

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Crowne Automotive								
Vari-Form Group, LLC	First Lien Secured Debt	13.31% (3M L+11.00% (7.00% Cash plus 4.00% PIK), 1.00% Floor)	02/02/23	\$ 5,122	4,993	2,919	(9)	
	First Lien Secured Debt	6.31% (3M 4.00% PIK, 1.00% Floor)	02/02/23	515	500	294	(9)	
Vari-Form Inc.	First Lien Secured Debt	13.31% (3M L+11.00% (7.00% Cash plus 4.00% PIK), 1.00% Floor)	02/02/23	10,125	9,867	5,771	(9)	
					15,360	8,984		
K&N Parent, Inc.	Second Lien Secured Debt	11.14% (3M L+875, 1.00% Floor)	10/21/24	23,765	23,399	23,171	(10)	
Total Automotive					\$40,473	\$32,155		
Aviation and Consumer Transport								
Merx Aviation								
Merx Aviation Finance Assets Ireland Limited (5)	First Lien Secured Debt - Letters of Credit	2.25%	2/18/19 - 2/22/19	\$ 3,600	\$—	\$—	(23)	
Merx Aviation Finance, LLC (5)	First Lien Secured Debt - Revolver	12.00%	10/31/23	403,550	403,550	403,550	(23)	
	First Lien Secured Debt - Letter of Credit	2.25%	07/13/19	177	—	—	(23)	
	Common Equity/Interests - Membership Interests	N/A	N/A	N/A	15,000	53,336		
Total Aviation and Consumer Transport					\$418,550	\$456,886		
Beverage, Food & Tobacco								
Eagle Foods Family Group, LLC	First Lien Secured Debt	8.89% (3M L+650, 1.00% Floor)	06/14/24	\$ 24,937	\$ 24,671	\$ 24,688	(9)	

See notes to financial statements.

Table of ContentsAPOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2018

(In thousands, except share data)

Industry / Company	Investment Type	Interest Rate (20)	Maturity Date	Par / Shares (12)	Cost (30)	Fair Value (1) (31)	
	First Lien Secured Debt - Unfunded Revolver	0.00% Unfunded	06/14/23	3,750	(24)	(38)	(8)(9)(21)(23)
					24,647	24,650	
Florida Food Products							
Florida Food Products, Inc.	First Lien Secured Debt	8.99% (1M L+675, 1.00% Floor)	09/08/25	23,288	22,711	23,055	(9)
Florida Food Products, LLC	First Lien Secured Debt - Revolver	8.99% (1M L+675, 1.00% Floor)	09/06/23	514	514	509	(9)(23)
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	09/06/23	1,199	(37)	(12)	(8)(9)(21)(23)
					23,188	23,552	
Total Beverage, Food & Tobacco Business Services					\$47,835	\$48,202	
Access CIG, LLC	Second Lien Secured Debt	9.99% (1M L+775)	02/27/26	\$15,186	\$15,057	\$15,309	(10)
	Second Lien Secured Debt - Unfunded Delayed Draw	0.00% Unfunded	02/27/26	714	—	—	(10)(21)(23)
					15,057	15,309	
Aero Operating LLC	First Lien Secured Debt	9.51% (1M L+725, 1.00% Floor)	12/29/22	33,058	32,356	32,728	(9)
	First Lien Secured Debt - Unfunded Revolver	1.00% Unfunded	12/29/22	4,716	(26)	(47)	(8)(9)(21)(23)
	First Lien Secured Debt - Letter of Credit	7.25%	06/21/19	96	—	(1)	(8)(9)(23)
					32,330	32,680	
Ambrosia Buyer Corp.	Second Lien Secured Debt	10.24% (1M L+ 800, 1.00% Floor)	08/28/25	21,429	20,966	20,962	
Aptean, Inc.	Second Lien Secured Debt	11.89% (3M L+950, 1.00% Floor)	12/20/23	11,148	11,054	11,203	(10)
CT Technologies Intermediate	Second Lien Secured Debt	11.24% (1M L+900, 1.00%	12/01/22	31,253	30,553	30,159	(9)

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Holdings, Inc		Floor)						
Education Personnel	First Lien Secured Debt	7.28% (6M L+475, 0.50% Floor)	08/31/24	£4,118	5,207	5,316	(9)(17)	
	First Lien Secured Debt - Revolver	7.28% (6M L+475, 0.50% Floor)	08/31/24	£1,470	1,866	1,898	(9)(17)(23)	
	First Lien Secured Debt - Unfunded Delayed Draw	1.66% Unfunded	08/31/24	£4,412	—	—	(9)(17)(21)(23)	
					7,073	7,214		
Electro Rent Corporation	Second Lien Secured Debt	11.21% (1M L+900, 1.00% Floor)	01/31/25	36,598	35,676	35,866	(9)	
Ministry Brands, LLC	Second Lien Secured Debt	11.75% (6M L+925, 1.00% Floor)	06/02/23	10,000	9,891	10,050		
Newsycle Solutions, Inc.	First Lien Secured Debt	9.24% (1M L+700, 1.00% Floor)	12/29/22	14,641	14,328	14,494	(9)	
	First Lien Secured Debt	9.26% (1M L+700, 1.00% Floor)	12/29/22	1,226	1,208	1,213	(9)	
	First Lien Secured Debt - Revolver	9.23% (1M L+700, 1.00% Floor)	12/29/22	240	240	238	(9)(23)	
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	12/29/22	260	(11)	(3)	(8)(9)(21)(23)	
					15,765	15,942		
PSI Services, LLC	First Lien Secured Debt	7.24% (1M L+500, 1.00% Floor)	01/20/23	4,598	4,515	4,574	(9)	
	First Lien Secured Debt - Unfunded Delayed Draw	0.00% Unfunded	01/20/23	519	—	—	(9)(21)(23)	
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	01/20/22	397	(7)	(2)	(8)(9)(21)(23)	
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	01/20/22	£47	—	—	(9)(21)(23)	

See notes to financial statements.

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SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2018

(In thousands, except share data)

Industry / Company	Investment Type	Interest Rate (20)	Maturity Date	Par / Shares (12)	Cost (30)	Fair Value (1) (31)	
	Second Lien Secured Debt	11.24% (1M L+900, 1.00% Floor)	01/20/24	37,893	37,044	37,669	(9)
					41,552	42,241	
RA Outdoors, LLC	First Lien Secured Debt	6.92% (1M L+475, 1.00% Floor)	09/11/24	7,174	7,052	7,103	(9)
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	09/09/22	1,200	(19)	(12)	(8)(9)(21)(23)
	Second Lien Secured Debt	10.92% (1M L+875, 1.00% Floor)	09/11/25	34,200	33,457	33,516	(9)
					40,490	40,607	
Skyline Data, News and Analytics LLC	Common Equity/Interests - Class A Common Unit	N/A	N/A	4,500,000 Shares	4,500	4,500	(13)
STG-Fairway Acquisitions, Inc.	Second Lien Secured Debt	11.49% (1M L+925, 1.00% Floor)	06/30/23	15,000	14,776	14,400	(10)
Transplace Holdings, Inc.	Second Lien Secured Debt	10.90% (1M L+875, 1.00% Floor)	10/06/25	8,599	8,409	8,717	(10)
U.S. Security Associates Holdings, Inc.	Unsecured Debt	11.00%	01/28/20	80,000	80,000	80,000	
Vertafore, Inc.	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	06/30/23	14,591	(1,639)	(1,678)	(8)(21)(23)
	First Lien Secured Debt - Letters of Credit	3.25%	06/30/23	409	—	(47)	(8)(23)
					(1,639)	(1,725)	
Total Business Services					\$366,453	\$368,125	
Chemicals, Plastics & Rubber							
Carbon Free							
Chemicals							
Carbonfree							
Chemicals SPE I LLC (f/k/a Maxus Capital Carbon SPE I LLC)	First Lien Secured Debt	5.215% PIK	09/30/20	\$48,805	\$48,805	\$47,412	
		N/A	09/30/20	10,500	10,500	—	(13)

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Carbonfree Caustic SPE LLC	Common Equity/Partnership Interests - Residual Interests Unfunded Delayed Draw - Promissory Note	N/A	06/30/20	7,611	—	—	(21)(23)
					59,305	47,412	
Hare Bidco, Inc.	Second Lien Secured Debt	9.75% (1M E+875, 1.00% Floor)	08/01/24	€ 13,574	14,445	15,451	
Westfall Technik, Inc.	First Lien Secured Debt	7.33% (3M L+500, 1.00% Floor)	09/13/24	4,712	4,618	4,617	(9)
	First Lien Secured Debt - Unfunded Delayed Draw	1.00% Unfunded	09/13/24	10,769	(100)	(108)	(8)(9)(21)(23)
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	09/13/24	2,019	(37)	(40)	(8)(9)(21)(23)
					4,481	4,469	
Total Chemical, Plastics & Rubber Consumer Goods – Durable					\$78,231	\$67,332	
Hayward Industries, Inc.	Second Lien Secured Debt	10.49% (1M L+825)	08/04/25	\$ 20,836	\$ 20,565	\$ 20,718	
KLO Holdings							
9357-5991 Quebec Inc.	First Lien Secured Debt	10.01% (1M L+775, 0.75% Floor)	04/07/22	9,203	9,122	8,873	
KLO Acquisition LLC	First Lien Secured Debt	10.01% (1M L+775, 0.75% Floor)	04/07/22	5,328	5,281	5,137	
					14,403	14,010	
Sorenson Holdings, LLC	Common Equity/Interests - Membership Interests	N/A	N/A	587 Shares	—	493	(13)
Total Consumer Goods - Durable					\$34,968	\$35,221	

See notes to financial statements.

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Table of ContentsAPOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2018

(In thousands, except share data)

Industry / Company	Investment Type	Interest Rate (20)	Maturity Date	Par / Shares (12)	Cost (30)	Fair Value (1) (31)	
Consumer Goods – Non-Durable							
ABG Intermediate Holdings 2, LLC	Second Lien Secured Debt	9.99% (1M L+775, 1.00% Floor)	09/29/25	\$ 7,371	\$7,343	\$7,431	(10)
Sequential Brands Group, Inc.	Second Lien Secured Debt	10.92% (1M L+875)	02/07/24	13,229	13,111	13,209	(17)
Reddy Ice Corporation	First Lien Secured Debt	9.76% (1M L+750, 1.00% Floor)	06/30/23	29,167	28,751	28,877	(9)
	First Lien Secured Debt	9.76% (1M L+750, 1.00% Floor)	06/30/23	191	188	189	(9)
	First Lien Secured Debt - Revolver	11.75% (P+650)	06/30/23	76	76	75	(9)(23)
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	06/30/23	2,844	(42)	(13)	(8)(9)(21)(23)
	First Lien Secured Debt - Letters of Credit	4.50%	04/05/19	9,680	—	(96)	(8)(9)(23)
	First Lien Secured Debt - Unfunded Delayed Draw	0.00% Unfunded	06/30/23	1,469	—	—	(9)(21)(23)
Total Consumer Goods - Non-Durable					28,973	29,032	
Consumer Services					\$49,427	\$49,672	
1A Smart Start LLC	Second Lien Secured Debt	10.49% (1M L+825, 1.00% Floor)	08/22/22	\$ 25,100	\$24,681	\$24,667	
Nemo (BC) Bidco Pty Ltd	First Lien Secured Debt	8.06% (3M BBSW+575, 1.00% Floor)	04/06/24	A\$6,008	4,350	4,250	(17)
	First Lien Secured Debt	8.06% (3M BBSW+575, 1.00% Floor)	04/06/24	A\$303	221	215	(17)
	First Lien Secured Debt - Unfunded Delayed Draw	2.59% Unfunded	04/06/24	A\$688	(7)	(11)	(8)(17)(21)(23)
Total Consumer Services					4,564	4,454	
					\$29,245	\$29,121	

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Containers, Packaging & Glass

Sprint Industrial Holdings, LLC	Second Lien Secured Debt	13.50% PIK	11/14/19	\$ 20,378	\$ 18,107	\$ 13,636	(13)(14)
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	Common Equity/Interests - Warrants	N/A	N/A	7,341 Warrants	—	—	(13)(26)
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					18,107	13,636	
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TricorBraun Holdings, Inc.	First Lien Secured Debt - Revolver	7.50% (P+225)	11/30/21	818	818	819	(23)
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	First Lien Secured Debt - Revolver	5.49% (1M L+325)	11/30/21	1,500	1,500	1,503	(23)
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	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	11/30/21	3,307	(320)	—	(21)(23)
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					1,998	2,322	
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					\$20,105	\$15,958	
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Total Containers, Packaging & Glass

Diversified Investment Vehicles, Banking, Finance, Real Estate

Craft 2015-2	Structured Products and Other - Credit-Linked Note	11.23% (3M L+925)	01/16/24	24,998	25,495	24,998	(11)(17)
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Flock SPV I, LLC	First Lien Secured Debt	8.77% (1M L+650)	08/30/22	8,000	7,922	7,922	(9)(17)
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	First Lien Secured Debt - Revolver	8.74% (1M L+650)	08/30/22	1,333	1,320	1,320	(9)(17)(23)
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	First Lien Secured Debt - Unfunded Delayed Draw	0.50% Unfunded	08/30/22	10,667	(104)	(104)	(8)(9)(17)(21)(23)
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					9,138	9,138	
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Golden Bear 2016-R, LLC (3)(4)	Structured Products and Other - Membership Interests	N/A	09/20/42	—	16,595	13,386	(17)
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Mayfield Agency Borrower Inc.	Second Lien Secured Debt	10.74% (1M L+850, 0.00% Floor)	03/02/26	5,000	4,930	4,981	(10)
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See notes to financial statements.

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Table of ContentsAPOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)

September 30, 2018

(In thousands, except share data)

Industry / Company	Investment Type	Interest Rate (20)	Maturity Date	Par / Shares (12)	Cost (30)	Fair Value (1) (31)
Purchasing Power, LLC	First Lien Secured Debt	7.62% (1M L+550)	05/09/19	6,300	6,275	6,274(9)
	First Lien Secured Debt - Unfunded Revolver	0.50% Unfunded	05/09/19	3,000	Ø12	Ø12 (8)(9)(21)(23)
	First Lien Secured Debt - Unfunded Delayed Draw	0.50% Unfunded	05/09/19	20,700	Ø83	(85)