APOLLO INVESTMENT CORP
Form 10-Q
February 09, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31, 2015
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 New York, New York	10019
(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 x 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	x	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 x
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 February 9, 2016
$0.001 par value	226,156,496

APOLLO INVESTMENT CORPORATION
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PART I. FINANCIAL INFORMATION
In this report, the terms "Apollo Investment," the "Company," "AIC," "we," "us" and "our" refer to Apollo Investment Corpor
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)

	December 31, 2015 (Unaudited)	March 31, 2015
Assets		
Investments at fair value:		
Non-controlled/non-affiliated investments (cost — $2,353,855 and $2,514,328, respectively)	$2,079,618	$2,357,042
Non-controlled/affiliated investments (cost — $188,725 and $297,948, respectively)	249,607	327,218
Controlled investments (cost — $715,920 and $674,299, respectively)	739,768	665,567
Total investments at fair value (cost — $3,258,500 and $3,486,575, respectively)	3,068,993	3,349,827
Cash	10,414	3,766
Foreign currencies (cost — $2,125 and $4,856, respectively)	2,113	4,651
Receivable for investments sold	63,024	114,884
Interest receivable	32,603	43,312
Dividends receivable	8,874	5,425
Deferred financing costs	30,111	29,743
Prepaid expenses and other assets	3,162	9,283
Total Assets	$3,219,294	$3,560,891
Liabilities		
Debt	$1,384,719	$1,498,759
Payable for investments purchased	5,282	10,736
Dividends payable	45,634	47,348
Management and performance-based incentive fees payable	30,086	37,361
Interest payable	17,292	15,851
Accrued administrative services expense	1,808	2,000
Other liabilities and accrued expenses	10,264	11,228
Total Liabilities	$1,495,085	$1,623,283
Net Assets	$1,724,209	$1,937,608
Net Assets		
Common stock, $0.001 par value (400,000,000 shares authorized; 228,168,622 and 236,741,351 shares issued and outstanding, respectively)	$228	$237
Paid-in capital in excess of par	3,145,287	3,197,715
Over-distributed net investment income	(26,783)	(35,589)
Accumulated net realized loss	(1,222,886)	(1,102,517)
Net unrealized loss	(171,637)	(122,238)
Net Assets	$1,724,209	$1,937,608
Net Asset Value Per Share	$7.56	$8.18

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 December 31, 2015	Three Months Ended December 31, 2014	Nine Months Ended December 31, 2015	Nine Months Ended December 31, 2014
Investment Income				
Non-controlled/non-affiliated investments:				
Interest income	$61,756	$87,606	$205,585	$266,300
Dividend income	1,037	991	2,824	3,106
Other income	677	4,533	6,822	10,827
Non-controlled/affiliated investments:				
Interest income	182	283	633	3,479
Dividend income	9,594	4,393	28,263	12,467
Other income	70	—	297	87
Controlled investments:				
Interest income	13,388	10,199	34,571	29,154
Dividend income	7,621	1,958	15,352	5,658
Other income	—	63	63	438
Total Investment Income	$94,325	$110,026	$294,410	$331,516
Expenses				
Management fees	$16,478	$18,755	$50,557	$55,744
Performance-based incentive fees	11,142	13,215	33,783	41,075
Interest and other debt expenses	19,335	20,315	63,535	58,163
Administrative services expense	1,531	1,863	4,614	4,821
Other general and administrative expenses	2,806	3,014	7,695	7,919
Total expenses	51,292	57,162	160,184	167,722
Management and performance-based incentive fees waived	(4,999)	(3,740)	(14,237)	(11,934)
Expense reimbursements	(59)	(58)	(176)	(174)
Net Expenses	$46,234	$53,364	$145,771	$155,614
Net Investment Income	$48,091	$56,662	$148,639	$175,902
Net Realized and Change in Unrealized Gains (Losses)				
Net realized gains (losses):				
Non-controlled/non-affiliated investments	$(6,112)	$(2,355)	$(82,896)	$(14,244)
Non-controlled/affiliated investments	(1,575)	(169)	(1,642)	11,357
Controlled investments	—	(57)	(39,714)	(57)
Foreign currency transactions	(1,599)	1,151	3,883	(225)
Net realized losses	(9,286)	(1,430)	(120,369)	(3,169)
Net change in unrealized gains (losses):				
Non-controlled/non-affiliated investments	(73,088)	(100,749)	(116,950)	(149,322)
Non-controlled/affiliated investments	2,879	13,320	31,612	22,189
Controlled investments	(2,173)	9,687	32,579	31,767
Foreign currency translations	7,805	3,058	3,360	9,785
Net change in unrealized losses	(64,577)	(74,684)	(49,399)	(85,581)
Net Realized and Change in Unrealized Losses	$(73,863)	$(76,114)	$(169,768)	$(88,750)
Net Increase (Decrease) in Net Assets Resulting from Operations	$(25,772)	$(19,452)	$(21,129)	$87,152
Earnings (Loss) Per Share — Basic	$(0.11)	$(0.09)	$(0.09)	$0.36

Earnings (Loss) Per Share — Diluted	$(0.11)	$(0.09)	$(0.09)	$0.36

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS
(In thousands, except share data)

	Nine Months Ended December 31, 2015 (Unaudited)	Year Ended March 31, 2015
Operations		
Net investment income	$148,639	$227,973
Net realized losses	(120,369)	(13,368)
Net change in unrealized losses	(49,399)	(139,183)
Net Increase (Decrease) in Net Assets Resulting from Operations	$(21,129)	$75,422
Distributions to Shareholders		
Distribution of net investment income	$(139,833)	$(165,626)
Distribution of return of capital	—	(23,767)
Net Decrease in Net Assets Resulting from Distributions to Shareholders	$(139,833)	$(189,393)
Capital Share Transactions		
Offering costs for the issuance of common stock	$—	$(32)
Repurchase of common stock	(52,437)	—
Net Decrease in Net Assets Resulting from Capital Share Transactions	$(52,437)	$(32)
Net Assets		
Net decrease in net assets during the period	$(213,399)	$(114,003)
Net assets at beginning of period	1,937,608	2,051,611
Net Assets at End of Period	$1,724,209	$1,937,608
Capital Share Activity		
Shares repurchased during the period	(8,572,729)	—
Shares issued and outstanding at beginning of period	236,741,351	236,741,351
Shares Issued and Outstanding at End of Period	228,168,622	236,741,351

See notes to financial statements.
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APOLLO INVESTMENT CORPORATION
STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Nine Months Ended December 31, 2015	2014
Operating Activities		
Net increase (decrease) in net assets resulting from operations	$(21,129)	$87,152
Net realized losses	120,369	3,169
Net change in unrealized losses	49,399	85,581
Net amortization of premiums and accretion of discounts on investments	(5,039)	(7,860)
Accretion of discount on notes	447	1
Amortization of deferred financing costs	5,278	4,966
Increase (decrease) from foreign currency transactions	4,477	(1,035)
Changes in operating assets and liabilities:		
Payment-in-kind interest and dividends capitalized	(34,090)	(24,155)
Purchases of investments	(923,719)	(1,950,745)
Proceeds from sales and repayments of investments	1,113,077	1,715,756
Decrease in interest receivable	10,709	10,093
Increase in dividends receivable	(3,449)	(40)
Decrease (increase) in prepaid expenses and other assets	6,121	(3,486)
Increase (decrease) in management and performance-based incentive fees payable	(7,275)	6,417
Increase in interest payable	1,441	1,619
Increase (decrease) in accrued administrative services expense	(192)	317
Increase (decrease) in other liabilities and accrued expenses	(964)	763
Net Cash Provided by (Used in) Operating Activities	$315,461	$(71,487)
Financing Activities		
Issuances of debt	$1,624,754	$2,423,577
Payments of debt	(1,736,668)	(2,196,492)
Financing costs paid and deferred	(5,646)	(432)
Offering costs for the issuance of common stock	—	(27)
Repurchase of common stock	(52,437)	—
Dividends paid	(141,547)	(142,045)
Net Cash Provided by (Used in) Financing Activities	$(311,544)	$84,581
Cash and Foreign Currencies		
Net increase in cash and foreign currencies during the period	$3,917	$13,094
Effect of foreign exchange rate changes	193	(160)
Cash and foreign currencies at beginning of period	8,417	14,736
Cash and Foreign Currencies at End of Period	$12,527	$27,670
Supplemental Disclosure of Cash Flow Information		
Cash interest paid	$46,962	$50,064
Non-Cash Activities		
Payment-in-kind income	$31,607	$24,889
Non-cash reorganizations and restructuring of investments	$268,250	$17,141

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)
December 31, 2015
(In thousands, except share data)

Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Non-Controlled/Non-Affiliated Investments—120.6% (10)						
Corporate Debt—105.5%						
Secured Debt—88.9%						
First Lien Secured Debt—36.1%						
First Lien Secured Debt (excluding Revolvers and Letters of Credit)—36.0%						
Aventine Renewable Energy Holdings, Inc.	Chemicals, Plastics & Rubber	10.500% Cash (15.000% PIK Toggle)	9/22/17	$ 16,339	$17,970	$15,685
Aveta, Inc.	Healthcare & Pharmaceuticals	9.750% (3M L+825, 1.50% Floor)	12/12/17	51,315	50,619	30,575
Belk, Inc.	Retail	5.750% (6M L+475, 1.00% Floor)	12/12/22	10,780	9,587	9,513
ChyronHego Corporation (18)	High Tech Industries	6.625% (3M L+563, 1.00% Floor)	3/9/20	32,431	31,858	31,783
Deep Gulf Energy II, LLC	Energy – Oil & Gas	14.500% (6M L+1300, 1.50% Floor)	9/30/18	50,000	50,000	45,625
Delta Educational Systems, Inc.	Education	16.000% PIK	12/11/16	6,509	6,509	6,496
Dodge Data & Analytics LLC	Business Services	9.750% (3M L+875, 1.00% Floor)	10/31/19	53,503	52,641	52,031
ECN Holding Company (18)	High Tech Industries	8.000% (3M L+700, 1.00% Floor)	6/12/21	22,388	22,077	21,850
Hunt Companies, Inc. (11)	Diversified Investment Vehicles, Banking, Finance, Real Estate	9.625%	3/1/21	34,008	32,665	30,862
Magnetation, LLC (11)(13)(14)(16)	Metals & Mining	11.000%	5/15/18	32,632	33,957	1,812
Magnetation, LLC (13)(14)(16)	Metals & Mining	12.000% PIK	3/7/16	13,070	12,427	6,607
Maxus Capital Carbon SPE I, LLC	Chemicals, Plastics & Rubber	13.000%	9/18/19	63,438	63,438	62,800
My Alarm Center, LLC (16)	Business Services	9.000% (12M L+800, 1.00%	1/9/19	42,614	42,614	42,614

		Floor)				
My Alarm Center, LLC (16)(23)	Business Services	9.000% (12M L+800 Funded, 0.350% Unfunded, 1.00% Floor)	1/9/19	11,441	11,441	11,441
My Alarm Center, LLC (16)(23)	Business Services	9.000% (3M L+800 Funded, 0.350% Unfunded, 1.00% Floor)	1/9/19	3,880	3,880	3,880
Osage Exploration & Development, Inc. (11)(13)(14)(17)	Energy – Oil & Gas	13.000% (12M L+1100, 2.00% Floor), 13.000% PIK Toggle	4/27/16	25,840	24,856	4,489
Pelican Energy, LLC (17)	Energy – Oil & Gas	10.000% (7.000% Cash, 3.000% PIK)	12/31/18	28,313	27,524	22,878
Saba Software, Inc. (18)	High Tech Industries	9.750% (12M L+875, 1.00% Floor)	3/30/21	9,950	9,950	9,801
SCM Insurance Services, Inc. (17)	Business Services	9.250%	8/22/19	C$39,480	32,960	25,863
Spotted Hawk Development, LLC	Energy – Oil & Gas	19.000% (13.000% Cash, 6.000% PIK)	9/12/16	84,380	84,380	68,001

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)
December 31, 2015
(In thousands, except share data)

Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Telestream Holdings Corporation (18)	High Tech Industries	7.430% (3M L+643, 1.00% Floor)	1/15/20	$31,891	$31,891	$31,444
UniTek Global Services Inc. (16)	Telecommunications	9.500% (3M L+750, 1.000% PIK, 1.00% Floor)	1/13/19	17,882	17,882	17,882
UniTek Global Services Inc. (16)	Telecommunications	8.500% (3M L+750, 1.00% Floor)	1/13/19	32,367	32,367	30,748
Venoco, Inc.	Energy – Oil & Gas	12.000%	2/28/19	40,517	40,517	36,465
Total First Lien Secured Debt (excluding Revolvers and Letters of Credit)					$744,010	$621,145
Funded and Unfunded Revolver Obligations—0.1%						
Alliant Holdings, Unfunded Revolver (8)(21)(23)	Insurance	0.500% Unfunded	8/14/20	$15,000	$(1,575)	$(1,485)
Avaya, Inc., Revolver	Telecommunications	2.963% (12M L+275)	10/26/16	3,303	3,152	3,105
CIT Group, Inc., Unfunded Revolver (8)(17)(21)(23)	Diversified Investment Vehicles, Banking, Finance, Real Estate	0.625% Unfunded	1/27/17	25,000	(3)	(875)
Confie Seguros Holding II Co., Revolver (16)(23)	Insurance	7.000% (3M P+350)	12/10/18	750	750	660
Confie Seguros Holding II Co., Revolver (16)(23)	Insurance	4.924% (3M L+450)	12/10/18	470	470	414
Confie Seguros Holding II Co., Unfunded Revolver (8)(16)(21)(23)	Insurance	0.500% Unfunded	12/10/18	3,194	(271)	(384)
My Alarm Center, LLC, Unfunded Revolver (16)(21)(23)	Business Services	0.350% Unfunded	1/9/19	6,250	—	—
Tibco Software Inc., Revolver (16)(23)	High Tech Industries	4.230% (12M L+400)	12/5/19	1,440	1,440	1,332
Tibco Software Inc., Unfunded Revolver (8)(21)(23)	High Tech Industries	0.500% Unfunded	12/5/19	4,560	(47)	(342)
Transfirst Holdings, Inc., Unfunded Revolver (8)(16)(21)(23)	Diversified Investment Vehicles, Banking, Finance, Real Estate	0.500% Unfunded	11/12/19	2,943	(12)	(88)
UniTek Global Services Inc., Unfunded Revolver	Telecommunications	0.500% Unfunded	1/13/19	5,000	—	—

(16)(21)(23)						
Total Funded and Unfunded Revolver Obligations					$3,904	$2,337
Letters of Credit—0.0%						
Confie Seguros Holding II Co., Letter of Credit (8)(16)(23)	Insurance	4.500%	1/13/16	$86	$—	$(10)
Transfirst Holdings, Inc., Letter of Credit (8)(16)(23)	Diversified Investment Vehicles, Banking, Finance, Real Estate	3.750%	11/12/19	57	—	(2)
UniTek Global Services Inc., Letter of Credit (16)(23)	Telecommunications	7.500%	1/13/19	8,813	—	—
UniTek Global Services Inc., Letter of Credit (16)(23)	Telecommunications	7.500%	1/13/19	1,850	—	—
Total Letters of Credit					$—	$(12)
Total First Lien Secured Debt					$747,914	$623,470

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)
December 31, 2015
(In thousands, except share data)

Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Second Lien Secured Debt—52.8%						
1A Smart Start LLC	Consumer Services	9.500% (3M L+850, 1.00% Floor)	8/22/22	$35,000	$34,327	$34,055
Access CIG, LLC	Business Services	9.750% (3M L+875, 1.00% Floor)	10/17/22	50,970	48,746	49,696
Active Network, Inc.	Business Services	9.500% (3M L+850, 1.00% Floor)	11/15/21	19,672	19,593	18,197
Appriss Holdings, Inc.	Business Services	9.250% (3M L+825, 1.00% Floor)	5/21/21	32,750	32,315	32,750
Armor Holding II LLC	Diversified Investment Vehicles, Banking, Finance, Real Estate	10.250% (3M L+900, 1.25% Floor)	12/26/20	8,000	7,881	7,800
Asurion Corporation	Insurance	8.500% (3M L+750, 1.00% Floor)	3/3/21	67,590	67,313	58,211
Confie Seguros Holding II Co.	Insurance	10.250% (3M L+900, 1.25% Floor)	5/8/19	22,344	22,242	22,149
Delta Educational Systems, Inc.	Education	35.000% PIK	6/10/18	1,182	1,182	2,301
Deltek, Inc.	Business Services	9.500% (3M L+850, 1.00% Floor)	6/26/23	28,086	27,696	27,735
Elements Behavioral Health, Inc.	Healthcare & Pharmaceuticals	11.750% (3M L+875 Cash, 2.000% PIK, 1.00% Floor)	2/11/20	9,534	9,464	9,482
Extraction Oil & Gas Holdings, LLC	Energy – Oil & Gas	11.000% & 10.000%	5/29/19	52,633	52,036	52,264
Garden Fresh Restaurant Corp. (16)	Hotel, Gaming, Leisure, Restaurants	7.750% (3M L+625 PIK, 1.50% Floor)	1/1/19	8,755	7,298	6,391
Garden Fresh Restaurant Corp. (16)	Hotel, Gaming, Leisure, Restaurants	15.000% (12M L+1350 PIK, 1.50% Floor)	1/1/19	44,687	43,116	35,750
GCA Services Group, Inc.	Business Services	9.250% (3M L+800, 1.25%	11/2/20	26,197	26,298	25,870

		Floor)				
Grocery Outlet, Inc.	Food & Grocery	9.250% (3M L+825, 1.00% Floor)	10/21/22	28,000	27,624	27,580
GTCR Valor Companies, Inc.	Business Services	9.500% (3M L+850, 1.00% Floor)	11/30/21	35,000	34,695	33,644
Infiltrator Systems Integrated, LLC	Manufacturing, Capital Equipment	9.750% (3M L+875, 1.00% Floor)	5/26/23	13,889	13,625	13,819
Institutional Shareholder Services, Inc.	Business Services	8.500% (3M L+750, 1.00% Floor)	4/30/22	6,640	6,584	6,341
Kronos, Inc.	Business Services	9.750% (3M L+850, 1.25% Floor)	4/30/20	3,512	3,567	3,506
Miller Energy Resources, Inc. (13)(14)(17)	Energy – Oil & Gas	14.750% (3M L+1075 Cash, 2.000% PIK, 2.000% Floor)	2/3/18	89,021	88,568	63,757
MSC Software Corp. (17)	High Tech Industries	8.500% (3M L+750, 1.00% Floor)	5/31/21	13,448	13,337	11,834

See notes to financial statements.
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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)
December 31, 2015
(In thousands, except share data)

Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Novolex Holdings, Inc.	Containers, Packaging & Glass	9.750% (3M L+875, 1.00% Floor)	6/5/22	$ 42,045	$41,092	$40,153
Pabst Brewing Company	Consumer Goods – Durable	9.250% (3M L+825, 1.00% Floor)	11/14/22	27,000	26,695	26,460
Poseidon Merger Sub, Inc.	Business Services	9.500% (3M L+850, 1.00% Floor)	8/15/23	18,000	17,485	18,000
Premier Trailer Leasing, Inc.	Transportation – Cargo, Distribution	10.000% (3M L+900, 1.00% Floor)	9/24/20	52,000	51,135	53,040
River Cree Enterprises LP (11)(17)	Hotel, Gaming, Leisure, Restaurants	11.000%	1/20/21	C$23,000	21,684	16,516
SiTV, Inc. (11)	Broadcasting & Subscription	10.375%	7/1/19	2,219	2,219	1,786
SMG	Hotel, Gaming, Leisure, Restaurants	9.250% (3M L+825, 1.00% Floor)	2/27/21	19,900	19,900	20,000
Sprint Industrial Holdings, LLC	Containers, Packaging & Glass	11.250% (3M L+1000, 1.25% Floor)	11/14/19	16,163	15,469	12,365
SquareTwo Financial Corp. (17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	11.625%	4/1/17	65,152	64,619	37,462
STG-Fairway Acquisitions, Inc.	Business Services	10.250% (3M L+925, 1.00% Floor)	6/30/23	15,000	14,641	14,400
TASC, Inc.	Aerospace & Defense	12.000%	5/21/21	21,815	21,095	22,142
TMK Hawk Parent, Corp.	Transportation – Cargo, Distribution	8.500% (3M L+750, 1.00% Floor)	10/1/22	34,000	33,700	33,660
Transfirst Holdings, Inc.	Diversified Investment Vehicles, Banking, Finance, Real Estate	9.000% (3M L+800, 1.00% Floor)	11/11/22	27,840	27,570	27,283
U.S. Renal Care, Inc.	Healthcare & Pharmaceuticals	9.000% (3M L+800, 1.00%	12/29/23	3,000	2,940	2,948

		Floor)				
Velocity Technology Solutions, Inc.	Business Services	9.000% (3M L+775, 1.25% Floor)	9/28/20	16,500	16,241	15,881
Venoco, Inc.	Energy – Oil & Gas	8.875% (12.000% PIK Toggle)	2/28/19	35,843	46,020	25,090
Total Second Lien Secured Debt					$1,010,012	$910,318
Total Secured Debt					$1,757,926	$1,533,788

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)
December 31, 2015
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Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Unsecured Debt—16.6%						
Aerojet Rocketdyne Holdings, Inc. (formerly GenCorp, Inc.) (17)	Aerospace & Defense	9.500% (3M L+850, 1.00% Floor)	4/18/22	$6,500	$6,500	$6,500
American Tire Distributors, Inc. (11)	Transportation – Cargo, Distribution	10.250%	3/1/22	29,741	29,821	27,399
Canacol Energy Ltd. (17)(23)	Energy – Oil & Gas	9.500% (3M L+850, 1.000% Unfunded, 1.00% Floor)	12/31/19	75,000	73,339	71,400
Delta Educational Systems, Inc.	Education	16.000% PIK	5/12/17	27,181	27,016	18,862
Radio One, Inc. (11)	Broadcasting & Subscription	9.250%	2/15/20	15,804	15,721	12,367
Sorenson Holdings, LLC (11)	Consumer Goods – Durable	13.000% (13.000% PIK Toggle)	10/31/21	68	45	69
Tibco Software Inc. (11)	High Tech Industries	11.375%	12/1/21	6,984	6,803	5,849
U.S. Security Associates Holdings, Inc.	Business Services	11.000%	7/28/18	135,000	135,000	136,350
UniTek Global Services Inc.	Telecommunications	15.000% PIK	7/13/19	7,093	7,093	7,093
Total Unsecured Debt					$301,338	$285,889
Total Corporate Debt					$2,059,264	$1,819,677
Structured Products and Other—10.6%						
Asset Repackaging Trust Six B.V., Credit-Linked Note (11)(17)(19)	Utilities – Electric	13.832%	5/18/27	$58,411	$25,215	$32,224
Craft 2013-1, Credit-Linked Note (11)(16)(17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	9.565% (3M L+925)	4/17/22	25,000	25,066	23,754
Craft 2013-1, Credit-Linked Note (16)(17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	9.565% (3M L+925)	4/17/22	7,625	7,731	7,248
Craft 2014-1A, Credit-Linked Note (11)(17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	10.012% (3M L+965)	5/15/21	42,500	42,436	40,692
Craft 2015-2, Credit-Linked Note (11)(17)	Diversified Investment Vehicles, Banking, Finance,	9.567% (3M L+925)	1/16/24	26,000	25,956	24,981

	Real Estate					
Dark Castle Holdings, LLC	Media – Diversified & Production	31.240%	N/A	24,395	1,189	2,150
JP Morgan Chase & Co., Credit-Linked Note (17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	12.595% (12M L+1225)	12/20/21	43,250	41,587	42,594
NXT Capital CLO 2014-1, LLC, Class E Notes (11)(17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	5.816% (3M L+550)	4/23/26	5,000	4,686	4,072
Renaissance Umiat, LLC, ACES Tax Receivable (15)(17)	Energy – Oil & Gas	15.250% to 17.460%	N/A	—	5,393	5,522
Total Structured Products and Other					$179,259	$183,237

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Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Equity—4.5%						
Preferred Equity—2.9%				Shares		
Crowley Holdings, Series A Preferred Stock (11)	Transportation – Cargo, Distribution	12.000% (10.000% Cash, 2.000% PIK)	N/A	33,428	$33,839	$34,233
Gryphon Colleges Corp, Preferred Stock (13)(14)	Education	12.500% PIK	N/A	332,500	6,863	—
Gryphon Colleges Corp, Preferred Stock (13)(14)	Education	13.500% PIK	5/12/18	12,360	27,685	—
Sungevity Inc, Series D Preferred Stock (13)	Energy – Electricity	N/A	N/A	114,678,899	11,250	11,250
Varietal Distribution Holdings, LLC, Class A Preferred Unit	Transportation – Cargo, Distribution	8.000% PIK	N/A	3,097	4,207	4,207
Total Preferred Equity					$83,844	$49,690
Common Equity/Interests—1.1%				Shares		
Accelerate Parent Corp, Common Stock	Transportation – Cargo, Distribution	N/A	N/A	1,664,046	$1,714	$2,570
AMP Solar Group, Inc., Class A Common Unit (13)(17)	Energy – Electricity	N/A	N/A	166,974	7,000	7,000
Clothesline Holdings, Inc., Common Stock (13)	Healthcare & Pharmaceuticals	N/A	N/A	6,000	6,000	701
Explorer Coinvest, LLC, Common Stock (17)	Business Services	N/A	N/A	133	1,021	3,826
Garden Fresh Restaurant Holdings, LLC, Common Stock (13)	Hotel, Gaming, Leisure, Restaurants	N/A	N/A	50,000	5,000	—
Gryphon Colleges Corp, Common Stock (13)	Education	N/A	N/A	17,500	175	—
Pelican Energy, LLC, Net Profits Interest (13)(17)	Energy – Oil & Gas	N/A	N/A	1,098,572	1,099	—
Skyline Data, News and Analytics LLC, Class A Common Unit (13)	Business Services	N/A	N/A	4,500	4,500	4,500
Sorenson Holdings, LLC, Membership Interests (13)	Consumer Goods – Durable	N/A	N/A	587	—	139
Varietal Distribution Holdings, LLC, Class A Common Unit (13)	Transportation – Cargo, Distribution	N/A	N/A	28,028	28	237
Total Common Equity/Interests					$26,537	$18,973
Warrants—0.5%				Warrants		

Energy & Exploration Partners, Inc., Common Stock Warrants (13)	Energy – Oil & Gas	N/A	N/A	60,778	$2,374	$—
Fidji Luxco (BC) S.C.A., Common Stock Warrants (2)(13)(17)	High Tech Industries	N/A	N/A	12,427	125	8,041
Gryphon Colleges Corp, Class A-1 Preferred Stock Warrants (13)	Education	N/A	N/A	45,947	459	—
Gryphon Colleges Corp, Class B-1 Preferred Stock Warrants (13)	Education	N/A	N/A	104,314	1,043	—
Gryphon Colleges Corp, Common Stock Warrants (13)	Education	N/A	N/A	9,820	98	—
Osage Exploration & Development, Inc., Common Stock Warrants (13)(17)	Energy – Oil & Gas	N/A	N/A	1,496,843	—	—
Spotted Hawk Development, LLC, Common Stock Warrants (13)	Energy – Oil & Gas	N/A	N/A	54,545	852	—
Total Warrants					$4,951	$8,041
Total Equity					$115,332	$76,704
Total Non-Controlled/Non-Affiliated Investments					$2,353,855	$2,079,618

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Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Non-Controlled/Affiliated Investments—14.5% (4)(10)						
Structured Products and Other—8.5%						
Golden Bear Warehouse LLC, Membership Interests (3)(17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	N/A	N/A	$26,438	$26,438	$35,409
Highbridge Loan Management 3-2014, Ltd., Subordinated Notes (3)(11)(17)(22)	Diversified Investment Vehicles, Banking, Finance, Real Estate	17.510%	1/18/25	8,163	5,731	5,412
Ivy Hill Middle Market Credit Fund IX, Ltd., Subordinated Notes (3)(11)(17)(22)	Diversified Investment Vehicles, Banking, Finance, Real Estate	17.200%	10/18/25	12,500	10,493	10,276
Ivy Hill Middle Market Credit Fund X, Ltd., Subordinated Notes (3)(11)(17)(22)	Diversified Investment Vehicles, Banking, Finance, Real Estate	12.490%	7/18/27	14,000	12,457	10,807
Jamestown CLO I Ltd., Subordinated Notes (11)(17)(22)	Diversified Investment Vehicles, Banking, Finance, Real Estate	0.000%	11/5/24	4,325	3,049	2,142
MCF CLO I, LLC, Membership Interests (3)(11)(17)(22)	Diversified Investment Vehicles, Banking, Finance, Real Estate	20.270%	4/20/23	38,918	33,666	35,138
MCF CLO III, LLC, Class E Notes (3)(11)(17)	Diversified Investment Vehicles, Banking, Finance, Real Estate	4.737% (3M L+445)	1/20/24	12,750	11,541	10,523
MCF CLO III, LLC, Membership Interests (3)(11)(17)(22)	Diversified Investment Vehicles, Banking, Finance, Real Estate	20.080%	1/20/24	41,900	35,059	35,384

Slater Mill Loan Fund LP, LP Certificates (3)(11)(17)(22)	Diversified Investment Vehicles, Banking, Finance, Real Estate	0.000%	N/A	8,375	5,335	1,424
Total Structured Products and Other Equity—6.0%					$143,769	$146,515
Preferred Equity—2.0%				Shares		
Renewable Funding Group, Inc., Series B Preferred Stock (13)	Diversified Investment Vehicles, Banking, Finance, Real Estate	N/A	N/A	1,505,868	$8,343	$20,450
Renewable Funding Group, Inc., Series D Preferred Stock (13)	Diversified Investment Vehicles, Banking, Finance, Real Estate	N/A	N/A	436,689	5,568	13,013
Total Preferred Equity					$13,911	$33,463
Common Equity/Interests—4.0%				Shares		
Generation Brands Holdings, Inc., Basic Common Stock (3)(13)	Consumer Goods – Durable	N/A	N/A	9,007	$—	$8,314
Generation Brands Holdings, Inc., Series 2L Common Stock (3)(13)	Consumer Goods – Durable	N/A	N/A	36,700	11,242	33,878
Generation Brands Holdings, Inc., Series H Common Stock (3)(13)	Consumer Goods – Durable	N/A	N/A	7,500	2,298	6,924
LVI Group Investments, LLC, Common Units (13)	Environmental Industries	N/A	N/A	212,460	17,505	20,513
Total Common Equity/Interests					$31,045	$69,629
Total Equity					$44,956	$103,092
Total Non-Controlled/Affiliated Investments					$188,725	$249,607

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Investment	Industry (9)	Interest Rate (20)	Maturity Date	Par (12)	Cost	Fair Value (1)
Controlled Investments—42.9% (5)(10)						
Corporate Debt—29.6%						
Secured Debt—29.6%						
First Lien Secured Debt—29.6%						
First Lien Secured Debt (excluding Revolvers and Letters of Credit)—8.4%						
Solarplicity Group Limited (17)	Energy – Electricity	12.500% (12.500% PIK Toggle)	11/30/22	£100,670	$150,754	$145,988
Total First Lien Secured Debt (excluding Revolvers and Letters of Credit)					$150,754	$145,988
Funded and Unfunded Revolver Obligations—21.2%						
Merx Aviation Finance, LLC, Revolver (16)(23)	Aviation and Consumer Transport	12.000%	10/31/18	$365,084	$365,084	$365,084
Merx Aviation Finance, LLC, Unfunded Revolver (16)(23)	Aviation and Consumer Transport	0.000% Unfunded	10/31/18	34,916	—	—
Total Funded and Unfunded Revolver Obligations					$365,084	$365,084
Letters of Credit—0.0%						
Merx Aviation Finance, LLC, Letter of Credit (16)(23)	Aviation and Consumer Transport	2.250%	7/13/16	$177	$—	$—
Merx Aviation Finance Assets Ireland Limited, Letter of Credit (16)(23)	Aviation and Consumer Transport	2.250%	9/30/16	1,800	—	—
Merx Aviation Finance Assets Ireland Limited, Letter of Credit (16)(23)	Aviation and Consumer Transport	2.250%	9/30/16	1,800	—	—
Total Letters of Credit					$—	$—
Total First Lien Secured Debt					$515,838	$511,072
Total Secured Debt					$515,838	$511,072
Total Corporate Debt					$515,838	$511,072
Equity—13.3%						
Common Equity/Interests—13.3%				Shares		
Dynamic Product Tankers, LLC, Class A Units (17)(24)	Transportation – Cargo, Distribution	N/A	N/A	N/A	$38,756	$38,714
Merx Aviation Finance, LLC, Membership Interests	Aviation and Consumer Transport	N/A	N/A	N/A	73,854	102,966
		N/A	N/A	N/A	85,000	84,622

MSEA Tankers LLC, Class A Units (17)(25)	Transportation – Cargo, Distribution					
Solarplicity Group Limited, Class B Common Shares (2)(13)(17)	Energy – Electricity	N/A	N/A	2,825	2,472	2,394
Total Common Equity/Interests					$200,082	$228,696
Total Equity					$200,082	$228,696
Total Controlled Investments					$715,920	$739,768
Total Investments—178.0% (6)(7)					$3,258,500	$3,068,993
Liabilities in Excess of Other Assets—(78.0)%						$(1,344,784)
Net Assets—100.0%						$1,724,209

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

(2) Fidji Luxco (BC) S.C.A. is a EUR denominated investment. Solarplicity Group Limited is a GBP denominated investment.

(3) Denotes investments in which the Company owns greater than 25% of the equity, where the governing documents of each entity preclude the Company from exercising a controlling influence over the management or policies of such entity and therefore the Company has determined that these entities are not controlled affiliates. As of December 31, 2015, the Company had a 28%, 26%, 32%, 32%, 100%, 97%, 98%, and 26% equity ownership interest in Generation Brands Holdings, Inc., Highbridge Loan Management, Ltd., Ivy Hill Middle Market Credit Fund IX, Ltd., Ivy Hill Middle Market Credit Fund X, Ltd., LLC, Golden Bear Warehouse, LLC, MCF CLO I, LLC, MCF CLO III, LLC, and Slater Mill Loan Fund, LP, respectively. With respect to these portfolio companies,

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shown under "Non-Controlled/Affiliated," the Company does not have the right to elect or appoint more than 25% of the directors or another party has the right to elect or appoint more directors than the Company and has the right to appoint certain members of senior management. Therefore, the Company has determined that these entities are not controlled affiliates.

(4) Denotes investments in which we are an "Affiliated Person," as defined in the 1940 Act, due to holding the power to vote or owning 5% or more of the outstanding voting securities of the investment but not controlling the company. Fair value as of March 31, 2015 and December 31, 2015 along with transactions during the nine months ended December 31, 2015 in these Affiliated investments are as follows:

Name of Issue	Fair Value at March 31, 2015	Gross Additions (Cost)	Gross Reductions (Cost)	Net Change in Unrealized Gains (Losses)	Fair Value at December 31, 2015	Net Realized Losses	Interest/Dividend/Other Income
AMP Solar (UK) Limited, Class A Preference Shares	$65,171	$67,313	$(133,668)	$1,184	$ —	$(1,575)	$ 7,375
AMP Solar Group, Inc., Class A Common Unit	3,500	2,500	(6,000)	—	—	—	—
Generation Brands Holdings, Inc., Basic Common Stock	6,699	—	—	1,615	8,314	—	—
Generation Brands Holdings, Inc., Series 2L Common Stock	27,294	—	—	6,584	33,878	—	—
Generation Brands Holdings, Inc., Series H Common Stock	5,578	—	—	1,346	6,924	—	—
Golden Bear Warehouse LLC, Equity	6,833	37,540	(15,335)	6,371	35,409	—	905
Golden Hill CLO I, LLC, Equity	73,587	—	(71,478)	(2,109)	—	—	6,458
Highbridge Loan Management 3-2014, Ltd, Class E Notes	2,121	3	(2,280)	156	—	(67)	34
Highbridge Loan Management 3-2014, Ltd, Subordinated Notes	6,722	—	(806)	(504)	5,412	—	671
Ivy Hill Middle Market Credit Fund IX, Ltd, Subordinated Notes	11,375	—	(882)	(217)	10,276	—	1,293
Ivy Hill Middle Market Credit Fund X, Ltd, Subordinated Notes	—	12,457	—	(1,650)	10,807	—	712
Jamestown CLO I LTD, Subordinated Notes	3,698	—	(384)	(1,172)	2,142	—	175
	8,669	—	—	11,844	20,513	—	219

LVI Group Investments, LLC, Common Units							
MCF CLO I, LLC, Membership Interests	38,490	—	(1,422)	(1,930)	35,138	—	5,267
MCF CLO III, LLC, Class E Notes	11,220	85	—	(782)	10,523	—	546
MCF CLO III, LLC, Membership Interests	38,984	—	(1,897)	(1,703)	35,384	—	4,912
Renewable Funding Group, Inc., Promissory Note due 9/30/15	1,000	—	(1,000)	—	—	—	—
Renewable Funding Group, Inc., Promissory Note due 6/3/16	—	2,068	(2,068)	—	—	—	53
Renewable Funding Group, Inc., Series B Preferred Stock	9,309	1,000	(118)	10,259	20,450	—	—
Renewable Funding Group, Inc., Series D Preferred Stock	—	5,568	—	7,445	13,013	—	—
Slater Mill Loan Fund LP, LP Certificates	6,968	—	(419)	(5,125)	1,424	—	573
	$327,218	$128,534	$(237,757)	$31,612	$ 249,607	$(1,642)	$ 29,193

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

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

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

Name of Issue	Fair Value at March 31, 2015	Gross Additions (Cost)	Gross Reductions (Cost)	Net Change in Unrealized Gains (Losses)	Fair Value at December 31, 2015	Net Realized Losses	Interest/Dividend/Other Income
Dynamic Product Tankers, LLC, Class A Units	$—	$38,800	$(45)	$(41)	$ 38,714	$—	$ 4,435
Merx Aviation Finance, LLC, Revolver	352,084	13,000	—	—	365,084	—	32,221
Merx Aviation Finance, LLC, Unfunded Revolver	—	—	—	—	—	—	—
Merx Aviation Finance, LLC, Letter of Credit	—	—	—	—	—	—	—
Merx Aviation Finance, LLC, Membership Interests	165,172	—	(78,227)	16,021	102,966	—	3,000
Merx Aviation Finance Assets Ireland Limited, Letter of Credit	—	—	—	—	—	—	10
Merx Aviation Finance Assets Ireland Limited, Letter of Credit	—	—	—	—	—	—	10
MSEA Tankers LLC, Class A Units	33,000	52,000	—	(378)	84,622	—	6,049
PlayPower Holdings, Inc., Common Stock	55,900	—	(77,722)	21,822	—	(39,714)	63
PlayPower Holdings, Inc., Series A Preferred	59,411	1,891	(61,302)	—	—	—	1,869
Solarplicity Group Limited, First Lien Term Loan	—	150,755	—	(4,767)	145,988	—	2,329
Solarplicity Group Limited, Class B Common Shares	—	2,472	—	(78)	2,394	—	—
	$665,567	$258,918	$(217,296)	$32,579	$ 739,768	$(39,714)	$ 49,986

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

Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the amortization of premiums, the exchange of one or more existing securities for one or more new securities and the movement of an existing portfolio company out of this category into a different category.
As of December 31, 2015, the Company had a 85%, 100%, 98% and 28% equity ownership interest in Dynamic Product Tankers, LLC, Merx Aviation Finance, LLC, MSEA Tankers, LLC, and Solarplicity Group Limited, respectively.

(6) Aggregate gross unrealized gain and loss for federal income tax purposes is $200,454 and $381,368, respectively. Net unrealized loss is $180,914 based on a tax cost of $3,249,907.

(7) Substantially all securities are pledged as collateral to our multi-currency revolving credit facility (the "Senior Secured Facility"). As such, these securities are not available as collateral to our general creditors.

(8) The negative fair value is the result of the revolver obligation being valued below par.

(9) As a result of the amendment of our Senior Secured Facility on April 24, 2015, the industry classifications were updated in the Schedule of Investments as of December 31, 2015.

(10) The percentage is calculated over net assets.

(11) These securities are exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions that are exempt from registration, normally to qualified institutional buyers.

(12) Denominated in USD unless otherwise noted, Euro ("€"), British Pound ("£"), and Canadian Dollar ("C$").

(13) Non-income producing security.

(14) Non-accrual status (Note 2).

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(15) The investment has a put option attached to it and the combined instrument has been recorded in its entirety at fair value as a hybrid instrument in accordance with ASC 815-15-25-4 with subsequent changes in fair value charged or credited to investment gains/losses for each period.

(16) Denotes debt securities where the Company owns multiple tranches of the same broad asset type but whose security characteristics differ. Such differences may include level of subordination, call protection and pricing, and differing interest rate characteristics, among other factors. Such factors are usually considered in the determination of fair values.

(17) Investments that the Company has determined are not "qualifying assets" under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets. The status of these assets under the 1940 Act is subject to change. The Company monitors the status of these assets on an ongoing basis.

(18) In addition to the interest earned based on the stated rate of this loan, the Company may be entitled to receive additional interest as a result of its arrangement with other lenders in a syndication.

(19) This investment represents a leveraged subordinated interest in a trust that holds one foreign currency denominated bond and a derivative instrument.

(20) Generally, the interest rate on variable interest rate investments is at benchmark rate plus spread. The borrower has an option to choose the benchmark rate which can be LIBOR, prime, or any other similarly defined rate. The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of reporting period. LIBOR loans are typically indexed to 30-day, 90-day, 180-day or 360-day LIBOR rates (1M L, 3M L, 6M L or 12M L, respectively), at the borrower's option. Both LIBOR and prime loans are subject to interest floors. As of December 31, 2015, rates for 1M L, 3M L, 6M L and 12M L are 0.4295%, 0.6127%, 0.8461% and 1.1780%, respectively.

(21) The rates associated with these undrawn committed revolvers and delayed draw term loans represent rates for commitment and unused fees.

(22) The collateralized loan obligation ("CLO") equity investments are entitled to recurring distributions which are generally equal to the excess cash flow generated from the underlying investments after payment of the contractual payments to debt holders and fund expenses. The current estimated yield is based on the current projections of this excess cash flow taking into account assumptions such as expected prepayments, losses and future reinvestment rates. These assumptions are periodically reviewed and adjusted. Ultimately, the actual yield may be higher or lower than the estimated yield if actual results differ from those used for the assumptions.

(23) As of December 31, 2015, the Company had the following commitments to fund various revolving and delayed draw senior secured and subordinated loans, including commitments to issue letters of credit through a financial intermediary on behalf of certain portfolio companies. Such commitments are subject to the satisfaction of certain conditions set forth in the documents governing these loans and letters of credit and there can be no assurance that such conditions will be satisfied. See Note 8 to the financial statements for further information on revolving and delayed draw loan commitments, including commitments to issue letters of credit, related to certain portfolio companies.

Portfolio Company	Total Commitment	Drawn Commitment	Letters of Credit	Undrawn Commitment
Alliant Holdings	$15,000	$—	$—	$15,000
Canacol Energy Ltd.	100,000	75,000	—	25,000
CIT Group, Inc.	25,000	—	—	25,000
Confie Seguros Holding II Co.	4,500	1,220	86	3,194
Merx Aviation Finance, LLC	177	—	177	—

Merx Aviation Finance Assets Ireland Limited	3,600	—	3,600	—
My Alarm Center, LLC	25,816	15,321	—	10,495
Tibco Software Inc.	6,000	1,440	—	4,560
Transfirst Holdings, Inc.	3,000	—	57	2,943
UniTek Global Services Inc.	15,663	—	10,663	5,000
Total Commitments	$198,756	$92,981	$14,583	$91,192

(24) As of December 31, 2015, Dynamic Product Tankers, LLC has various classes of limited liability interests outstanding of which Company holds Class A-1 and Class A-3 units which are identical except that Class A-1 unit is voting and Class A-3 unit is non-voting. The units entitle the Company to appoint three out of five managers to the board of managers.

(25) As of December 31, 2015, MSEA Tankers, LLC has various classes of limited liability interests outstanding of which the Company holds Class A-1 and Class A-2 units which are identical except that Class A-1 unit is voting and Class A-2 unit is non-voting. The units entitle the Company to appoint two out of three managers to the board of managers.

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS (Unaudited)
December 31, 2015
(In thousands, except share data)

Industry Classification	Percentage of Total Investments (at Fair Value) as of December 31, 2015
Business Services	17.1%
Aviation and Consumer Transport	15.2%
Diversified Investment Vehicles, Banking, Finance, Real Estate	13.9%
Energy – Oil & Gas	12.9%
Transportation – Cargo, Distribution	9.1%
Energy – Electricity	5.4%
High Tech Industries	4.0%
Insurance	2.6%
Hotel, Gaming, Leisure, Restaurants	2.6%
Chemicals, Plastics & Rubber	2.6%
Consumer Goods – Durable	2.5%
Telecommunications	1.9%
Containers, Packaging & Glass	1.7%
Healthcare & Pharmaceuticals	1.4%
Consumer Services	1.1%
Utilities – Electric	1.0%
Aerospace & Defense	0.9%
Education	0.9%
Food & Grocery	0.9%
Environmental Industries	0.7%
Broadcasting & Subscription	0.5%
Manufacturing, Capital Equipment	0.4%
Retail	0.3%
Metals & Mining	0.3%
Media – Diversified & Production	0.1%
Total Investments	100.0%

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS
March 31, 2015
(In thousands, except share data)

Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
Non-Controlled/Non-Affiliated Investments—121.6% (10)						
Corporate Debt—109.5%						
Secured Debt—85.0%						
First Lien Secured Debt (excluding Revolvers and Letters of Credit)—41.7%						
Alion Science & Technology Corporation	11.000% (L+1000, 1.00% Floor)	8/16/19	Aerospace and Defense	$ 32,003	$31,038	$31,843
Archroma (17)	9.500% (L+825, 1.25% Floor)	10/1/18	Chemicals	40,128	39,795	40,354
Aventine Renewable Energy Holdings, Inc.	15.00% PIK or 10.50% Cash	9/22/17	Chemicals	15,742	18,031	14,601
Aveta, Inc.	9.750% (L+825, 1.50% Floor)	12/12/17	Healthcare	53,296	52,331	43,169
Caza Petroleum, Inc.	12.000% (L+1000, 2.00% Floor)	5/23/17	Oil and Gas	45,000	43,992	42,660
ChyronHego Corp.	9.000% (L+800, 1.00% Floor)	3/9/20	Business Services	25,000	24,505	24,500
CITGO Holding, Inc. (11)	10.750%	2/15/20	Energy	25,000	23,792	25,781
CITGO Holding, Inc.	9.50% (L+850, 1.00% Floor)	5/12/18	Energy	19,435	18,306	19,344
Deep Gulf Energy II, LLC	14.000% (14.00% or L+1250, 1.50% Floor)	3/31/17	Oil and Gas	35,000	35,000	33,530
Delta Educational Systems, Inc.	16.00% (8.00% Cash / 8.00% PIK)	12/11/16	Education	5,892	5,892	5,892
Dodge Data & Analytics LLC	9.750% (L+875, 1.00% Floor)	10/31/19	Printing and Publishing	60,349	59,223	58,689
Extraction Oil & Gas Holdings, LLC	10.00% & 11.00%	5/29/19	Oil and Gas	52,633	51,932	51,843
Great Bear Petroleum Operating, LLC	12.000%	10/1/17	Oil and Gas	5,064	5,064	5,064
Hunt Companies, Inc. (11)	9.625%	3/1/21	Buildings and Real Estate	21,008	20,776	21,586
Magnetation, LLC (11)	11.000%	5/15/18	Mining	38,454	39,878	19,804
Maxus Capital Carbon SPE I, LLC (Skyonic Corp.)	13.000%	9/18/19	Chemicals	73,104	73,104	73,104
Molycorp, Inc. (17)	10.000%	6/1/20	Diversified Natural Resources, Precious	42,977	42,699	22,276

			Metals and Minerals			
My Alarm Center, LLC (16)	8.500% (L+750, 1.00% Floor)	1/9/18	Business Services	42,614	42,614	42,613
My Alarm Center, LLC (16)	8.500% (L+750, 1.00% Floor)	1/9/18	Business Services	12,731	12,731	12,731
Osage Exploration & Development, Inc. (11)(17)	13.000% (L+1100, 2.00% Floor)	4/27/16	Oil and Gas	25,000	24,741	23,600
Pelican Energy, LLC (17)	10.00% (7.00% Cash / 3.00% PIK)	12/31/18	Oil and Gas	26,957	26,057	25,340
Saba Software, Inc.	12.417% (L+1142, 1.00% Floor)	3/26/21	Business Services	10,000	10,000	9,850
SCM Insurance Services, Inc. (17)	9.250%	8/22/19	Business Services	C$30,000	27,135	23,569
Spotted Hawk Development, LLC	13.00% (12.00% Cash / 1.00% PIK)	9/12/16	Oil and Gas	80,900	79,911	78,878
Sunrun Solar Owner IX, LLC	9.079%	12/31/24	Energy	3,424	3,284	3,527
Telestream Holdings Corporation	10.254% (L+925, 1.00% Floor)	1/15/20	Business Services	32,500	32,500	31,769
UniTek Global Services Inc. (16)	9.500% (L+750, 1.00% PIK, 1.00% Floor)	1/13/19	Telecommunications	21,442	21,442	21,442
Total First Lien Secured Debt (excluding Revolvers and Letters of Credit)					$865,773	$807,359

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS
March 31, 2015
(In thousands, except share data)

Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
Funded and Unfunded Revolver Obligations—1.7%						
Avaya, Inc., Revolver (16)	2.92% (L+275, 0.17% Floor) / 5.00% (P+175, 3.25% Floor) Funded	10/26/16	Telecommunications	$ 16,553	$16,553	$15,436
Avaya, Inc., Unfunded Revolver (8)(16)	0.50% Unfunded	10/26/16	Telecommunications	10,431	(3,181)	(704)
BMC Software, Inc., Unfunded Revolver (8)	0.50% Unfunded	9/10/18	Business Services	20,760	(1,857)	(1,868)
CIT Group, Inc., Unfunded Revolver (8)(17)	L+275	1/27/17	Financial Services	25,000	(107)	(1,250)
Confie Seguros Holding II Co., Revolver (16)	4.67% (L+450, 0.17% Floor) / 6.75% (P+350, 3.25% Floor) Funded	12/10/18	Insurance	2,190	2,190	1,949
Confie Seguros Holding II Co., Unfunded Revolver (8)(16)	0.50% Unfunded	12/10/18	Insurance	1,625	(340)	(179)
Laureate Education Inc., Revolver (16)(17)	5.000% (L+375, 1.25% Floor) Funded	6/16/16	Education	23,566	23,566	21,445
Laureate Education, Inc., Unfunded Revolver (8)(16)(17)	0.625% Unfunded	6/16/16	Education	5,212	(1,833)	(469)
Salix Pharmaceuticals, Ltd., Unfunded Revolver (16)(17)	0.50% Unfunded	1/2/19	Healthcare	24,867	(1,519)	—
Tibco Software Inc., Unfunded Revolver (8)	0.50% Unfunded	12/5/19	Business Services	6,000	(56)	(30)
Transfirst Holdings, Inc., Unfunded Revolver (8)(16)	0.50% Unfunded	11/12/19	Financial Services	2,943	(14)	(88)
UniTek Global Services, Inc., Unfunded Revolver (16)	0.50% Unfunded	1/13/19	Telecommunications	5,000	241	—
Walter Energy, Inc., Unfunded Revolver (8)(16)(17)	0.625% Unfunded	10/1/17	Mining	275	(176)	(48)
					$33,467	$34,194

Total Funded and Unfunded Revolver Obligations						
Letters of Credit—(0.0)%						
Avaya, Inc., Letter of Credit (8)(9)(16)	2.750%	10/30/15-4/6/16	Telecommunications	$ 9,800	$—	$(662)
Confie Seguros Holding II Co., Letter of Credit (8)(16)	4.500%	10/27/15	Insurance	600	—	(66)
Confie Seguros Holding II Co., Letter of Credit (8)(16)	4.500%	1/13/16	Insurance	85	—	(9)
Laureate Education Inc., Letter of Credit (8)(16)(17)	3.750%	6/16/16	Education	101	—	(9)
Salix Pharmaceuticals, Ltd., Letter of Credit (16)(17)	3.000%	2/10/16	Healthcare	8	—	—
Salix Pharmaceuticals, Ltd., Letter of Credit (16)(17)	3.000%	2/10/16	Healthcare	125	—	—
Transfirst Holdings, Inc., Letter of Credit (8)(16)	4.500%	11/12/19	Financial Services	57	—	(2)
UniTek Global Services Inc., Letter of Credit (16)	7.500%	1/13/19	Telecommunications	17,946	—	—
UniTek Global Services Inc., Letter of Credit (16)	7.500%	1/13/19	Telecommunications	1,850	—	—
Walter Energy, Inc., Letter of Credit (8)(9)(16)(17)	5.500%	9/18/15-7/4/16	Mining	86	—	(15)
Walter Energy, Inc., Letter of Credit (8)(9)(16)(17)	5.500%	8/31/15-11/28/15	Mining	C$192	—	(27)
Total Letters of Credit					$—	$(790)
Total First Lien Secured Debt					$899,240	$840,763

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS
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(In thousands, except share data)

Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
Second Lien Secured Debt—41.6%						
Access CIG, LLC	9.750% (L+875, 1.00% Floor)	10/17/22	Business Services	$ 25,600	$24,103	$24,192
Active Network, Inc.	9.500% (L+850, 1.00% Floor)	11/15/21	Business Services	19,672	19,586	19,082
Appriss Holdings, Inc.	9.250% (L+825, 1.00% Floor)	5/21/21	Business Services	25,000	24,641	25,000
Armor Holdings, Inc. (American Stock Transfer and Trust Company)	10.250% (L+900, 1.25% Floor)	12/26/20	Financial Services	8,000	7,867	7,760
Asurion Corporation	8.500% (L+750, 1.00% Floor)	3/3/21	Insurance	40,622	40,163	40,876
Confie Seguros Holding II Co.	10.250% (L+900, 1.25% Floor)	5/8/19	Insurance	28,844	28,691	28,844
Consolidated Precision Products Corp.	8.750% (L+775, 1.00% Floor)	4/30/21	Aerospace and Defense	1,940	1,932	1,930
Deltek, Inc.	10.000% (L+875, 1.25% Floor)	10/10/19	Business Services	17,273	17,137	17,424
Elements Behavioral Health, Inc.	9.750% (L+875, 1.00% Floor)	2/11/20	Healthcare	9,500	9,420	9,434
Garden Fresh Restaurant Corp. (16)	7.750% (L+625 PIK, 1.50% Floor)	1/1/19	Restaurants	8,250	6,522	5,775
Garden Fresh Restaurant Corp. (16)	15.000% (L+1350 PIK, 1.50% Floor)	1/1/19	Restaurants	39,921	38,064	35,529
GCA Services Group, Inc.	9.250% (L+800, 1.25% Floor)	11/1/20	Diversified Service	17,838	17,961	17,882
Grocery Outlet, Inc.	9.250% (L+825, 1.00% Floor)	10/21/22	Grocery	28,000	27,592	27,580
GTCR Valor Companies, Inc.	9.500% (L+850, 1.00% Floor)	11/30/21	Business Services	35,000	34,666	33,775
Institutional Shareholder Services, Inc.	8.500% (L+750, 1.00% Floor)	4/30/22	Financial Services	6,640	6,579	6,540
Kronos, Inc.	9.750% (L+850, 1.25% Floor)	4/30/20	Business Services	13,525	13,466	13,931
Miller Energy Resources, Inc. (17)	14.750% (9.750% Cash / 2.000% PIK, 3.00% Floor)	2/3/18	Oil and Gas	88,123	88,123	82,527
MSC Software Corp. (17)	8.500% (L+750, 1.00% Floor)	5/28/21	Business Services	13,448	13,320	13,246
Novolex Holdings, Inc.	9.750% (L+875, 1.00% Floor)	6/5/22	Packaging	42,045	41,013	42,150
Pabst Brewing Company		11/14/22		27,000	26,665	27,203

	9.25% (L+825, 1.00% Floor)		Consumer Products			
Premier Trailer Leasing, Inc.	10.000% (L+900, 1.00% Floor)	9/24/20	Financial Services	52,000	51,029	52,000
River Cree Enterprises LP (11)(17)	11.000%	1/20/21	Hotels, Motels, Inns and Gaming	C$33,000	31,111	26,952
SiTV, Inc. (11)	10.375%	7/1/19	Cable Television	2,219	2,219	2,003
SMG	9.250% (L+825, 1.00% Floor)	2/27/21	Business Services	19,900	19,900	20,000
Sprint Industrial Holdings, LLC	11.250% (L+1000, 1.25% Floor)	11/14/19	Containers, Packaging, and Glass	14,163	13,959	13,526
SquareTwo Financial Corp. (Collect America, Ltd.) (17)	11.625%	4/1/17	Financial Services	65,152	64,316	58,420
TASC, Inc.	12.000%	5/21/21	Aerospace and Defense	21,815	21,028	23,178
TMK Hawk Parent Corp.	8.500% (L+750, 1.00% Floor)	10/1/22	Distribution	34,000	33,675	34,000

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS
March 31, 2015
(In thousands, except share data)

Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
Transfirst Holdings, Inc.	9.000% (L+800, 1.00% Floor)	11/11/22	Financial Services	$11,340	$11,221	$11,404
UniTek Global Services Inc. (16)	8.500% (L+750, 1.00% Floor)	1/13/19	Telecommunications	32,367	32,367	30,748
Velocity Technology Solutions, Inc.	9.000% (L+775, 1.25% Floor)	9/28/20	Business Services	16,500	16,209	16,005
Vertafore, Inc.	9.750% (L+825, 1.50% Floor)	10/27/17	Business Services	36,436	36,295	36,709
Total Second Lien Secured Debt					$820,840	$805,625
Total Secured Debt					$1,720,080	$1,646,388
Unsecured Debt—24.5%						
American Energy - Woodford LLC/AEW Finance Corp. (11)	9.000%	9/15/22	Oil and Gas	$5,000	$4,805	$2,850
American Tire Distributors, Inc. (11)	10.250%	3/1/22	Distribution	24,281	24,281	25,252
Artsonig Pty Ltd. (11)(17)	11.50% (12.00% PIK Toggle)	4/1/19	Transportation	21,227	20,974	17,830
BCA Osprey II Limited (British Car Auctions) (16)(17)	12.50% PIK	8/17/17	Transportation	£23,566	37,704	36,033
BCA Osprey II Limited (British Car Auctions) (16)(17)	12.50% PIK	8/17/17	Transportation	€14,333	19,779	15,855
Canacol Energy Ltd. (17)	9.500% (L+850, 1.00% Floor)	12/31/19	Oil and Gas	50,000	48,595	47,625
Ceridian Corp. (11)	11.000%	3/15/21	Diversified Service	16,760	16,760	17,430
Delta Educational Systems, Inc.	16.00% PIK or 10.00% Cash / 6.00% PIK	5/12/17	Education	24,172	23,929	21,416
Denver Parent Corp. (Venoco) (13)(14)(16)	12.25% (13.00% PIK Toggle)	8/15/18	Oil and Gas	9,572	9,411	1,460
GenCorp, Inc. (17)	9.500% (L+850, 1.00% Floor)	4/18/22	Aerospace and Defense	40,500	40,500	40,500
My Alarm Center, LLC	16.25% (12.00% Cash / 4.25 %PIK)	7/9/18	Business Services	4,236	4,236	4,236
PetroBakken Energy Ltd. (11)(17)	8.625%	2/1/20	Oil and Gas	34,980	35,972	25,361
Radio One, Inc. (11)(17)	9.250%	2/15/20	Broadcasting & Entertainment	15,804	15,709	15,160
	13.00% PIK	10/31/21	Consumer Products	68	45	68

Sorenson Holdings, LLC (11)						
Tibco Software Inc. (11)	11.375%	12/1/21	Business Services	11,389	11,069	11,595
U.S. Security Associates Holdings, Inc.	11.000%	7/28/18	Business Services	135,000	135,000	137,700
UniTek Global Services Inc.	15.000%	7/13/2019	Telecommunications	6,565	6,565	6,565
Univar, Inc.	10.500%	6/30/2018	Distribution	20,000	20,000	19,900
Venoco, Inc. (16)	8.875%	2/15/2019	Oil and Gas	54,996	55,032	28,598
Total Unsecured Debt					$530,366	$475,434
Total Corporate Debt					$2,250,446	$2,121,822
Structured Products and Other—9.0%						
Asset Repackaging Trust Six B.V., Credit-Linked Note (11)(17)(20)	N/A	5/18/2027	Utilities	$58,411	$24,994	$36,731
Craft 2013-1, Credit-Linked Note (11)(16)(17)	9.503% (L+925)	4/17/2022	Diversified Investment Vehicle	25,000	25,092	24,282
Craft 2013-1, Credit-Linked Note (16)(17)	9.503% (L+925)	4/17/2022	Diversified Investment Vehicle	7,625	7,753	7,412
Craft 2014-1A, Credit-Linked Note (11)(17)	9.882% (L+965)	5/15/2021	Diversified Investment Vehicle	42,500	42,460	41,898
Dark Castle Holdings, LLC	N/A	N/A	Media	24,395	1,189	2,565

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS
March 31, 2015
(In thousands, except share data)

Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
JP Morgan Chase & Co., Credit-Linked Note (17)	12.520% (L+1225)	12/20/2021	Diversified Investment Vehicle	$43,250	$42,053	$42,700
NXT Capital CLO 2014-1, LLC, Class E Notes (11)(17)	5.731% (L+550)	4/23/2026	Diversified Investment Vehicle	5,000	4,670	4,350
Renaissance Umiat, LLC, ACES Tax Receivable (15)(17)	N/A	N/A	Oil and Gas	—	13,014	14,432
Total Structured Products and Other					$161,225	$174,370
Preferred Equity—1.6%				Shares		
CA Holding, Inc. (Collect America, Ltd.), Series A Preferred Stock (13)(17)	N/A	N/A	Financial Services	32,961	$788	$297
Crowley Holdings, Series A Preferred Stock (11)	12.00% (10.00% Cash / 2.00% PIK)	N/A	Cargo Transport	22,500	23,079	23,645
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Preferred Stock (Convertible) (13)(14)	12.50% PIK	N/A	Education	332,500	6,863	—
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Preferred Stock (13)(14)	13.50% PIK	5/12/2018	Education	12,360	27,685	1,613
Varietal Distribution Holdings, LLC, Class A Preferred Unit	8.00% PIK	N/A	Distribution	3,097	5,724	5,655
Total Preferred Equity					$64,139	$31,210
Equity—1.5%						
Common Equity/Interests—1.2%				Shares		
ATD Corporation (Accelerate Parent Corp.), Common Stock (11)	N/A	N/A	Distribution	1,664,046	$1,714	$2,690
CA Holding, Inc. (Collect America, Ltd.), Series A Common Stock (13)(17)	N/A	N/A	Financial Services	25,000	2,500	—
CA Holding, Inc. (Collect America, Ltd.), Series AA Common Stock (13)(17)	N/A	N/A	Financial Services	4,294	429	—
Caza Petroleum, Inc., Net Profits Interest (13)	N/A	N/A	Oil and Gas	—	1,202	1,290
	N/A	N/A	Oil and Gas	—	340	235

Caza Petroleum, Inc., Overriding Royalty Interest						
Clothesline Holdings, Inc. (Angelica Corporation), Common Stock (13)	N/A	N/A	Healthcare	6,000	6,000	519
Explorer Coinvest, LLC (Booz Allen), Common Stock (17)	N/A	N/A	Business Services	192	1,468	5,162
Garden Fresh Restaurant Holdings, LLC, Common Stock (13)	N/A	N/A	Restaurants	50,000	5,000	—
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Common Stock (13)	N/A	N/A	Education	17,500	175	—
JV Note Holdco, LLC (DSI Renal, Inc.), Common Equity / Interest (13)	N/A	N/A	Healthcare	9,303	85	—
Pelican Energy, LLC, Net Profits Interest (13)(17)	N/A	N/A	Oil and Gas	—	1,061	272
Skyline Data, News and Analytics LLC, Class A Common Unit (13)	N/A	N/A	Printing and Publishing	4,500	4,500	4,500
Sorenson Holdings, LLC, Membership Interests (13)	N/A	N/A	Consumer Products	587	—	81
Univar, Inc., Common Stock (13)	N/A	N/A	Distribution	900,000	9,000	9,320
Varietal Distribution Holdings, LLC, Class A Common Unit (13)	N/A	N/A	Distribution	28,028	28	—
Total Common Equity/Interests					$33,502	$24,069

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Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
Warrants—0.3%				Warrants		
CA Holding, Inc. (Collect America, Ltd.), Common Stock Warrants (13)(17)	N/A	N/A	Financial Services	12,255	$8	$—
Energy & Exploration Partners, Inc., Common Stock Warrants (13)	N/A	N/A	Oil and Gas	60,778	2,374	58
Fidji Luxco (BC) S.C.A., Common Stock Warrants (2)(13)(17)	N/A	N/A	Electronics	18,113	182	3,950
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Class A-1 Preferred Stock Warrants (13)	N/A	N/A	Education	45,947	459	—
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Class B-1 Preferred Stock Warrants (13)	N/A	N/A	Education	104,314	1,043	—
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Common Stock Warrants (13)	N/A	N/A	Education	9,820	98	—
Osage Exploration & Development, Inc., Common Stock Warrants (13)(17)	N/A	N/A	Oil and Gas	1,496,843	—	222
Spotted Hawk Development, LLC, Common Stock Warrants (13)	N/A	N/A	Oil and Gas	54,545	852	1,341
Total Warrants					$5,016	$5,571
Total Equity					$38,518	$29,640
Total Non-Controlled/Non-Affiliated Investments					$2,514,328	$2,357,042

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Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
Non-Controlled/Affiliated Investments—16.9% (4)(10)						
Corporate Debt—0.0%						
Secured Debt—0.0%						
First Lien Secured Debt—0.0%						
Renewable Funding Group, Inc., (4)(13)	0.00%	9/30/15	Finance	$1,000	$1,000	$1,000
Total First Lien Secured Debt					$1,000	$1,000
Total Secured Debt					$1,000	$1,000
Total Corporate Debt					$1,000	$1,000
Structured Products and Other—10.3%						
Golden Bear Warehouse, LLC, Equity (3)(4)(17)	N/A	N/A	Diversified Investment Vehicle	$4,234	$4,234	$6,833
Golden Hill CLO I, LLC, Equity (3)(4)(17)	N/A	N/A	Diversified Investment Vehicle	70,944	71,478	73,587
Highbridge Loan Management 3-2014, Ltd., Class E Notes (3)(4)(11)(17)	6.257% (L+600)	1/18/25	Diversified Investment Vehicle	2,485	2,277	2,121
Highbridge Loan Management 3-2014, Ltd., Subordinated Notes (3)(4)(11)(17)	N/A	1/18/25	Diversified Investment Vehicle	8,163	6,537	6,722
Ivy Hill Middle Market Credit Fund IX, Ltd, Subordinated Notes (3)(4)(11)(17)	N/A	10/18/25	Diversified Investment Vehicle	12,500	11,375	11,375
Jamestown CLO I LTD, Subordinated Notes (3)(4)(11)(17)	N/A	11/5/24	Diversified Investment Vehicle	4,325	3,432	3,698
MCF CLO I, LLC, Membership Interests (3)(4)(11)(17)	N/A	4/20/23	Diversified Investment Vehicle	38,918	35,087	38,490
MCF CLO III, LLC, Class E Notes (3)(4)(11)(17)	4.681% (L+445)	1/20/24	Diversified Investment Vehicle	12,750	11,456	11,220
MCF CLO III, LLC, Membership Interests (3)(4)(11)(17)	N/A	1/20/24	Diversified Investment Vehicle	41,900	36,957	38,984
Slater Mill Loan Fund LP, LP Certificates (3)(4)(17)	N/A	N/A	Diversified Investment Vehicle	8,375	5,755	6,968
Total Structured Products and Other					$188,588	$199,998
Preferred Equity—3.9%				Shares		
AMP Solar (UK) Limited, Class A Preference Shares (2)(5)(17)(21)	8.500%	10/31/49	Utilities	43,277,916	$66,354	$65,171

Renewable Funding Group, Inc., Series B Preferred Stock (4)(13)	N/A	N/A	Finance	1,505,868	7,461	9,309
Total Preferred Equity					$73,815	$74,480
Equity—2.7%						
Common Equity/Interests—2.7%				Shares		
AMP Solar Group, Inc., Class A Common Shares (3)(4)(17)	N/A	N/A	Energy	81,493	$3,500	$3,500
Generation Brands Holdings, Inc. (Quality Home Brands), Basic Common Stock (3)(4)(13)(18)	N/A	N/A	Home and Office Furnishings and Durable Consumer Products	9,007	—	6,699
Generation Brands Holdings, Inc. (Quality Home Brands), Series 2L Common Stock (3)(4)(13)(18)	N/A	N/A	Home and Office Furnishings and Durable Consumer Products	36,700	11,242	27,294
Generation Brands Holdings, Inc. (Quality Home Brands), Series H Common Stock (3)(4)(13)(18)	N/A	N/A	Home and Office Furnishings and Durable Consumer Products	7,500	2,298	5,578
LVI Group Investments, LLC, Common Units (3)(4)(13)(19)	N/A	N/A	Environmental Services	212,460	17,505	8,669
Total Common Equity/Interests					$34,545	$51,740
Total Equity					$34,545	$51,740
Total Non-Controlled/Affiliated Investments					$297,948	$327,218

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION
SCHEDULE OF INVESTMENTS
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(In thousands, except share data)

Investment	Interest Rate	Maturity Date	Industry	Par (12)	Cost	Fair Value (1)
Controlled Investments—34.4% (5)(10)						
Corporate Debt—18.2%						
Secured Debt—18.2%						
First Lien Secured Debt—18.2%						
Merx Aviation Finance, LLC, Revolver (5)(16)	12.00% Funded	10/31/18	Aviation	$352,084	$352,084	$352,084
Total First Lien Secured Debt					$352,084	$352,084
Unfunded Revolver Obligation—0.0%						
Merx Aviation Finance, LLC, Unfunded Revolver (5)(16)	12.00% Funded, 0.00% Unfunded	10/31/18	Aviation	$47,916	$—	$—
Total Unfunded Revolver Obligation					$—	$—
Letters of Credit—0.0%						
Merx Aviation Finance Assets Ireland Limited, Letter of Credit (5)	2.250%	9/30/15	Aviation	$1,800	$—	$—
Merx Aviation Finance Assets Ireland Limited, Letter of Credit (5)	2.250%	9/30/15	Aviation	1,800	—	—
Total Letters of Credit					$—	$—
Total Secured Debt					$352,084	$352,084
Total Corporate Debt					$352,084	$352,084
Preferred Equity—3.1%				Shares		
PlayPower Holdings, Inc., Series A Preferred (5)	14.00% PIK	11/15/20	Leisure	49,178	$59,411	$59,411
Total Preferred Equity					$59,411	$59,411
Equity—13.1%						
Common Equity/Interests—13.1%				Shares		
Merx Aviation Finance, LLC, Membership Interest (5)(13)	N/A	N/A	Aviation	—	$152,082	$165,172
MSEA Tankers LLC, Membership Interest (5)(17)	N/A	N/A	Cargo Transport	—	33,000	33,000
PlayPower Holdings, Inc., Common Stock (5)(13)	N/A	N/A	Leisure	1,000	77,722	55,900
Total Common Equity/Interests					$262,804	$254,072
Total Equity					$262,804	$254,072
Total Controlled Investments					$674,299	$665,567
Total Investments—172.9% (6)(7)					$3,486,575	$3,349,827
Liabilities in Excess of Other Assets—(72.9)%						$(1,412,219)
Net Assets—100.0%						$1,937,608

(1) Fair value is determined in good faith by or under the direction of the Board of Directors of the Company (Note 2).
(2) Fidji Luxco (BC) S.C.A. is a EUR denominated investment and AMP Solar (UK) Limited is a GBP denominated investment.
(3) Denotes investments where the governing documents of the entity preclude the Company from controlling management of the entity and therefore the Company has determined that the entity is not a controlled affiliate.

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(4) Denotes investments in which we are an "Affiliated Person," as defined in the 1940 Act, due to owning or holding the power to vote 5% or more of the outstanding voting securities of the investment but not controlling the company. Fair value as of March 31, 2015 and March 31, 2014 along with transactions during the fiscal year ended March 31, 2015 in these Affiliated investments are as follows:

Name of Issue	Fair Value at March 31, 2014	Gross Additions (Cost)	Gross Reductions (Cost)	Change in Unrealized Gain (Loss)	Fair Value at March 31, 2015	Net Realized Gain (Loss)	Interest/Dividend/ Other Income
AMP Solar Group, Inc., Class A Common Shares	$—	$3,500	$—	$—	$3,500	$—	$ —
AMP Solar Group, Inc., 15.000%, 7/7/15	—	3,619	(3,619)	—	—	(57)	53
AMP Solar (UK) Limited, Class A Preference Shares (21)	—	66,355	—	(1,184)	65,171	—	1,580
Aventine Renewable Energy Holdings, Inc., 15.00% (12.00% Cash / 3.00% PIK), 9/23/16	2,405	21	(2,642)	216	—	116	184
Aventine Renewable Energy Holdings, Inc., 10.50% Cash or 15.00% PIK, 9/22/17	8,884	1,481	(15,306)	4,941	—	—	1,496
Aventine Renewable Energy Holdings, Inc., 25.00% PIK, 9/24/16	3,769	238	(4,007)	—	—	—	433
Aventine Renewable Energy Holdings, Inc., Common Stock	99	—	(688)	589	—	1,804	—
Aventine Renewable Energy Holdings, Inc., Common Stock Warrants	574	—	(3,996)	3,422	—	9,713	—
Generation Brands Holdings, Inc. (Quality Home Brands), Basic Common Stock (18)	—	1,615	—	5,084	6,699	—	—
Generation Brands Holdings, Inc. (Quality Homes Brands), Series H Common Stock (18)	—	1,345	—	4,233	5,578	—	—
Generation Brands Holdings, Inc. (Quality Homes Brands), Series 2L Common Stock (18)	—	6,582	—	20,712	27,294	—	—
Golden Bear Warehouse LLC, Equity	—	4,233	—	2,600	6,833	—	—
Golden Hill CLO I, LLC, Equity	1,097	69,847	—	2,643	73,587	—	1,515
Highbridge Loan Management 3-2014, Ltd., Class D Notes, L+500, 1/18/25	4,680	21	(4,659)	(42)	—	(169)	205
	2,314	14	—	(207)	2,121	—	171

Highbridge Loan Management 3-2014, Ltd., Class E Notes, L+600, 1/18/25							
Highbridge Loan Management 3-2014, Ltd., Subordinated Notes, 1/18/25	7,278	—	(989)	433	6,722	—	652
Ivy Hill Middle Market Credit Fund IX, Ltd, Subordinated Notes, 10/18/25	—	11,375	—	—	11,375	—	414
Jamestown CLO I LTD, Subordinated Notes, 11/5/24	3,828	—	(121)	(9)	3,698	—	559
LVI Parent Corp. (LVI Services, Inc.), 12.50%, 4/20/14 (19)	—	10,387	(10,200)	(187)	—	—	269
LVI Group Investments, LLC, Common Units (formerly known as LVI Services, Inc.) (19)	—	35,429	—	(26,760)	8,669	—	87
MCF CLO I LLC, Class E Notes, L+575, 4/20/23	12,357	13	(12,344)	(26)	—	(107)	215
MCF CLO I LLC, Membership Interests	40,391	—	(2,471)	570	38,490	—	7,176
MCF CLO III LLC, Class E Notes L+445, 1/20/24	11,325	107	—	(212)	11,220	—	718
MCF CLO III LLC, Membership Interests, 1/20/24	38,266	—	(2,227)	2,945	38,984	—	6,271
Renewable Funding Group, Inc. 0.00%, 9/30/15	—	1,000	—	—	1,000	—	—
Renewable Funding Group, Inc., Series B Preferred Stock	—	8,750	(1,289)	1,848	9,309	—	—
Slater Mill Loan Fund LP, LP Certificates	7,361	—	(467)	74	6,968	—	1,427
	$144,628	$225,932	$ (65,025)	$ 21,683	$327,218	$11,300	$ 23,425

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See notes to financial statements.
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APOLLO INVESTMENT CORPORATION
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March 31, 2015
(In thousands, except share data)

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

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

As of March 31, 2015, the Company has a 28%, 100%, 100%, 26%, 32%, 36%, 97%, 98% and 26% equity ownership interest in Generation Brands Holdings, Inc., Golden Bear Warehouse LLC, Golden Hill CLO I, LLC, Highbridge Loan Management, Ltd., Ivy Hill Middle Market Credit Fund IX, Ltd, LVI Group Investments, LLC, MCF CLO I LLC, MCF CLO III LLC, and Slater Mill Loan Fund LP, respectively. Investments that the Company owns greater than 25% of the equity and are shown in “Non-Controlled/Affiliated” have governing documents that preclude the Company from controlling management of the entity and therefore the Company has determined that the entity is not a controlled affiliate.

(5) Denotes investments in which we are deemed to exercise a controlling influence over the management or policies of a company, as defined in the 1940 Act, due to beneficially owning, either directly or through one or more controlled companies, more than 25% of the outstanding voting securities of the investment. Fair value as of March 31, 2015 and March 31, 2014 along with transactions during the fiscal year ended March 31, 2015 in these Controlled investments are as follows:

Name of Issue	Fair Value at March 31, 2014	Gross Additions (Cost)	Gross Reductions (Cost)	Change in Unrealized Gain (Loss)	Fair Value at March 31, 2015	Net Realized Gain (Loss)	Interest/Dividend/ Other Income
Generation Brands Holdings, Inc. (Quality Home Brands), Basic Common Stock (18)	$1,615	$—	$ (1,615)	$—	$—	$—	$ —
Generation Brands Holdings, Inc. (Quality Homes Brands), Series H Common Stock (18)	1,345	—	(1,345)	—	—	—	—
Generation Brands Holdings, Inc. (Quality Homes Brands), Series 2L Common Stock(18)	6,582	—	(6,582)	—	—	—	—
LVI Parent Corp. (LVI Services, Inc.), 12.50%, 4/20/14 (19)	10,200	—	(10,200)	—	—	—	—
LVI Group Investments, LLC, Common Units (formerly known as LVI Services, Inc.) (19)	34,020	—	(34,020)	—	—	—	—
Merx Aviation Finance, LLC (formerly known as Merx Aviation Finance Holdings II, LLC), (Revolver) 12.00% Funded, 10/31/18	282,334	69,750	—	—	352,084	—	39,231
Merx Aviation Finance, LLC (formerly known as Merx	—	—	—	—	—	—	—

Aviation Finance Holdings II, LLC), (Unfunded Revolver) 0.00% Unfunded, 10/31/18							
Merx Aviation Finance Assets Ireland Limited, Letter of Credit, 2.25%, 9/30/15	—	—	—	—	—	—	—
Merx Aviation Finance Assets Ireland Limited, Letter of Credit, 2.25%, 9/30/15	—	—	—	—	—	—	—
Merx Aviation Finance, LLC (formerly known as Merx Aviation Finance Holdings II, LLC), Membership Interest	140,465	13,499	—	11,208	165,172	—	—
MSEA Tankers LLC, Membership Interest	—	33,000	—	—	33,000	—	—
PlayPower Holdings, Inc., Common Stock	53,813	—	—	2,087	55,900	—	—
PlayPower Holdings, Inc., Series A Preferred, 14.00% PIK, 11/15/20	51,773	7,638	—	—	59,411	—	7,891
	$582,147	$123,887	$ (53,762)	$ 13,295	$665,567	$—	$ 47,122

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

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

As of March 31, 2015, the Company has a 100% equity ownership interest in Merx Aviation Finance, LLC, MSEA Tankers LLC and PlayPower Holdings, Inc.

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(6) Aggregate gross unrealized gain for federal income tax purposes is $143,557; aggregate gross unrealized loss for federal income tax purposes is $302,058. Net unrealized loss is $158,501 based on a tax cost of $3,508,328.

(7) Substantially all securities are pledged as collateral to our multi-currency revolving credit facility. As such, these securities are not available as collateral to our general creditors.

(8) The negative fair value is the result of the unfunded commitment or letter of credit being valued below par.

(9) These letters of credit represent multiple commitments made on various dates. As a result, maturity dates may vary and a maturity range has been provided.

(10) The percentage is calculated over net assets.

(11) These securities are exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions that are exempt from registration, normally to qualified institutional buyers.

(12) Denominated in USD unless otherwise noted, Euro ("€"), British Pound ("£"), and Canadian Dollar ("C$").

(13) Non-income producing security.

(14) Non-accrual status (Note 2).

(15) The investment has a put option attached to it and the combined instrument has been recorded in its entirety at fair value as a hybrid instrument in accordance with ASC 815-15-25-4 with subsequent changes in fair value charged or credited to investment gains/losses for each period.

(16) Denotes debt securities where the Company owns multiple tranches of the same broad asset type but whose security characteristics differ. Such differences may include level of subordination, call protection and pricing, and differing interest rate characteristics, among other factors. Such factors are usually considered in the determination of fair values.

(17) Investments that the Company has determined are not "qualifying assets" under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of our total assets. The status of these assets under the 1940 Act is subject to change. The Company monitors the status of these assets on an ongoing basis.

(18) Generation Brands Holdings, Inc. was previously incorrectly reported as a controlled investment in the financial statements for the year ended March 31, 2014. After further assessment, the Company does not control more than 25% of the voting power and has no power to direct or cause the direction of the policies and management of the company. As such, $9,542 of the fair value of Generation Brands Holdings, Inc., Common Stock was transferred from "Controlled" to "Non-Controlled/Affiliated" in 2015 to correctly reflect Generation Brands Holdings, Inc. as a non-controlled/affiliated investment. Management evaluated the impact of the error to the financial statements and determined that this adjustment was not material to any prior annual or interim periods, and the resulting correction is not material to the current financial statements.

(19) As a result of a restructuring in April 2014, the Company's investment was moved to LVI Group Investments, LLC from LVI Services Inc. LVI Group Investments, LLC further invested in NorthStar Group Holdings. The Company no longer controls more than 25% of the voting power and has no power to direct or cause the direction of the policies and management of NorthStar Group Holdings. As such, $44,220 of the fair value of LVI Services, Inc., Common Stock, was transferred from "Controlled" to "Non-Controlled/Affiliated" in LVI Group Investments, LLC prior to the fiscal year ended March 31, 2015.

(20) This investment represents a leveraged subordinated interest in a trust that holds one foreign currency denominated bond and a derivative instrument.

(21) AMP Solar (UK) Limited was previously incorrectly reported as a controlled investment in the financial statements for the year ended March 31, 2015. After further assessment, it was determined that the Company does not control more than 25% of the voting power and has no power to direct or cause the direction of the policies

and management of the company. As such, $65,171 of the ending fair value as of March 31, 2015 of AMP Solar (UK) Limited, Class A Preference Shares was reclassified from “Controlled” to “Non-Controlled/Affiliated” to correctly reflect AMP Solar (UK) Limited as a non-controlled/affiliated investment. Management evaluated the impact of the error to the financial statements and determined that this adjustment was not material to any prior annual or interim periods, and the resulting correction is not material to the current financial statements.

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APOLLO INVESTMENT CORPORATION
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(In thousands, except share data)

Industry Classification	Percentage of Total Investments (at Fair Value) as of March 31, 2015
Business Services	15.6%
Aviation	15.4%
Oil and Gas	13.9%
Diversified Investment Vehicle	9.6%
Financial Services	4.0%
Chemicals	3.8%
Leisure	3.4%
Utilities	3.0%
Aerospace and Defense	2.9%
Distribution	2.9%
Telecommunications	2.2%
Insurance	2.1%
Transportation	2.1%
Printing and Publishing	1.9%
Cargo Transport	1.7%
Healthcare	1.6%
Energy	1.6%
Education	1.5%
Packaging	1.3%
Restaurants	1.2%
Home and Office Furnishings and Durable Consumer Products	1.2%
Diversified Service	1.1%
Grocery	0.8%
Consumer Products	0.8%
Hotels, Motels, Inns and Gaming	0.8%
Diversified Natural Resources, Precious Metals and Minerals	0.7%
Buildings and Real Estate	0.6%
Mining	0.6%
Broadcasting & Entertainment	0.4%
Containers, Packaging, and Glass	0.4%
Finance	0.3%
Environmental Services	0.3%
Electronics	0.1%
Media	0.1%
Cable Television	0.1%
Total Investments	100.0%

See notes to financial statements.

APOLLO INVESTMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS (Unaudited)
(In thousands, except share and per share data)

Note 1. Organization

Apollo Investment Corporation (the “Company,” “Apollo Investment,” “AIC,” “we,” “us,” or “our”), a Maryland corporation incorporated on February 2, 2004, is a closed-end, externally managed, non-diversified management investment company that has elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940 (the “1940 Act”). In addition, for tax purposes we have elected to be treated as a regulated investment company (“RIC”), under the Internal Revenue Code of 1986, as amended (“the Code”). Our investment objective is to generate current income and capital appreciation.

Apollo Investment Management, L.P. (the “Investment Adviser” or “AIM”) is our investment adviser and an affiliate of Apollo Global Management, LLC and its consolidated subsidiaries (“AGM”). The Investment Adviser, subject to the overall supervision of our board of directors, manages the day-to-day operations of, and provides investment advisory services to the Company.

Apollo Investment Administration, LLC (the “Administrator” or “AIA”), an affiliate of AGM, provides, among other things, administrative services and facilities for the Company. Furthermore, AIA provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance.

We invest primarily in various forms of debt investments, including secured and unsecured debt, loan investments, and/or equity in private middle-market companies. We may also invest in the securities of public companies and in structured products and other investments such as collateralized loan obligations (“CLOs”) and credit-linked notes (“CLNs”). Our portfolio is comprised primarily of investments in debt, including secured and unsecured debt of private middle-market companies that, in the case of senior secured loans, generally are not broadly syndicated and whose aggregate tranche size is typically less than $250 million. Our portfolio also includes equity interests such as common stock, preferred stock, warrants or options.

Apollo Investment commenced operations on April 8, 2004 receiving net proceeds of $870,000 from its initial public offering by selling 62 million shares of common stock at a price of $15.00 per share. Since then, and through December 31, 2015, we have raised approximately $2,210,067 in net proceeds from additional offerings of common stock and repurchased common stock for $52,437.

Note 2. Significant Accounting Policies

The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) pursuant to the requirements on Form 10-Q, ASC 946, Financial Services — Investment Companies (“ASC 946”), and Articles 6, 10 and 12 of Regulation S-X. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of the financial statements for the interim period, have been included.

Under the 1940 Act, ASC 946, and the regulations pursuant to Article 6 of Regulation S-X, we are precluded from consolidating any entity other than another investment company or an operating company which provides substantially all of its services to benefit us. Consequently, as of December 31, 2015, the Company did not consolidate any subsidiary, controlled entity or any special purpose entities through which the special purpose entity acquires and holds investments subject to financing with third parties.

These financial statements should be read in conjunction with the audited financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended March 31, 2015.

Certain amounts have been reclassified on the Statement of Assets and Liabilities and Statements of Operations. As of March 31, 2015, $65,171 of fair value and $66,354 of cost previously classified as controlled investments was reclassified to non-controlled/affiliated investments. For the three and nine months ended December 31, 2014, $8,381 and $6,597, respectively, of net change in unrealized gain (loss) previously classified as net change in unrealized gain (loss) from controlled investments was reclassified to net change in unrealized gain (loss) from non-controlled/affiliated investments. For the three and nine months ended December 31, 2014, $157 and $513, respectively, of investment income previously classified as investment income from controlled investments was reclassified to investment income from non-controlled/affiliated investments.

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Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of income, expenses, gains and losses during the reported periods. Changes in the economic environment, financial markets, credit worthiness of our portfolio companies and any other parameters used in determining these estimates could cause actual results to differ materially.

Cash and Cash Equivalents

The Company defines cash equivalents as securities that are readily convertible into known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with a maturity of three months or less from the date of purchase would qualify, with limited exceptions. The Company deems that certain U.S. Treasury bills, repurchase agreements, and other high-quality, short-term debt securities would qualify as cash equivalents.

Cash and cash equivalents are carried at cost which approximates fair value. There were no cash equivalents held as of December 31, 2015 and March 31, 2015.

Investment Transactions

Investments are recognized when we assume an obligation to acquire a financial instrument and assume the risks for gains and losses related to that instrument. Investments are derecognized when we assume an obligation to sell a financial instrument and forego the risks for gains or losses related to that instrument. Specifically, we record all security transactions on a trade date basis. Amounts for investments recognized or derecognized but not yet settled are reported as receivables for investments sold and payables for investments purchased, respectively, in the Statements of Assets and Liabilities.

Fair Value Measurements

The Company follows guidance in ASC 820, Fair Value Measurement (“ASC 820”), where fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are determined within a framework that establishes a three-tier hierarchy which maximizes the use of observable market data and minimizes the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by us at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable inputs for the asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment. The level assigned to the investment valuations may not be indicative of the risk or liquidity associated with investing in such investments. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may differ materially from the values that would be received upon an actual disposition of such investments.

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Investment Valuation Process

Under procedures established by our board of directors, we value investments, including certain secured debt, unsecured debt and other debt securities with maturities greater than 60 days, for which market quotations are readily available, at such market quotations (unless they are deemed not to represent fair value). We attempt to obtain market quotations from at least two brokers or dealers (if available, otherwise from a principal market maker or a primary market dealer or other independent pricing service). We utilize mid-market pricing as a practical expedient for fair value unless a different point within the range is more representative. If and when market quotations are unavailable or are deemed not to represent fair value, we typically utilize independent third party valuation firms to assist us in determining fair value. Accordingly, such investments go through our multi-step valuation process as described below. In each case, our independent third party valuation firms consider observable market inputs together with significant unobservable inputs in arriving at their valuation recommendations for such investments. Investments purchased within 15 days before the valuation date and debt investments with remaining maturities of 60 days or less may each be valued at cost with interest accrued or discount amortized to the date of maturity (although they are typically valued at available market quotations), unless such valuation, in the judgment of our Investment Adviser, does not represent fair value. In this case such investments shall be valued at fair value as determined in good faith by or under the direction of our board of directors including using market quotations where available. Investments that are not publicly traded or whose market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of our board of directors. Such determination of fair values may involve subjective judgments and estimates.

With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, our board of directors has approved a multi-step valuation process each quarter, as described below:

1. Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of our Investment Adviser which is responsible for the portfolio investment.
2. Preliminary valuation conclusions are then documented and discussed with senior management of our Investment Adviser.
3. Independent valuation firms are engaged by our board of directors to conduct independent appraisals by reviewing our Investment Adviser’s preliminary valuations and then making their own independent assessment.
4. The audit committee of the board of directors reviews the preliminary valuation of our Investment Adviser and the valuation prepared by the independent valuation firms and responds, if warranted, to the valuation recommendation of the independent valuation firms to reflect any comments.
5. The board of directors discusses valuations and determines in good faith the fair value of each investment in our portfolio based on the input of our Investment Adviser, the applicable independent valuation firm, third party pricing services and the audit committee.

Investments in all asset classes are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, seniority of investment in the investee company’s capital structure, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company’s ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, our principal market (as the reporting entity) and enterprise values, among other factors. When readily available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process. For the nine months ended December 31, 2015, there has been no change to the Company’s valuation techniques and related inputs considered in the valuation process.

Valuation of Other Financial Assets and Financial Liabilities

ASC 825, Financial Instruments, permits an entity to choose, at specified election dates, to measure certain assets and liabilities at fair value (the "Fair Value Option"). We have not elected the Fair Value Option to report selected financial assets and financial liabilities. The carrying value of all other financial assets and liabilities approximates fair value due to their short maturities or their close proximity of the originations to the measurement date. Debt issued by the Company is reported at amortized cost (see Note 6).

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Realized Gains or Losses

Security transactions are accounted for on a trade date basis. Realized gains or losses on investments are calculated by using the specific identification method. Securities that have been called by the issuer are recorded at the call price on the call effective date at the call price.

Investment Income Recognition

The Company records interest and dividend income, adjusted for amortization of premium and accretion of discount, on an accrual basis. Some of our loans and other investments, including certain preferred equity investments, may have contractual payment-in-kind ("PIK") interest or dividends. PIK income computed at the contractual rate are accrued into income and reflected as receivable up to the capitalization date. PIK investments offer issuers the option at each payment date of making payments in cash or in additional securities. When additional securities are received, they typically have the same terms, including maturity dates and interest rates as the original securities issued. On these payment dates, the Company capitalizes the accrued interest or dividends receivable (reflecting such amounts as the basis in the additional securities received). PIK generally becomes due at maturity of the investment or upon the investment being called by the issuer. At the point the Company believes PIK is not fully expected to be realized, the PIK investment will be placed on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest or dividends are reversed from the related receivable through interest or dividend income, respectively. The Company does not reverse previously capitalized PIK interest or dividends. Upon capitalization, PIK is subject to the fair value estimates associated with their related investments. PIK investments on non-accrual status are restored to accrual status if the Company believes that PIK is expected to be realized.

Investments that are expected to pay regularly scheduled interest and/or dividends in cash are generally placed on non-accrual status when principal or interest/dividend cash payments are past due 30 days or more and/or when it is no longer probable that principal or interest/dividend cash payments will be collected. Such non-accrual investments are restored to accrual status if past due principal and interest or dividends are paid in cash, and in management's judgment, are likely to continue timely payment of their remaining interest or dividend obligations. Interest or dividend cash payments received on non-accrual designated investments may be recognized as income or applied to principal depending upon management's judgment.

Loan origination fees, original issue discount ("OID"), and market discounts are capitalized and accreted into interest income over the respective terms of the applicable loans using the effective interest method or straight-line, as applicable. Upon the prepayment of a loan, prepayment premiums, any unamortized loan origination fees, OID, or market discounts are recorded as interest income. Other income generally includes amendment fees, bridge fees, and structuring fees which are recorded when earned.

The Company records as dividend income the accretable yield from its beneficial interests in structured products such as CLOs based upon a number of cash flow assumptions that are subject to uncertainties and contingencies. Such assumptions include the rate and timing of principal and interest receipts (which may be subject to prepayments and defaults) of the underlying pool of assets. These assumptions are updated on at least a quarterly basis to reflect changes related to a particular security, actual historical data, and market changes. A structured product investment typically has an underlying pool of assets. Payments on structured product investments are and will be payable solely from the cash flows from such assets. As such, any unforeseen event in these underlying pools of assets might impact the expected recovery of principal and future accrual of income.

Expenses

Expenses include management fees, performance-based incentive fees, insurance expenses, administrative service fees, legal fees, directors' fees, audit and tax service expenses, third-party valuation fees and other general and administrative expenses. Expenses are recognized on an accrual basis.

Financing Costs

The Company records expenses related to shelf filings and applicable offering costs as deferred financing costs in the Statements of Assets and Liabilities. To the extent such expenses relate to equity offerings, these expenses are charged as a reduction of capital upon utilization, in accordance with ASC 946-20-25, or charged to expense if no offering is completed.

The Company records origination and other expenses related to its debt obligations as deferred financing costs in the Statements of Assets and Liabilities. These expenses are deferred and amortized as part of interest expense using the straight-line method over the stated life of the obligation which approximates the effective yield method.

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Foreign Currency Translations

The accounting records of the Company are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the foreign exchange rate on the date of valuation. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. The Company’s investments in foreign securities may involve certain risks, including without limitation: foreign exchange restrictions, expropriation, taxation or other political, social or economic risks, all of which could affect the market and/or credit risk of the investment. In addition, changes in the relationship of foreign currencies to the U.S. dollar can significantly affect the value of these investments and therefore the earnings of the Company.

Dividends and Distributions

Dividends and distributions to common shareholders are recorded as of the ex-dividend date. The amount to be paid out as dividends is determined by the board of directors each quarter. Net realized capital gains, if any, are generally distributed or deemed distributed at least annually.

Share Repurchases

In connection with the Company’s share repurchase program, the cost of shares repurchased is charged to net assets on the trade date.

Federal and State Income Taxes

We have elected to be treated as a RIC under the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, the Company must (among other requirements) meet certain source-of-income and asset diversification requirements and timely distribute to its shareholders at least 90% of its investment company taxable income and net capital gain, as defined by the Code, for each year. The Company (among other requirements) has made and intends to continue to make the requisite distributions to its shareholders, which will generally relieve the Company from corporate-level income taxes. For income tax purposes, distributions made to shareholders are reported as ordinary income, capital gains, non-taxable return of capital, or a combination thereof. The tax character of distributions paid to shareholders through December 31, 2015 may include return of capital, however, the exact amount cannot be determined at this point. The final determination of the tax character of distributions will not be made until we file our tax return for the tax year ending March 31, 2016. The character of income and gains that we will distribute is determined in accordance with income tax regulations that may differ from GAAP. Book and tax basis differences relating to shareholder dividend and distributions and other permanent book and tax difference are reclassified to paid-in capital.

If we do not distribute (or are not deemed to have distributed) at least 98% of our annual ordinary income and 98.2% of our capital gains in the calendar year earned, we will generally be required to pay excise tax equal to 4% of the amount by which 98% of our annual ordinary income and 98.2% of our capital gains exceed the distributions from such taxable income for the year. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such taxable income, we accrue excise taxes, if any, on estimated undistributed taxable income.

If we fail to satisfy the annual distribution requirement or otherwise fail to qualify as a RIC in any taxable year, we would be subject to tax on all of our taxable income at regular corporate rates. Distribution would generally be taxable to our individual and other non-corporate taxable shareholders as ordinary dividend income eligible for the reduced maximum rate applicable to qualified dividend income to the extent of our current and accumulated earnings and profits provided certain holding period and other requirements are met. Subject to certain limitation under the Code, corporate distributions would be eligible for the dividend-received deduction. To qualify again to be taxed as a RIC in a subsequent year, we would be required to distribute to our shareholders our accumulated earnings and profits payable by us as an additional tax. In addition, if we failed to qualify as a RIC for a period greater than two taxable years, then, in order to qualify as a RIC in a subsequent year, we would be required to elect to recognize and pay tax on any net built-in gain (the excess of aggregate gain, including items of income, over aggregate loss that would have been realized if we had been liquidated) or, alternatively, be subject to taxation on such built-in gain recognized for a period of ten years.

We follow ASC 740, Income Taxes (“ASC 740”). ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing our tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. As of December 31, 2015, and for the three and nine months ended, there were no uncertain tax positions. Management’s determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including, but not limited to, an on-going analysis of tax laws, regulations and interpretations thereof. Although we file both federal and state income tax returns, our major tax jurisdiction is federal. Our tax returns for each of our federal tax years since 2012 remain subject to examination by the Internal Revenue Service.

Derivative Instruments

The Company may make investments in derivative instruments. The derivative instruments are fair valued with changes to the fair value reflected in net unrealized gain/loss during the reporting period and recorded within realized gain/loss upon exit and settlement of the contract. The accrual of periodic payment settlements is recorded in net change in unrealized gain/loss and subsequently recorded as net realized gain or loss on the interest settlement date.

The Company may enter into forward exchange contracts in order to hedge against foreign currency risk. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized gain or loss. Realized gains or losses are recognized when contracts are settled.

Recent Accounting Pronouncements

In May 2014, the FASB issued guidance to establish a comprehensive and converged standard on revenue recognition to enable financial statement users to better understand and consistently analyze an entity’s revenue across industries, transactions, and geographies. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The new guidance also specifies the accounting for certain costs to obtain or fulfill a contract with a customer. The new guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. Qualitative and quantitative information is required to be disclosed about: (1) contracts with customers, (2) significant judgments and changes in judgments, and (3) assets recognized from costs to obtain or fulfill a contract. The new guidance will apply to all entities. In August 2015, the FASB approved a one-year deferral of the effective date of the new revenue guidance. The amended guidance permits public business entities to apply the new revenue guidance to interim reporting periods within annual reporting periods beginning after December 15, 2017 (i.e., beginning in the first interim period within the year of adoption). Public business entities would be permitted to apply the new revenue guidance early, but not before the original public business entity effective date (i.e., annual periods beginning after December 15, 2016). Public business entities choosing this option will apply the new revenue guidance to all interim reporting periods within the year of adoption. This guidance is not expected to have an impact on the financial statements of the Company.

In August 2014, the FASB issued guidance regarding management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. The new guidance requires that management evaluate each annual and interim reporting period whether conditions exist that give rise to substantial doubt about the entity’s ability to continue as a going concern within one year from the financial statement issuance date, and if so, provide related disclosures. Disclosures are only required if conditions give rise to substantial doubt, whether or not the substantial doubt is alleviated by management’s plans. No disclosures are required specific to going concern uncertainties if an assessment of the conditions does not give rise to substantial doubt. Substantial doubt exists when conditions and events, considered in the aggregate, indicate that it is probable that a company will be unable to meet its obligations as they become due within one year after the financial statement issuance date. If substantial doubt is alleviated as a result of the consideration of management’s plans, a company should disclose information that enables users of financial statements to understand all of the following (or refer to similar information disclosed elsewhere in the footnotes): 1) principal conditions that initially give rise to substantial doubt, 2) management’s evaluation of the significance of those conditions in relation to the company’s ability to meet its obligations, and 3) management’s plans that alleviated substantial doubt. If substantial doubt is not alleviated after considering management’s plans, disclosures should enable investors to understand the underlying conditions, and include the following: 1) a statement indicating that there is substantial doubt about the company’s ability to continue as a going concern within one year after the issuance date, 2) the principal conditions that give rise to substantial doubt, 3) management’s evaluation of the significance of those conditions in relation to the company’s ability to meet its obligations, and 4) management plans that are intended to mitigate the adverse conditions. The new guidance applies to all companies. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. Early adoption is permitted. This guidance is not expected to have an impact on the financial statements of the Company.

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In February 2015, the FASB issued new guidance which changes the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. Existing guidance includes different requirements for performing a consolidation analysis if, among other factors, the entity under evaluation is any one of the following: (1) a legal entity that qualifies for the indefinite deferral under the amended consolidation rules, (2) a legal entity that is within the scope of the amended consolidation rules, or (3) a limited partnership or similar entity that is considered a voting interest entity. Under the new guidance, all reporting entities are within the scope of the new standard, including limited partnerships and similar legal entities, unless a scope exception applies. The presumption that a general partner controls a limited partnership has been eliminated. In addition, fees paid to decision makers that meet certain conditions (e.g., are both customary and commensurate with the level of effort required for the services provided) no longer cause decision makers to consolidate variable interest entities (each a “VIE”) in certain instances. The new guidance places more emphasis in the consolidation evaluation on variable interests other than the fee arrangements such as principal investment risk (for example, debt or equity interests), guarantees of the value of the assets or liabilities of the VIE, written put options on the assets of the VIE, or similar obligations, including some liquidity commitments or agreements (explicit or implicit). Additionally, the new guidance reduces the extent to which related party arrangements cause an entity to be considered a primary beneficiary. The indefinite deferral of the amended consolidation rules for certain investment funds has been eliminated and a scope exception from the new consolidation standard has been added for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the 1940 Act for registered money market funds. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period, and adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. A reporting entity may apply the new guidance using either a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption or by applying the amendments retrospectively. The Company is in the process of evaluating the impact that this new guidance will have on its financial statements.

In April 2015, the FASB issued guidance to simplify the presentation of debt issuance costs. The guidance requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability (i.e., versus being capitalized as an asset and amortized as required under existing guidance), consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the new guidance (i.e., debt issuance costs will continue to be amortized as an increase to interest expense). The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Early adoption is permitted for financial statements that have not been previously issued. An entity should apply the new guidance on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. The Company is in the process of evaluating the impact that this new guidance will have on its financial statements.

In May 2015, the FASB issued guidance to eliminate diversity in practice related to how certain investments measured at net asset value are categorized within the fair value hierarchy. The guidance removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. A reporting entity should continue to disclose information on investments for which fair value is measured at net asset value (or its equivalent) as a practical expedient to help users understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from net asset value. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. A reporting entity should apply the amendments retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the net asset value per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity’s financial statements. Earlier application is permitted. This guidance is not expected to have an impact on the financial statements of the Company.

Note 3. Related Party Agreements and Transactions

The Company has an investment advisory and management agreement with the Investment Adviser (the “Investment Advisory Agreement”) under which AIM receives a fee from the Company, consisting of two components — a base management fee and a performance-based incentive fee. The base management fee is determined by taking the average value of our gross assets, net of the average of any payable for investments at the end of the two most recently completed calendar quarters calculated at an annual rate of 2.00%. The incentive fee has two parts, as follows: one part is calculated and payable quarterly in arrears based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, any expenses payable under an administration agreement between the Company and the Administrator, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income does not include any realized capital gains computed net of all realized capital losses and unrealized capital depreciation. Pre-incentive fee net investment income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, is compared to the rate of 1.75% per quarter (7% annualized). For the period between April 2, 2012 and March 31, 2016, AIM has agreed to voluntarily waive the management and incentive fees on the common shares issued on April 2, 2012 and May 20, 2013.

The Investment Adviser has also entered into an investment sub-advisory agreement with CION Investment Corporation ("CION") (the "Sub-Advisory Agreement") under which AIM receives management and incentive fees from CION in connection with the investment advisory services provided. For the period between April 1, 2014 and March 31, 2016, the Investment Adviser has agreed to waive all base management fees receivable under the Investment Advisory Agreement with the Company in the amount equal to the amount actually received by AIM from CION less the fully allocated incremental expenses accrued by AIM. The Sub-Advisory Agreement is subject to renewal annually and was last renewed in December 2015.

The Company pays the Investment Adviser an incentive fee with respect to our pre-incentive fee net investment income in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which our pre-incentive fee net investment income does not exceed 1.75%, which we commonly refer to as the performance threshold; (2) 100% of our pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds 1.75% but does not exceed 2.1875% in any calendar quarter; and (3) 20% of the amount of our pre-incentive fee net investment income, if any, that exceeds 2.1875% in any calendar quarter. These calculations are appropriately prorated for any period of less than three months. The effect of the fee calculation described above is that if pre-incentive fee net investment income is equal to or exceeds 2.1875%, the Investment Adviser will receive a fee of 20% of our pre-incentive fee net investment income for the quarter.

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date) and will equal 20% of our cumulative realized capital gains less cumulative realized capital losses, unrealized capital loss (unrealized loss on a gross investment-by-investment basis at the end of each calendar year) and all capital gains upon which prior performance-based capital gains incentive fee payments were previously made to the Investment Adviser. For accounting purposes only, we are required under GAAP to accrue a theoretical capital gains incentive fee based upon net realized capital gains and unrealized capital gain and loss on investments held at the end of each period.

The accrual of this theoretical capital gains incentive fee assumes all unrealized capital gain and loss is realized in order to reflect a theoretical capital gains incentive fee that would be payable to the Investment Adviser at each measurement date. There was no accrual for theoretical capital gains incentive fee for the three and nine months ended December 31, 2015 and December 31, 2014. It should be noted that a fee so calculated and accrued would not be payable under the Investment Advisers Act of 1940 ("Advisers Act") or the Investment Advisory Agreement, and would not be paid based upon such computation of capital gains incentive fees in subsequent periods. Amounts actually paid to the Investment Adviser will be consistent with the Advisers Act and formula reflected in the Investment Advisory Agreement which specifically excludes consideration of unrealized capital gain.

For the period between April 1, 2013 and March 31, 2016, AIM has agreed to be paid the portion of the performance-based incentive fee that is attributable to deferred interest, such as PIK, when the Company receives such interest in cash. The accrual of incentive fees shall be reversed if such interest is reversed in connection with any write-off or similar treatment of the investment. Upon payment of the deferred incentive fee, AIM will also receive interest on the deferred interest at an annual rate of 3.25% for the period between the date in which the incentive fee is earned and the date of payment.

For the three and nine months ended December 31, 2015, the Company recognized $16,478 and $50,557, respectively, of base management fees and $11,142 and $33,783, respectively, of performance-based incentive fees before impact of waived fees. For the three and nine months ended December 31, 2014, the Company recognized $18,755 and $55,744, respectively, of base management fees and $13,215 and $41,075, respectively, of performance-based incentive fees before impact of waived fees. For the three and nine months ended December 31, 2015, management fees waived were $3,729 and $10,307, respectively. For the three and nine months ended December 31, 2014,

management fees waived were $2,194 and $7,143, respectively. For the three and nine months ended December 31, 2015, incentive fees waived were $1,270 and $3,930, respectively. For the three and nine months ended December 31, 2014, incentive fees waived were $1,546 and $4,791, respectively.
As of December 31, 2015 and March 31, 2015, management and performance-based incentive fees payable were $30,086 and $37,361, respectively.
The amount of the incentive fees on PIK income for which payments have been deferred for the three and nine months ended December 31, 2015 were $3,181 and $6,065, respectively. The amount of the incentive fees on PIK income for which payments have been deferred for the three and nine months ended December 31, 2014 were $1,813 and $4,395, respectively. The cumulative

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incentive fee on PIK income included in management and performance-based incentive fee payable line of the Statements of Assets and Liabilities as of December 31, 2015 and March 31, 2015 were $10,548 and $12,580, respectively.

The Company has also entered into an administration agreement with the Administrator (the "Administration Agreement") under which AIA provides administrative services for the Company. For providing these services, facilities and personnel, the Company reimburses the Administrator for the allocable portion of overhead and other expenses incurred by the Administrator and requested to be reimbursed by the Administrator in performing its obligations under the Administration Agreement. The expenses include rent and the Company's allocable portion of its chief financial officer and chief compliance officer and their respective staffs. For the three and nine months ended December 31, 2015, the Company recognized expenses under the Administration Agreement of $1,531 and $4,614, respectively. For the three and nine months ended December 31, 2014, the Company recognized expenses under the Administration Agreement of $1,863 and $4,821, respectively.

Merx Aviation Finance, LLC ("Merx"), a wholly-owned portfolio company of the Company, has also entered into an administration agreement with the Administrator (the "Merx Administration Agreement") under which AIA provides administrative services to Merx for an annual fee of $150. The fee received from Merx by the Company is included in expense reimbursements in the Statements of Operations. For the three and nine months ended December 31, 2015, the Company recognized expense reimbursements under the Merx Administration Agreement of $37 and $112, respectively. For the three and nine months ended December 31, 2014, the Company recognized expense reimbursements under the Merx Administration Agreement of $37 and $112, respectively.

The Company has also entered into an expense reimbursement agreement with Merx Aviation Finance Assets Ireland, Limited, an affiliate of Merx that will reimburse the Company for reasonable out-of-pocket expenses incurred, including any interest, fees or other amounts incurred by the Company in connection with letters of credit issued on its behalf. For the three and nine months ended December 31, 2015, the Company recognized expenses that were reimbursed under the expense reimbursement agreement of $22 and $64, respectively. For the three and nine months ended December 31, 2014, the Company recognized expenses that were reimbursed under the expense reimbursement agreement of $21 and $62, respectively.

Note 4. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share, pursuant to ASC 260-10, for the three and nine months ended December 31, 2015 and December 31, 2014:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2015	2014	2015	2014
Basic Earnings Per Share				
Net increase (decrease) in net assets resulting from operations	$(25,772)	$(19,452)	$(21,129)	$87,152
Weighted average shares outstanding	231,537,374	236,741,351	234,709,883	236,741,351
Basic earnings (loss) per share	$(0.11)	$(0.09)	$(0.09)	$0.36
Diluted Earnings Per Share (1)				
Net increase (decrease) in net assets resulting from operations	$(25,772)	$(19,452)	$(21,129)	$87,152
Adjustment for interest on convertible notes net of incentive fees	—	—	—	—
Net increase (decrease) in net assets resulting from operations, as adjusted	$(25,772)	$(19,452)	$(21,129)	$87,152
Weighted average shares outstanding, as adjusted	231,537,374	236,741,351	234,709,883	236,741,351
Diluted earnings (loss) per share	$(0.11)	$(0.09)	$(0.09)	$0.36

(1)

In applying the if-converted method, conversion is not assumed for purposes of computing diluted EPS if the effect would be anti-dilutive. For the three and nine months ended December 31, 2015, anti-dilution would total \$0.02 and \$0.04, respectively. For the three and nine months ended December 31, 2014, anti-dilution would total \$0.01 and \$0.01, respectively.

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Note 5. Investments

Fair Value Measurement and Disclosures

The following table shows the composition of our investment portfolio as of December 31, 2015, with the fair value disaggregated into the three levels of the fair value hierarchy in accordance with ASC 820:

			Fair Value Hierarchy		
	Cost	Fair Value	Level 1	Level 2	Level 3
First Lien Secured Debt	$1,263,752	$1,134,542	$—	$55,186	$1,079,356
Second Lien Secured Debt	1,010,012	910,318	—	453,263	457,055
Unsecured Debt	301,338	285,889	—	45,684	240,205
Structured Products and Other	323,028	329,752	—	14,595	315,157
Preferred Equity	97,755	83,153	—	—	83,153
Common Equity/Interests	257,664	317,298	—	139	317,159
Warrants	4,951	8,041	—	—	8,041
Total Investments	$3,258,500	$3,068,993	$—	$568,867	$2,500,126

The following table shows the composition of our investment portfolio as of March 31, 2015, with the fair value disaggregated into the three levels of the fair value hierarchy in accordance with ASC 820:

			Fair Value Hierarchy		
	Cost	Fair Value	Level 1	Level 2	Level 3
First Lien Secured Debt	$1,252,324	$1,193,847	$—	$177,817	$1,016,030
Second Lien Secured Debt	820,840	805,625	—	293,515	512,110
Unsecured Debt	530,366	475,434	—	123,463	351,971
Structured Products and Other	349,813	374,368	—	—	374,368
Preferred Equity	197,365	165,101	—	—	165,101
Common Equity/Interests	330,851	329,881	—	81	329,800
Warrants	5,016	5,571	—	—	5,571
Total Investments	$3,486,575	$3,349,827	$—	$594,876	$2,754,951

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The following table shows changes in the fair value of our Level 3 investments during the three months ended December 31, 2015:

	First Lien Secured Debt (2)	Second Lien Secured Debt	Unsecured Debt	Structured Products and Other	Preferred Equity	Common Equity/Interests	Warrants	Total
Fair value as of September 30, 2015	$1,032,839	$531,316	$250,179	$413,465	$160,108	$ 305,128	$4,327	$2,697,362
Net realized gains (losses)	(3,307)	(2,165)	—	—	(2,363)	(3,218)	3,571	(7,482)
Net change in unrealized gains (losses)	(54,241)	(7,909)	(3,027)	(6,692)	11,428	3,116	3,779	(53,546)
Net amortization on investments	221	465	110	111	—	—	—	907
Purchases, including capitalized PIK (3)	173,843	23,614	1,375	10,258	46,799	28,472	—	284,361
Sales (3)	(55,189)	(490)	(8,363)	(87,389)	(132,819)	(16,199)	(3,636)	(304,085)
Transfers out of Level 3 (1)	(14,810)	(87,776)	(69)	(14,596)	—	(140)	—	(117,391)
Transfers into Level 3 (1)	—	—	—	—	—	—	—	—
Fair value as of December 31, 2015	$1,079,356	$457,055	$240,205	$315,157	$83,153	$ 317,159	$8,041	$2,500,126
Net change in unrealized gains (losses) on Level 3 investments still held as of December 31, 2015	$(93,807)	$(8,238)	$(3,028)	$(2,717)	$8,637	$ (380)	$5,002	$(94,531)

The following table shows changes in the fair value of our Level 3 investments during the nine months ended December 31, 2015:

	First Lien Secured Debt (2)	Second Lien Secured Debt	Unsecured Debt	Structured Products and Other	Preferred Equity	Common Equity/Interests	Warrants	Total
Fair value as of March 31, 2015	$1,016,030	$512,110	$351,971	$374,368	$165,101	$ 329,800	$5,571	$2,754,951
Net realized gains (losses)	(5,355)	14	(40,602)	(67)	(2,363)	(43,661)	3,571	(88,463)
Net change in unrealized gains (losses)	(71,682)	(50,743)	10,784	(17,830)	17,661	60,546	2,535	(48,729)
Net amortization on investments	2,048	1,338	351	325	—	—	—	4,062
Purchases, including capitalized PIK (3)	368,847	232,696	33,159	76,092	98,080	102,810	—	911,684
Sales (3)	(236,324)	(52,299)	(115,458)	(103,136)	(195,326)	(132,336)	(3,636)	(838,515)
Transfers out of Level 3 (1)	875	(186,061)	—	(14,595)	—	—	—	(199,781)
Transfers into Level 3 (1)	4,917	—	—	—	—	—	—	4,917

Fair value as of December 31, 2015	$1,079,356	$457,055	$240,205	$315,157	$83,153	$ 317,159	$8,041	$2,500,126
Net change in unrealized gains (losses) on Level 3 investments still held as of December 31, 2015	$129,187	$62,369	$9,527	$(27,528)	$45,192	$ (80,992)	$(3,238)	$134,517

(1) Transfers out of Level 3 are due to an increase in the quantity and reliability of broker quotes obtained and transfers into Level 3 are due to a decrease in the the quantity and reliability of broker quotes obtained as assessed by the Investment Adviser. Transfers are assumed to have occurred at the end of the period. There were no transfers between Level 1 and Level 2 fair value measurements during the period shown.
(2) Includes unfunded revolver obligations and letters of credit measured at fair value of $(2,311).
(3) Includes reorganizations and restructuring of investments.

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The following table shows changes in the fair value of our Level 3 investments during the three months ended December 31, 2014:

	First Lien Secured Debt (2)	Second Lien Secured Debt	Unsecured Debt	Structured Products and Other	Preferred Equity	Common Equity/Interests	Warrants	Total
Fair value as of September 30, 2014	$858,678	$461,350	$422,121	$317,378	$108,678	$ 307,300	$10,771	$2,486,276
Net realized gains (losses)	297	(171)	(367)	(168)	—	5,349	—	4,940
Net change in unrealized gains (losses)	(6,789)	(6,263)	(5,554)	5,495	(2,895)	13,639	(4,402)	(6,769)
Net amortization on investments	1,791	447	159	125	—	—	—	2,522
Purchases, including capitalized PIK (3)	195,591	120,965	54,246	41,573	32,815	42,909	—	488,099
Sales (3)	(128,688)	(132,272)	(40,281)	(8,208)	(1,169)	(11,790)	—	(322,408)
Transfers out of Level 3 (1)	—	(7,499)	—	—	—	—	—	(7,499)
Transfers into Level 3 (1)	109,994	92,925	3,776	—	—	—	—	206,695
Fair value as of December 31, 2014	$1,030,874	$529,482	$434,100	$356,195	$137,429	$ 357,407	$6,369	$2,851,856
Net change in unrealized gains (losses) on Level 3 investments still held as of December 31, 2014	$(9,209)	$(3,841)	$(10,306)	$5,425	$(2,895)	$ 18,643	$(4,402)	$(6,585)

The following table shows changes in the fair value of our Level 3 investments during the nine months ended December 31, 2014:

	First Lien Secured Debt (2)	Second Lien Secured Debt	Unsecured Debt	Structured Products and Other	Preferred Equity	Common Equity/Interests	Warrants	Total
Fair value as of March 31, 2014	$612,794	$322,889	$415,079	$208,901	$93,062	$ 274,699	$11,174	$1,938,598
Net realized gains (losses)	652	(30)	(2,119)	(276)	—	(5,819)	9,713	2,121
Net change in unrealized gains (losses)	(4,056)	(4,614)	(9,580)	13,113	(167)	46,926	(809)	40,813
Net amortization on investments	2,832	1,030	663	239	—	—	—	4,764
Purchases, including capitalized PIK (3)	550,982	259,703	109,549	168,265	45,703	57,097	—	1,191,299
Sales (3)	(209,832)	(156,301)	(102,038)	(34,047)	(1,169)	(15,496)	(13,709)	(532,592)
Transfers out of Level 3 (1)	—	—	—	—	—	—	—	—
Transfers into Level 3 (1)	77,502	106,805	22,546	—	—	—	—	206,853

Fair value as of December 31, 2014	$1,030,874	$529,482	$434,100	$356,195	$137,429	$ 357,407	$6,369	$2,851,856
Net change in unrealized gains (losses) on Level 3 investments still held as of December 31, 2014	$(5,534)	$(5,164)	$(15,589)	$14,810	$(167)	$ 53,662	$(4,231)	$37,787

(1) Transfers out of Level 3 are due to an increase in the availability of qualified observable inputs and transfers into Level 3 are due to a decrease in the availability of qualified observable inputs as assessed by the Investment Adviser. Transfers are assumed to have occurred at the end of the period. There were no transfers between Level 1 and Level 2 fair value measurements during the period shown.

(2) Includes unfunded revolver obligations and letters of credit measured at fair value of $(5,404).

(3) Includes reorganizations and restructuring of investments.

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The following tables summarize the significant unobservable inputs the Company used to value the majority of its investments categorized within Level 3 as of December 31, 2015 and March 31, 2015. In addition to the techniques and inputs noted in the tables below, according to our valuation policy we may also use other valuation techniques and methodologies when determining our fair value measurements. The below tables are not intended to be all-inclusive, but rather provide information on the significant unobservable inputs as they relate to the Company's determination of fair values.

The unobservable inputs used in the fair value measurement of our Level 3 investments as of December 31, 2015 were as follows:

		Quantitative Information about Level 3 Fair Value Measurements				
Asset Category	Fair Value	Valuation Techniques/Methodologies	Unobservable Input	Range		Weighted Average
First Lien Secured Debt	$640,241	Yield Analysis	Discount Rate	7.7%	30.0%	15.0%
	365,084	Discounted Cash Flow	Discount Rate	2.3%	12.0%	12.0%
	12,908	Recovery Analysis	N/A	N/A	N/A	N/A
	61,123	Broker Quoted	Broker Quote	N/A	N/A	N/A
Second Lien Secured Debt	275,522	Yield Analysis	Discount Rate	9.6%	24.6%	13.7%
	63,757	Recovery Analysis	N/A	N/A	N/A	N/A
	117,776	Broker Quoted	Broker Quote	N/A	N/A	N/A
Unsecured Debt	240,205	Yield Analysis	Discount Rate	10.3%	35.0%	12.7%
Structured Products and Other	315,157	Discounted Cash Flow	Discount Rate	6.5%	17.0%	12.3%
Preferred Equity	4,207	Market Comparable Approach	Comparable Multiple	8.0x	12.4x	12.4x
	34,233	Yield Analysis	Discount Rate	11.0%	11.0%	11.0%
	11,250	Discounted Cash Flow	Discount Rate	40.6%	40.6%	40.6%
	33,463	Recent Transaction	Recent Transaction	N/A	N/A	N/A
Common Equity/Interests	77,637	Market Comparable Approach	Comparable Multiple	6.0x	12.4x	8.7x
	235,696	Discounted Cash Flow	Discount Rate	10.8%	38.4%	13.0%
	3,826	Other	Illiquidity/Restrictive Discount	7.0%	7.0%	7.0%
Warrants	8,041	Recent Transaction	Recent Transaction	N/A	N/A	N/A
Total Level 3 Investments	$2,500,126					

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The unobservable inputs used in the fair value measurement of our Level 3 investments as of March 31, 2015 were as follows:

		Quantitative Information about Level 3 Fair Value Measurements				
Asset Category	Fair Value	Valuation Techniques/Methodologies	Unobservable Input	Range		Weighted Average
First Lien Secured Debt	$531,654	Yield Analysis	Discount Rate	7.9%	20.9%	13.0%
	352,084	Discounted Cash Flow	Discount Rate	12.0%	12.0%	12.0%
	14,377	Recent Transactions	Recent Transactions	N/A	N/A	N/A
	117,915	Broker Quoted	Broker Quote	N/A	N/A	N/A
Second Lien Secured Debt	247,585	Yield Analysis	Discount Rate	9.7%	19.7%	14.5%
	264,525	Broker Quoted	Broker Quote	N/A	N/A	N/A
Unsecured Debt	329,831	Yield Analysis	Discount Rate	9.7%	22.0%	11.4%
	22,140	Broker Quoted	Broker Quote	N/A	N/A	N/A
Structured Products and Other	39,296	Yield Analysis	Discount Rate	8.4%	15.0%	8.8%
	317,381	Discounted Cash Flow	Discount Rate	3.8%	15.0%	12.4%
	17,691	Broker Quoted	Broker Quote	N/A	N/A	N/A
Preferred Equity	66,976	Market Comparable Approach	Comparable Multiple	2.2x	11.7x	7.3x
	23,645	Yield Analysis	Discount Rate	10.8%	10.8%	10.8%
	9,309	Discounted Cash Flow	Discount Rate	15.9%	15.9%	15.9%
	65,171	Options Pricing Model	Expected Volatility	70.0%	70.0%	70.0%
Common Equity/Interests	121,169	Market Comparable Approach	Comparable Multiple	2.2x	10.8x	8.3x
	203,469	Discounted Cash Flow	Discount Rate	11.4%	30.0%	13.0%
	5,162	Other	Illiquidity/Restrictive Discount	7.0%	7.0%	7.0%
Warrants	1,399	Market Comparable Approach	Comparable Multiple	4.8x	11.4x	11.2x
	222	Other	Illiquidity/Restrictive Discount	20.0%	20.0%	20.0%
	3,950	Recent Transactions	Recent Transactions	N/A	N/A	N/A
Total Level 3 Investments	$2,754,951					

The significant unobservable inputs used in the fair value measurement of the Company’s debt and equity securities are primarily earnings before interest, taxes, depreciation and amortization (“EBITDA”) comparable multiples and market discount rates. The Company typically uses EBITDA comparable multiples on its equity securities to determine the fair value of investments. The Company uses market discount rates for debt securities to determine if the effective yield on a debt security is commensurate with the market yields for that type of debt security. If a debt security’s effective yield is significantly less than the market yield for a similar debt security with a similar credit profile, then the resulting fair value of the debt security may be lower. Significant increases or decreases in either of these inputs in isolation would result in a significantly lower or higher fair value measurement. The significant unobservable inputs used in the fair value measurement of the structured products include the discount rate applied in the valuation models in addition to default and recovery rates applied to projected cash flows in the valuation models. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of an investment; conversely decreases in the discount rate can significantly increase the fair value of an investment. The discount rate is determined based on the market rates an investor would expect for a similar investment with similar risks.

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Investment Transactions

During the three months ended December 31, 2015 and December 31, 2014, purchases of investments on a trade date basis were $204,585 and $608,776, respectively. For the nine months ended December 31, 2015 and December 31, 2014, purchases of investments on a trade date basis were $918,169 and $1,839,380, respectively.

During the three months ended December 31, 2015 and December 31, 2014, sales and repayments of investments on a trade date basis were $261,594 and $699,203, respectively. For the nine months ended December 31, 2015 and December 31, 2014, sales and repayments of investments on a trade date basis were $1,074,057 and $1,775,150, respectively.

PIK Income

PIK income earned for the three and nine months ended December 31, 2015 and December 31, 2014 is summarized below:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2015	2014	2015	2014
PIK income for the period	$10,238	$8,619	$31,607	$24,889

Capitalized PIK income for the three and nine months ended December 31, 2015 and December 31, 2014 is summarized below:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2015	2014	2015	2014
PIK balance at beginning of period	$56,791	$73,608	$86,903	$58,185
PIK income capitalized	12,358	7,097	34,090	24,155
Adjustments due to investment exits	(109)	—	(3,505)	—
PIK income received in cash	(726)	(448)	(49,174)	(2,083)
PIK balance at end of period	$68,314	$80,257	$68,314	$80,257

Investments on Non-Accrual Status

As of December 31, 2015, 6.0% of total investments at amortized cost, or 2.5% of total investments at fair value, were on non-accrual status. As of March 31, 2015, 1.3% of total investments at amortized cost, or 0.1% of total investments at fair value, were on non-accrual status.

Unconsolidated Significant Subsidiaries

The following unconsolidated subsidiaries are considered significant subsidiaries under SEC Regulation S-X Rule 10-01(b)(1) and Regulation S-X Rule 4-08(g) as of December 31, 2015. Accordingly, summarized, comparative financial information is presented below for these unconsolidated significant subsidiaries.

Merx Aviation Finance, LLC

Merx Aviation Finance, LLC and its subsidiaries (“Merx Aviation”) are principally engaged in acquiring and leasing commercial aircraft to airlines. Its focus is on current generation aircraft, held either domestically or internationally. Merx Aviation may acquire fleets of aircraft primarily through securitized, non-recourse debt or individual aircraft. Merx Aviation may outsource its aircraft servicing requirements to third parties that have the global staff and expertise necessary to complete such tasks. The following table shows unaudited summarized financial information for Merx Aviation:

	Nine Months Ended December 31,	
	2015	2014
Net revenue	$89,535	$59,086
Net operating income	56,050	37,219
Earnings before taxes	7,718	1,909
Net profit	5,545	1,906

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MSEA Tankers LLC

MSEA Tankers LLC and its subsidiaries ("MSEA") are engaged in acquiring and leasing tanker vessels to oil majors, commodity traders and shipping companies. Its focus is on tankers transporting refined products for its charterers through long-term charters. MSEA engages in a variety of income-generating structured equity transactions, ranging from bridge loans to sale-leaseback structures either on individual vessels or vessel packages sourced from bank balance sheets and other sources. MSEA may also outsource its technical management requirements through engaging in bareboat charters. The following table shows unaudited summarized financial information for MSEA:

	Nine Months Ended December 31, 2015*
Net revenue	$9,869
Net operating income	5,915
Earnings before taxes	5,258
Net profit after non-controlling interest	5,170

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* MSEA commenced operations on December 16, 2014. Transactions from such date to December 31, 2014 are not significant.

Note 6. Debt and Foreign Currency Transactions and Translations

The Company's outstanding debt obligations as of December 31, 2015 were as follows:

	Date Issued/Amended	Total Aggregate Principal Amount Committed	Principal Amount Outstanding		Fair Value		Final Maturity Date
Senior Secured Facility	2015	$1,310,000	$495,161	*	$499,641	(1)	4/24/2020
Senior Secured Notes (Series A)	2011	29,000	29,000		29,332	(1)	9/29/2016
Senior Secured Notes (Series B)	2011	16,000	16,000		16,732	(1)	9/29/2018
2042 Notes	2012	150,000	150,000		152,460	(2)	10/15/2042
2043 Notes	2013	150,000	150,000		150,360	(2)	7/15/2043
2025 Notes	2015	350,000	344,558		351,626	(1)	3/3/2025
Convertible Notes	2011	200,000	200,000		200,000	(2)	1/15/2016
Total Debt Obligations		$2,205,000	$1,384,719		$1,400,151		

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* Includes foreign currency debt obligations as outlined below.

(1) The fair value of these debt obligations are categorized as Level 3 under ASC 820 as of December 31, 2015. The valuation is based on a yield analysis and discount rate commensurate with the market yields for similar types of debt.

(2) The fair value of these debt obligations are categorized as Level 1 under ASC 820 as of December 31, 2015. The valuation is based on quoted prices of identical liabilities in active markets.

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The Company's outstanding debt obligations as of March 31, 2015 were as follows:

	Date Issued/Amended	Total Aggregate Principal Amount Committed	Principal Amount Outstanding		Fair Value		Final Maturity Date
Senior Secured Facility	2013	$1,270,000	$384,648	*	$384,253	(1)	8/31/2018
Senior Secured Notes	2010	225,000	225,000		227,363	(1)	10/4/2015
Senior Secured Notes (Series A)	2011	29,000	29,000		29,684	(1)	9/29/2016
Senior Secured Notes (Series B)	2011	16,000	16,000		16,952	(1)	9/29/2018
2042 Notes	2012	150,000	150,000		152,646	(2)	10/15/2042
2043 Notes	2013	150,000	150,000		153,438	(2)	7/15/2043
2025 Notes	2015	350,000	344,111		352,100	(1)	3/3/2025
Convertible Notes	2011	200,000	200,000		206,250	(2)	1/15/2016
Total Debt Obligations		$2,390,000	$1,498,759		$1,522,686		

* Includes foreign currency debt obligations as outlined below.

(1) The fair value of these debt obligations are categorized as Level 3 under ASC 820 as of March 31, 2015. The valuation is based on a yield analysis and discount rate commensurate with the market yields for similar types of debt.

(2) The fair value of these debt obligations are categorized as Level 1 under ASC 820 as of March 31, 2015. The valuation is based on quoted prices of identical liabilities in active markets.

Senior Secured Facility

On April 24, 2015, the Company amended and restated its senior secured, multi-currency, revolving credit facility (the "Senior Secured Facility"). The facility increased the lenders' commitments to $1,310,000 and extended the final maturity date through April 24, 2020, and allows the Company to seek additional commitments from new and existing lenders in the future, up to an aggregate facility size not to exceed $1,965,000. The Senior Secured Facility is secured by substantially all of the assets in Apollo Investment's portfolio, including cash and cash equivalents. Commencing May 24, 2019, the Company is required to repay, in twelve consecutive monthly installments of equal size, the outstanding amount under the Senior Secured Facility as of April 24, 2019. In addition, the stated interest rate on the facility was changed from LIBOR plus 2.00% to a formula-based calculation, based on a minimum borrowing base, resulting in a stated interest rate of either LIBOR plus 1.75%, or LIBOR plus 2.00%. As of December 31, 2015, the stated interest rate on the facility is LIBOR plus 2.00%. The Company is required to pay a commitment fee of 0.375% per annum on any unused portion of the Senior Secured Facility and a letter of credit participation fee of 2.00% per annum plus a letter of credit fronting fee of 0.25% per annum on the letters of credit issued. The Senior Secured Facility contains affirmative and restrictive covenants, including: (a) periodic financial reporting requirements, (b) maintaining minimum shareholders' equity of the greater of (i) 40% of the total assets of Apollo Investment and its consolidated subsidiaries as at the last day of any fiscal quarter and (ii) the sum of (A) $870,000 plus (B) 25% of the net proceeds from the sale of equity interests in Apollo Investment after the closing date of the Senior Secured Facility, (c) maintaining a ratio of total assets, less total liabilities (other than indebtedness) to total indebtedness, in each case of Apollo Investment and its consolidated subsidiaries, of not less than 2.0:1.0, (d) limitations on the incurrence of additional indebtedness, including a requirement to meet a certain minimum liquidity threshold before Apollo Investment can incur such additional debt, (e) limitations on liens, (f) limitations on investments (other than in the ordinary course of Apollo Investment's business), (g) limitations on mergers and disposition of assets (other than in the normal course of Apollo Investment's business activities), (h) limitations on the creation or existence of agreements that permit liens on properties of Apollo Investment's consolidated subsidiaries and (i) limitations on the repurchase or redemption of certain unsecured debt and debt securities. In addition to the asset coverage ratio described in clause (c) of the preceding sentence, borrowings under the Senior Secured Facility (and the incurrence of certain other

permitted debt) are subject to compliance with a borrowing base that applies different advance rates to different types of assets in Apollo Investment’s portfolio.
The Senior Secured Facility also provides for the issuance of letters of credit up to an aggregate amount of $150,000. As of December 31, 2015 and March 31, 2015, the Company had $16,290 and $25,246, respectively, in standby letters of credit issued through the Senior Secured Facility. The amount available for borrowing under the Senior Secured Facility is reduced by any standby letters of credit issued through the Senior Secured Facility. Under GAAP, these letters of credit are considered commitments because no funding has been made and as such are not considered a liability. These letters of credit are not senior securities because they are not in form of a typical financial guarantee and the portfolio companies are obligated to refund any drawn amounts. The available remaining capacity under the Senior Secured Facility was $798,549 and $860,106 as of December 31, 2015 and March 31, 2015, respectively. Terms used in this disclosure have the meanings set forth in the Senior Secured Facility agreement.

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Senior Secured Notes

On September 30, 2010, the Company entered into a note purchase agreement with certain institutional accredited investors providing for a private placement issuance of $225,000 in aggregate principal amount of five-year, senior secured notes with an annual fixed interest rate of 6.25% and a maturity date of October 4, 2015 (the “Senior Secured Notes”). On October 4, 2010, the Senior Secured Notes issued by Apollo Investment were sold to certain institutional accredited investors pursuant to an exemption from registration under the Securities Act of 1933, as amended. Interest on the Senior Secured Notes was due semi-annually on April 4 and October 4, commencing on April 4, 2011.

On October 4, 2015, the Senior Secured Notes, which had an outstanding principal amount of $225,000, matured and were repaid in full.

Senior Secured Notes — Series A and Series B

On September 29, 2011, the Company closed a private offering of $45,000 aggregate principal amount of senior secured notes (the “Series A and B Notes”) consisting of two series: 5.875% Senior Secured Notes, Series A, due September 29, 2016 in the aggregate principal amount of $29,000; and 6.250% Senior Secured Notes, Series B, due September 29, 2018 in the aggregate principal amount of $16,000. The Series A and B Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. Interest on the Series A and B Notes is due semi-annually on March 29 and September 29, commencing on March 29, 2012.

Senior Unsecured Notes

2042 Notes

On October 9, 2012, the Company issued $150,000 in aggregate principal amount of senior unsecured notes for net proceeds of $145,275 (the “2042 Notes”). The 2042 Notes will mature on October 15, 2042. Interest on the 2042 Notes is paid quarterly on January 15, April 15, July 15 and October 15, at an annual rate of 6.625%, commencing on January 15, 2013. The Company may redeem the 2042 Notes in whole or in part at any time or from time to time on or after October 15, 2017. The 2042 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior, unsecured indebtedness. The 2042 Notes are listed on The New York Stock Exchange under the ticker symbol “AIB.”

2043 Notes

On June 17, 2013, the Company issued $135,000 in aggregate principal amount of senior unsecured notes and on June 24, 2013, an additional $15,000 in aggregate principal amount of such notes was issued pursuant to the underwriters’ over-allotment option exercise. In total, $150,000 of aggregate principal was issued for net proceeds of $145,275 (the “2043 Notes”). The 2043 Notes will mature on July 15, 2043. Interest on the 2043 Notes is paid quarterly on January 15, April 15, July 15 and October 15, at an annual rate of 6.875%, commencing on October 15, 2013. The Company may redeem the 2043 Notes in whole or in part at any time or from time to time on or after July 15, 2018. The 2043 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior, unsecured indebtedness. The 2043 Notes are listed on The New York Stock Exchange under the ticker symbol “AIY.”

2024 Note

On October 30, 2014, the Company entered into a note purchase agreement with an institutional accredited investor providing a private placement issuance of $150,000 in aggregate principal amount of a ten-year note with an annual fixed rate of 5.25% and a maturity of October 30, 2024 (the “2024 Note”). On October 30, 2014, the Company issued the 2024 Note for net proceeds of $148,875. Interest on the 2024 Note was due quarterly on January 15, April 15, July 15 and October 15, commencing on January 15, 2015. The 2024 Note was a general, unsecured obligation and ranked equal in right of payment with all of our existing unsecured indebtedness. On March 3, 2015, the Company repurchased and retired the 2024 Note. The transaction was accounted for as a debt modification in accordance with ASC 470-50, Modification and Extinguishment.

2025 Notes

On March 3, 2015, the Company issued $350,000 in the aggregate principal amount of senior unsecured notes for net proceeds of $343,650 (the “2025 Notes”). The 2025 Notes will mature on March 3, 2025. Interest on the 2025 Notes is due semi-annually on March 3 and September 3, at an annual rate of 5.25%, commencing on September 3, 2015. The

2025 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness.

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Convertible Notes

On January 25, 2011, the Company closed a private offering of $200,000 aggregate principal amount of senior unsecured convertible notes (the “Convertible Notes”). The Convertible Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The Convertible Notes bore interest at an annual rate of 5.75%, payable semi-annually in arrears on January 15 and July 15 of each year, commencing on July 15, 2011. The Convertible Notes were convertible by the holders into shares of common stock, initially at a conversion rate of 72.7405 shares of the Company’s common stock per $1 principal amount of Convertible Notes (14,548,100 common shares) corresponding to an initial conversion price per share of approximately $13.75, which represented a premium of 17.5% to the $11.70 per share closing price of the Company’s common stock on the NASDAQ Global Select Market on January 19, 2011. The conversion rate was subject to adjustment upon certain events, such as stock splits and combinations, mergers, spin-offs, increases in dividends in excess of $0.28 per share per quarter and certain changes in control. Certain of these adjustments, including adjustments for increases in dividends, were subject to a conversion price floor of $11.70 per share. As more fully reflected in Note 4, the issuance was considered as part of the if-converted method for calculation of diluted EPS.

On January 15, 2016, the Convertible Notes, which had an outstanding principal amount of $200,000, matured and were repaid in full.

The following table summarizes the average and maximum debt outstanding, and the annualized interest and debt issuance cost for the three and nine months ended December 31, 2015 and December 31, 2014:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2015	2014	2015	2014
Average debt outstanding	$1,481,191	$1,638,249	$1,482,003	$1,576,257
Maximum amount of debt outstanding	1,537,818	1,760,782	1,657,288	1,760,782
Weighted average annualized interest cost (1)	4.73 %	4.50 %	5.17 %	4.46 %
Annualized amortized debt issuance cost	0.44 %	0.40 %	0.51 %	0.42 %
Total annualized interest cost	5.17 %	4.90 %	5.68 %	4.88 %

(1) Includes the stated interest expense and commitment fees on the unused portion of the Senior Secured Facility. Commitment fees for the three and nine months ended December 31, 2015 were $676 and $2,417, respectively. Commitment fees for the three and nine months ended December 31, 2014 were $457 and $1,355, respectively.

Foreign Currency Transactions and Translations

The Company had the following foreign-denominated debt outstanding on the Senior Secured Facility as of December 31, 2015:

	Original Principal Amount (Local)	Original Principal Amount (USD)	Principal Amount Outstanding	Unrealized Gain	Reset Date
Canadian Dollar	C$7,000	$5,051	$5,039	$12	1/25/2016
Canadian Dollar	C$58,100	53,108	41,826	11,282	1/29/2016
Euro	€ 6,000	6,528	6,518	10	1/25/2016
Euro	€ 3,700	4,972	4,019	953	1/29/2016
British Pound	£ 14,500	22,199	21,372	827	1/11/2016
British Pound	£ 14,500	22,210	21,372	838	1/14/2016
British Pound	£ 24,400	37,283	35,963	1,320	1/21/2016
British Pound	£ 36,000	55,260	53,060	2,200	1/25/2016
British Pound	£ 15,600	23,555	22,993	562	1/29/2016
		$230,166	$212,162	$18,004	

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The Company had the following foreign-denominated debt outstanding on the Senior Secured Facility as of March 31, 2015:

	Original Principal Amount (Local)	Original Principal Amount (USD)	Principal Amount Outstanding	Unrealized Gain (Loss)	Reset Date
Canadian Dollar	C$65,100	$60,245	$51,402	$8,843	4/30/2015
Euro	€ 19,200	25,803	20,621	5,182	4/30/2015
British Pound	£ 6,500	9,926	9,649	277	4/7/2015
British Pound	£ 25,000	37,525	37,112	413	4/13/2015
British Pound	£ 27,000	39,956	40,082	(126)	4/20/2015
British Pound	£ 7,600	12,124	11,282	842	4/30/2015
		$185,579	$170,148	$15,431	

As of December 31, 2015 and March 31, 2015, the Company was in compliance with all debt covenants.

Note 7. Shareholders' Equity

There were no equity offerings of common stock during the nine months ended December 31, 2015 and fiscal year ended March 31, 2015.

On August 6, 2015, the Company adopted a plan for the purpose of repurchasing up to $50 million of its common stock in accordance with applicable rules specified in the Securities Exchange Act of 1934 (the "Exchange Act") (the "August Repurchase Plan"). Since adopting the August Repurchase Plan, the Company has repurchased the full amount authorized by the board of directors under such plan.

On December 14, 2015, the board of directors approved a new plan to acquire up to an additional $50 million of its common stock in accordance with applicable rules specified in the Exchange Act (the "Current Repurchase Plan," and together with the August Repurchase Plan, the "Repurchase Plans"). The Current Repurchase Plan is designed to allow the Company to repurchase its shares both during its open window periods and at times when it otherwise might be prevented from doing so under applicable insider trading laws or because of self-imposed trading blackout periods. A broker selected by the Company will have the authority under the terms and limitations specified in an agreement with the Company to repurchase shares on the Company's behalf in accordance with the terms of the Current Repurchase Plan. Repurchases are subject to SEC regulations as well as certain price, market volume and timing constraints specified in the Current Repurchase Plan. Pursuant to the Current Repurchase Plan, the Company may from time to time repurchase a portion of its shares of common stock and the Company is hereby notifying shareholders of its intention as required by applicable securities laws.

On September 15, 2015 and December 16, 2015, the Company allocated $5 million and $10 million, respectively, to be repurchased under the August Repurchase Plan and the Current Repurchase Plan, respectively, in accordance with SEC Rule 10b5-1 (the "10b5-1 Repurchase Plans").

Under the Repurchase Plans and 10b5-1 Repurchase Plans (the "Plans"), the Company repurchased 8,572,729 shares at a weighted average price per share of $6.12, inclusive of commissions. This represents a discount of approximately 21.58% of the average net asset value per share for the nine months ended December 31, 2015. Since the inception of the Plans to December 31, 2015, the total dollar amount of shares repurchased is $52,437.

During the period from January 1, 2016 through February 8, 2016, the Company repurchased 2,012,126 shares at a weighted average price per share of $4.97, inclusive of commissions, for a total cost of $10,000, leaving a maximum of $37,563 available for future purchases under the Current Repurchase Plan.

On September 12, 2014, the Company announced an at-the-market offering program (the "ATM Program") through which we can sell up to 16 million shares of its common stock from time to time. As of December 31, 2015, no shares had been sold through the Company's ATM Program.

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Note 8. Commitments and Contingencies

The Company has various commitments to fund revolving and delayed draw senior secured and subordinated loans to its portfolio companies, including commitments to issue letters of credit through a financial intermediary on behalf of certain portfolio companies. As of December 31, 2015 and March 31, 2015, the Company had the following unfunded commitments to its portfolio companies:

	December 31, 2015	March 31, 2015
Unfunded revolver obligations and bridge loan commitments (1)	$61,947	$206,294
Standby letters of credit issued and outstanding (2)	14,583	34,433
Unfunded delayed draw loan commitments (3)	4,245	102,092
Unfunded delayed draw loan commitments (performance thresholds not met) (4)	25,000	23,436
Total Unfunded Commitments	$105,775	$366,255

(1) The unfunded revolver obligations may or may not be funded to the borrowing party in the future. The amounts relate to loans with various maturity dates, but the entire amount was eligible for funding to the borrowers as of December 31, 2015 and March 31, 2015, subject to the terms of each loan's respective credit agreements which includes borrowing covenants that needs to be met prior to funding.

(2) For all these letters of credit issued and outstanding, the Company would be required to make payments to third parties if the portfolio companies were to default on their related payment obligations. None of the letters of credit issued and outstanding are recorded as a liability on the Company's Statement of Assets and Liabilities as such letters of credit are considered in the valuation of the investments in the portfolio company.

(3) The Company's commitment to fund delayed draw loans is triggered upon the satisfaction of certain pre-negotiated terms and conditions which can include covenants to maintain specified leverage levels and other related borrowing base covenants.

(4) The borrowers are required to meet certain performance thresholds before the Company is obligated to fulfill the commitments and those performance thresholds were not met as of December 31, 2015 and March 31, 2015.

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Note 9. Financial Highlights

The following is a schedule of financial highlights for the nine months ended December 31, 2015 and the fiscal year ended March 31, 2015:

	Nine Months Ended December 31, 2015 (Unaudited)		Year Ended March 31, 2015	
Per Share Data				
Net asset value at beginning of period	$8.18		$8.67	
Net investment income (1)	0.63		0.96	
Net realized and change in unrealized losses (1)	(0.72	)	(0.64	)
Net increase (decrease) in net assets resulting from operations	(0.09	)	0.32	
Distributions to shareholders from net investment income (2)	(0.60	)	(0.70	)
Distributions to shareholders from return of capital (2)	—		(0.10	)
Offering costs for the issuance of common stock (3)	—		—	
Accretion to shareholders due to share repurchases	0.07		—	
Net asset value at end of period*	$7.56		$8.18	
Per share market value at end of period	$5.22		$7.68	
Total return (4)	(25.01	)%	1.86	%
Shares outstanding at end of period	228,168,622		236,741,351	
Weighted average shares outstanding	234,709,883		236,741,351	
Ratio/Supplemental Data				
Net assets at end of period (in millions)	$1,724.2		$1,937.6	
Annualized ratio of operating expenses to average net assets (5)(6)	5.93	%	6.25	%
Annualized ratio of interest and other debt expenses to average net assets (6)	4.58	%	3.91	%
Annualized ratio of total expenses to average net assets (5)(6)	10.51	%	10.16	%
Annualized ratio of net investment income to average net assets (6)	10.71	%	11.27	%
Average debt outstanding (in millions)	$1,482.0		$1,586.5	
Average debt per share	$6.31		$6.70	
Annualized portfolio turnover rate (6)	37.81	%	62.14	%

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* Totals may not foot due to rounding.

(1) Financial highlights are based on the weighted average number of shares outstanding for the period presented.

(2) Dividends and distributions are determined based on taxable income calculated in accordance with income tax regulations which may differ from amounts determined under GAAP. Per share amounts are based on actual rate per share.

(3) Offering costs per share represent less than one cent per weighted average share for the fiscal year ended March 31, 2015.

(4) Total return is based on the change in market price per share during the respective periods. Total return also takes into account dividends and distributions, if any, reinvested in accordance with the Company’s dividend reinvestment plan.

(5) The ratio of operating expenses to average net assets and the ratio of total expenses to average net assets are shown inclusive of all voluntary management and incentive fee waivers (Note 3). For the nine months ended December 31, 2015, the annualized ratio of operating expenses to average net assets and the annualized ratio of total expenses to average net assets would be 6.97% and 11.55%, respectively, without the voluntary fee waivers. For the fiscal year ended March 31, 2015, the ratio of operating expenses to average net assets and the ratio of total expenses to average net assets would be 7.03% and 10.95%, respectively, without the voluntary fee waivers.

(6) Annualized for the nine months ended December 31, 2015.

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Information about our senior securities is shown in the following table as of each year ended March 31 since the Company commenced operations, unless otherwise noted. The "—" indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.

Class and Year	Total Amount Outstanding (1)	Asset Coverage Per Unit (2)	Involuntary Liquidating Preference Per Unit (3)	Average Market Value Per Unit (4)
Senior Secured Facility (5)				
Fiscal 2016 (as of December 31, 2015)	$495,161	$803	$—	N/A
Fiscal 2015	384,648	588	—	N/A
Fiscal 2014	602,261	1,095	—	N/A
Fiscal 2013	536,067	1,137	—	N/A
Fiscal 2012	539,337	1,427	—	N/A
Fiscal 2011	628,443	1,707	—	N/A
Fiscal 2010	1,060,616	2,671	—	N/A
Fiscal 2009	1,057,601	2,320	—	N/A
Fiscal 2008	1,639,122	2,158	—	N/A
Fiscal 2007	492,312	4,757	—	N/A
Fiscal 2006	323,852	4,798	—	N/A
Senior Secured Notes				
Fiscal 2016 (as of December 31, 2015)	$45,000	$73	$—	N/A
Fiscal 2015	270,000	413	—	N/A
Fiscal 2014	270,000	491	—	N/A
Fiscal 2013	270,000	572	—	N/A
Fiscal 2012	270,000	714	—	N/A
Fiscal 2011	225,000	611	—	N/A
Fiscal 2010	—	—	—	N/A
Fiscal 2009	—	—	—	N/A
Fiscal 2008	—	—	—	N/A
Fiscal 2007	—	—	—	N/A
Fiscal 2006	—	—	—	N/A
2042 Notes				
Fiscal 2016 (as of December 31, 2015)	$150,000	$243	$—	$101.64
Fiscal 2015	150,000	230	—	99.59
Fiscal 2014	150,000	273	—	92.11
Fiscal 2013	150,000	318	—	97.43
Fiscal 2012	—	—	—	N/A
Fiscal 2011	—	—	—	N/A
Fiscal 2010	—	—	—	N/A
Fiscal 2009	—	—	—	N/A
Fiscal 2008	—	—	—	N/A
Fiscal 2007	—	—	—	N/A
Fiscal 2006	—	—	—	N/A

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Class and Year	Total Amount Outstanding (1)	Asset Coverage Per Unit (2)	Involuntary Liquidating Preference Per Unit (3)	Average Market Value Per Unit (4)	
2043 Notes					
Fiscal 2016 (as of December 31, 2015)	$150,000	$243	$—	$100.24	
Fiscal 2015	150,000	230	—	99.74	
Fiscal 2014	150,000	273	—	89.88	
Fiscal 2013	—	—	—	N/A	
Fiscal 2012	—	—	—	N/A	
Fiscal 2011	—	—	—	N/A	
Fiscal 2010	—	—	—	N/A	
Fiscal 2009	—	—	—	N/A	
Fiscal 2008	—	—	—	N/A	
Fiscal 2007	—	—	—	N/A	
Fiscal 2006	—	—	—	N/A	
2025 Notes					
Fiscal 2016 (as of December 31, 2015)	$344,558	$559	$—	N/A	
Fiscal 2015	344,111	526	—	N/A	
Fiscal 2014	—	—	—	N/A	
Fiscal 2013	—	—	—	N/A	
Fiscal 2012	—	—	—	N/A	
Fiscal 2011	—	—	—	N/A	
Fiscal 2010	—	—	—	N/A	
Fiscal 2009	—	—	—	N/A	
Fiscal 2008	—	—	—	N/A	
Fiscal 2007	—	—	—	N/A	
Fiscal 2006	—	—	—	N/A	
Convertible Notes					
Fiscal 2016 (as of December 31, 2015)	$200,000	$324	$—	$100.00	
Fiscal 2015	200,000	306	—	104.43	
Fiscal 2014	200,000	364	—	106.60	
Fiscal 2013	200,000	424	—	102.84	
Fiscal 2012	200,000	529	—	97.81	
Fiscal 2011	200,000	544	—	N/A	(6)
Fiscal 2010	—	—	—	N/A	
Fiscal 2009	—	—	—	N/A	
Fiscal 2008	—	—	—	N/A	
Fiscal 2007	—	—	—	N/A	
Fiscal 2006	—	—	—	N/A	

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Class and Year	Total Amount Outstanding (1)	Asset Coverage Per Unit (2)	Involuntary Liquidating Preference Per Unit (3)	Average Market Value Per Unit (4)
Total Debt Securities				
Fiscal 2016 (as of December 31, 2015)	$1,384,719	$2,245	$—	N/A
Fiscal 2015	1,498,759	2,293	—	N/A
Fiscal 2014	1,372,261	2,496	—	N/A
Fiscal 2013	1,156,067	2,451	—	N/A
Fiscal 2012	1,009,337	2,670	—	N/A
Fiscal 2011	1,053,443	2,862	—	N/A
Fiscal 2010	1,060,616	2,671	—	N/A
Fiscal 2009	1,057,601	2,320	—	N/A
Fiscal 2008	1,639,122	2,158	—	N/A
Fiscal 2007	492,312	4,757	—	N/A
Fiscal 2006	323,852	4,798	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) The asset coverage ratio for the total senior securities representing indebtedness is calculated as our total assets, less all liabilities and indebtedness not represented by senior securities, divided by the total senior securities representing indebtedness. This asset coverage ratio is multiplied by one thousand to determine the Asset Coverage Per Unit. In order to determine the Asset Coverage Per Unit for each class of debt, the Asset Coverage Per Unit was allocated based on the amount of indebtedness outstanding at the end of the period for each class of debt.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it.

(4) Not applicable, except for with respect to the 2042 Notes, the 2043 Notes, and the Convertible Notes, as other senior securities do not have sufficient trading for an average market value per unit to be determined. The average market value per unit for each of the 2042 Notes, the 2043 Notes, and the Convertible Notes is based on the closing daily prices of such notes and is expressed per $100 of indebtedness (including for the 2042 Notes and the 2043 Notes, which were issued in $25 increments).

(5) Includes foreign currency debt obligations as outlined in Note 6.

(6) Restrictive legends were removed in 2012.

Note 10. Subsequent Events

On January 15, 2016, the Convertible Notes, which had an outstanding principal amount of $200,000, matured and were repaid in full.

On February 4, 2016, the Board of Directors declared a dividend of $0.20 per share for the third quarter of fiscal year 2016, payable on April 6, 2016 to shareholders of record as of March 21, 2016.

During the period from January 1, 2016 through February 8, 2016, the Company repurchased 2,012,126 shares at a weighted average price per share of $4.97, inclusive of commissions, for a total cost of $10,000.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Apollo Investment Corporation:

We have reviewed the accompanying statement of assets and liabilities of Apollo Investment Corporation (the "Company"), including the schedule of investments, as of December 31, 2015, the related statements of operations for the three and nine month periods ended December 31, 2015 and December 31, 2014, the statement of changes in net assets for the nine month period ended December 31, 2015, and the statements of cash flows for the nine month periods ended December 31, 2015 and December 31, 2014. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the statement of assets and liabilities, including the schedule of investments, as of March 31, 2015, and the related statements of operations (not presented herein), of changes in net assets and of cash flows (not presented herein) for the year then ended, and in our report dated May 19, 2015, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying statement of assets and liabilities, including the schedule of investments, as of March 31, 2015, and the related statement of changes in net assets for the year then ended, is fairly stated in all material respects in relation to the statements of assets and liabilities, including the schedule of investments, and of changes in net assets from which it has been derived.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 9, 2016

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the notes thereto contained elsewhere in this report.

Some of the statements in this report constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained herein involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital; and
- the timing of cash flows, if any, from the operations of our portfolio companies.

We generally use words such as "anticipates," "believes," "expects," "intends" and similar expressions to identify forward-looking statements. Our actual results could differ materially from those projected in the forward-looking statements for any reason, including any factors set forth in "Risk Factors" and elsewhere in this report.

We have based the forward-looking statements included in this report on information available to us on the date of this report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including any annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

Apollo Investment Corporation (the "Company," "Apollo Investment," "AIC," "we," "us," or "our") was incorporated under th Maryland General Corporation Law in February 2004. We have elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940 (the "1940 Act"). As such, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities of private or thinly traded public U.S. companies, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. In addition, for federal income tax purposes we have elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Code. Pursuant to this election and assuming we qualify as a RIC, we generally do not have to pay corporate-level federal income taxes on any income we distribute to our shareholders. Apollo Investment commenced operations on April 8, 2004 upon completion of its initial public offering that raised $870 million in net proceeds from selling 62 million shares of its common stock at a price of $15.00 per share. Since then, and through December 31, 2015, we have raised approximately $2.21 billion in net proceeds from additional offerings of common stock and we have repurchased common stock for $52.4 million.

Apollo Investment Management, L.P. (the "Investment Adviser" or "AIM") is our investment adviser and an affiliate of Apollo Global Management, LLC and its consolidated subsidiaries ("AGM"). AGM and other affiliates manage other funds that may have investment mandates that are similar, in whole or in part, with ours. AIM and its affiliates may determine that an investment is appropriate both for us and for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, AIM may determine that we should invest on a side-by-side basis with one or more other funds. We make all such investments subject to compliance with applicable regulations and interpretations, and our allocation procedures. In certain circumstances negotiated co-investments may be made only if we receive an order from the SEC permitting us to do so. There can be no assurance that any such order will be obtained.

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In addition to furnishing us with office facilities, equipment, and clerical, bookkeeping and record keeping services, Apollo Investment Administration, LLC (the “Administrator” or “AIA”), an affiliate of AGM, also oversees our financial records as well as prepares our reports to shareholders and reports filed with the SEC. AIA also performs the calculation and publication of our net asset value, the payment of our expenses and oversees the performance of various third-party service providers and the preparation and filing of our tax returns. Furthermore, AIA provides on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity for such companies, the general economic environment, and the competitive environment for the types of investments we make. As a BDC, we must not acquire any assets other than “qualifying assets” specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions).

Revenue

We generate revenue primarily in the form of interest and dividend income from the securities we hold and capital gains, if any, on investment securities that we may acquire in portfolio companies. Our debt investments, whether in the form of mezzanine or senior secured loans, generally have a stated term of five to ten years and bear interest at a fixed rate or a floating rate usually determined on the basis of a benchmark: LIBOR, Euro Interbank Offered Rate (EURIBOR), British pound sterling LIBOR (GBP LIBOR), or the prime rate. Interest on debt securities is generally payable quarterly or semiannually and while U.S. subordinated debt and corporate notes typically accrue interest at fixed rates, some of our investments may include zero coupon and/or step-up bonds that accrue income on a constant yield to call or maturity basis. In addition, some of our investments provide for PIK interest or dividends. Such amounts of accrued PIK interest or dividends are added to the cost of the investment on the respective capitalization dates and generally become due at maturity of the investment or upon the investment being called by the issuer. We may also generate revenue in the form of commitment, origination, structuring fees, fees for providing managerial assistance and, if applicable, consulting fees, etc.

Expenses

For all investment professionals of AIM and their staff, when and to the extent engaged in providing investment advisory and management services to us, the compensation and routine overhead expenses of that personnel which is allocable to those services are provided and paid for by AIM. We bear all other costs and expenses of our operations and transactions, including those relating to:

- investment advisory and management fees;
- expenses incurred by AIM payable to third parties, including agents, consultants or other advisors, in monitoring our financial and legal affairs and in monitoring our investments and performing due diligence on our prospective portfolio companies;
- calculation of our net asset value (including the cost and expenses of any independent valuation firm);
- direct costs and expenses of administration, including independent registered public accounting and legal costs;
- costs of preparing and filing reports or other documents with the SEC;
- interest payable on debt, if any, incurred to finance our investments;
- offerings of our common stock and other securities;
- registration and listing fees;
- fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments;
- transfer agent and custodial fees;
- taxes;
- independent directors’ fees and expenses;

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- marketing and distribution-related expenses;
- the costs of any reports, proxy statements or other notices to shareholders, including printing and postage costs;
- our allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- organizational costs; and
- all other expenses incurred by us or the Administrator in connection with administering our business, such as our allocable portion of overhead under the administration agreement, including rent and our allocable portion of the cost of our chief financial officer, chief compliance officer and their respective staffs.

We expect our general and administrative operating expenses related to our ongoing operations to increase moderately in dollar terms. During periods of asset growth, we generally expect our general and administrative operating expenses to decline as a percentage of our total assets and increase during periods of asset declines. Incentive fees, interest expense and costs relating to future offerings of securities, among others, may also increase or reduce overall operating expenses based on portfolio performance, interest rate benchmarks, and offerings of our securities relative to comparative periods, among other factors.

Portfolio and Investment Activity

Our portfolio and investment activity during the three and nine months ended December 31, 2015 and December 31, 2014 is as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
(in millions)*	2015	2014	2015	2014
Investments made in portfolio companies (1)	$204.6	$608.8	$918.2	$1,839.4
Investments sold	(139.7)	(444.3)	(554.5)	(1,070.6)
Net activity before repaid investments	64.9	164.4	363.6	768.8
Investments repaid	(121.9)	(254.9)	(519.5)	(704.5)
Net investment activity	$(57.0)	$(90.4)	$(155.9)	$64.2
Portfolio companies at beginning of period	98	113	105	111
Number of new portfolio companies	4	13	18	53
Number of exited portfolio companies	(7)	(17)	(28)	(55)
Portfolio companies at end of period	95	109	95	109
Number of investments in existing portfolio companies	19	13	48	55

* Totals may not foot due to rounding.

(1) Investments were primarily made through a combination of primary and secondary debt investments.

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Our portfolio composition and weighted average yields at December 31, 2015 and March 31, 2015 are as follows:

	December 31, 2015		March 31, 2015	
Portfolio composition, at fair value:				
Secured debt	67	%	60	%
Unsecured debt	9	%	14	%
Structured products and other (1)	11	%	11	%
Preferred equity	3	%	5	%
Common equity/interests and warrants	10	%	10	%
Weighted average yields, at amortized cost basis, exclusive of securities on non-accrual status (2):				
Secured debt portfolio	11.4	%	11.2	%
Unsecured debt portfolio	11.2	%	10.9	%
Total debt portfolio	11.4	%	11.2	%
Income-bearing investment portfolio composition, at fair value:				
Fixed rate amount	$1.2	billion	$1.3	billion
Floating rate amount	$1.3	billion	$1.4	billion
Fixed rate, as percentage of total	48	%	48	%
Floating rate, as percentage of total	52	%	52	%
Income-bearing investment portfolio composition, at amortized cost:				
Fixed rate amount	$1.3	billion	$1.4	billion
Floating rate amount	$1.3	billion	$1.4	billion
Fixed rate, as percentage of total	49	%	50	%
Floating rate, as percentage of total	51	%	50	%

(1) Structured products and other such as collateralized loan obligations ("CLOs") and credit-linked notes ("CLNs") are typically a form of securitization in which the cash flows of a portfolio of loans are pooled and passed on to different classes of debt and residual interest in order of seniority.

(2) An investor's yield may be lower than the portfolio yield due to sales loads and other expenses.

Since the initial public offering of Apollo Investment in April 2004 and through December 31, 2015, invested capital totaled $16.3 billion in 367 portfolio companies. Over the same period, Apollo Investment completed transactions with more than 100 different financial sponsors.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, gains and losses. Changes in the economic environment, financial markets, credit worthiness of portfolio companies and any other parameters used in determining such estimates could cause actual results to differ materially. In addition to the discussion below, our critical accounting policies are further described in the Notes to the Financial Statements.

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Fair Value Measurements

The Company follows guidance in ASC 820, Fair Value Measurement (“ASC 820”), where fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are determined within a framework that establishes a three-tier hierarchy which maximizes the use of observable market data and minimizes the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by us at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable inputs for the asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment. The level assigned to the investment valuations may not be indicative of the risk or liquidity associated with investing in such investments. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may differ materially from the values that would be received upon an actual disposition of such investments.

Commodity-related investments are susceptible to changes in value due to volatility in commodity prices. As such, our commodity-related investments may be impacted by volatility in the commodity markets subsequent to December 31, 2015. Our most recent NAV was calculated as of December 31, 2015 and our NAV when calculated thereafter may be different based on such change in prices.

As of December 31, 2015, $2.50 billion or 81% of the Company’s investments were classified as Level 3. The high proportion of Level 3 investments relative to our total investments is directly related to our investment philosophy and target portfolio, which consists primarily of long-term secured debt, as well as unsecured and mezzanine positions of private middle-market companies. A fundamental difference exists between our investments and those of comparable publicly traded fixed income investments, namely high yield bonds, and this difference affects the valuation of our private investments relative to comparable publicly traded instruments.

Senior secured loans, or senior loans, are higher in the capital structure than high yield bonds, and are typically secured by assets of the borrowing company. This improves their recovery prospects in the event of default and affords senior loans a structural advantage over high yield bonds. Many of the Company’s investments are also privately negotiated and contain covenant protections that limit the issuer to take actions that could harm us as a creditor. High yield bonds typically do not contain such covenants.

Given the structural advantages of capital seniority and covenant protection, the valuation of our private debt portfolio is driven more by investment specific credit factors than movements in the broader debt capital markets. Each security is evaluated individually and as indicated above, we value our private investments based upon a multi-step valuation process, including valuation recommendations from independent valuation firms.

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Investment Valuation Process

Under procedures established by our board of directors, we value investments, including certain secured debt, unsecured debt, and other debt securities with maturities greater than 60 days, for which market quotations are readily available, at such market quotations (unless they are deemed not to represent fair value). We attempt to obtain market quotations from at least two brokers or dealers (if available, otherwise from a principal market maker or a primary market dealer or other independent pricing service). We utilize mid-market pricing as a practical expedient for fair value unless a different point within the range is more representative. If and when market quotations are deemed not to represent fair value, we typically utilize independent third party valuation firms to assist us in determining fair value. Accordingly, such investments go through our multi-step valuation process as described below. In each case, our independent valuation firms consider observable market inputs together with significant unobservable inputs in arriving at their valuation recommendations for such investments. Investments purchased within 15 days before the valuation date and debt investments with remaining maturities of 60 days or less may each be valued at cost with interest accrued or discount amortized to the date of maturity (although they are typically valued at available market quotations), unless such valuation, in the judgment of our Investment Adviser, does not represent fair value. In this case, such investments shall be valued at fair value as determined in good faith by or under the direction of our board of directors, including using market quotations where available. Investments that are not publicly traded or whose market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of our board of directors. Such determination of fair values may involve subjective judgments and estimates. With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, our board of directors has approved a multi-step valuation process each quarter, as described below:

1. Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of our Investment Adviser which is responsible for the portfolio investment.
2. Preliminary valuation conclusions are then documented and discussed with senior management of our Investment Adviser.
3. Independent valuation firms are engaged by our board of directors to conduct independent appraisals by reviewing our Investment Adviser’s preliminary valuations and then making their own independent assessment.
4. The audit committee of the board of directors reviews the preliminary valuation of our Investment Adviser and the valuation prepared by the independent valuation firms and responds, if warranted, to the valuation recommendation of the independent valuation firms to reflect any comments.
5. The board of directors discusses valuations and determines in good faith the fair value of each investment in our portfolio based on the input of our Investment Adviser, the applicable independent valuation firm, third party pricing services and the audit committee.

Investments in all asset classes are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, seniority of investment in the investee company’s capital structure, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company’s ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, our principal market (as the reporting entity) and enterprise values, among other factors. When readily available, broker quotations and/or quotations provided by pricing services are considered in the valuation process of independent valuation firms. For the nine months ended December 31, 2015, there was no change to the Company’s valuation techniques and related inputs considered in the valuation process.

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Investment Income Recognition

The Company records interest and dividend income, adjusted for amortization of premium and accretion of discount, on an accrual basis. Some of our loans and other investments, including certain preferred equity investments, may have contractual payment-in-kind (“PIK”) interest or dividends. PIK income computed at the contractual rate are accrued into income and reflected as receivable up to the capitalization date. PIK investments offer issuers the option at each payment date of making payments in cash or in additional securities. When additional securities are received, they typically have the same terms, including maturity dates and interest rates as the original securities issued. On these payment dates, the Company capitalizes the accrued interest or dividends receivable (reflecting such amounts as the basis in the additional securities received). PIK generally becomes due at maturity of the investment or upon the investment being called by the issuer. At the point the Company believes PIK is not expected to be realized, the PIK investment will be placed on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest or dividends are reversed from the related receivable through interest or dividend income, respectively. The Company does not reverse previously capitalized PIK interest or dividends. Upon capitalization, PIK is subject to the fair value estimates associated with their related investments. PIK investments on non-accrual status are restored to accrual status if the Company believes that PIK is expected to be realized.

Investments that are expected to pay regularly scheduled interest and/or dividends in cash are generally placed on non-accrual status when principal or interest/dividend cash payments are past due 30 days or more and/or when it is no longer probable that principal or interest/dividend cash payments will be collected. Such non-accrual investments are restored to accrual status if past due principal and interest or dividends are paid in cash, and in management’s judgment, are likely to continue timely payment of their remaining interest or dividend obligations. Interest or dividend cash payments received on non-accrual designated investments may be recognized as income or applied to principal depending upon management’s judgment.

Loan origination fees, original issue discount (“OID”), and market discounts are capitalized and accreted into interest income over the respective terms of the applicable loans using the effective interest method or straight-line, as applicable. Upon the prepayment of a loan, prepayment premiums, any unamortized loan origination fees, OID, or market discounts are recorded as interest income. Other income generally includes amendment fees, bridge fees, and structuring fees which are recorded when earned.

The Company records as dividend income the accretable yield from its beneficial interests in structured products such as CLOs based upon a number of cash flow assumptions that are subject to uncertainties and contingencies. Such assumptions include the rate and timing of principal and interest receipts (which may be subject to prepayments and defaults) of the underlying pools of assets. These assumptions are updated on at least a quarterly basis to reflect changes related to a particular security, actual historical data, and market changes. A structured product investment typically has an underlying pool of assets. Payments on structured product investments are payable solely from the cash flows from such assets. As such any unforeseen event in these underlying pools of assets might impact the expected recovery and future accrual of income.

Expenses

Expenses include management fees, performance-based incentive fees, insurance expenses, administrative service fees, legal fees, directors’ fees, audit and tax service expenses, third-party valuation fees and other general and administrative expenses. Expenses are recognized on an accrual basis.

Net Realized Gains (Losses) and Net Change in Unrealized Gains (Losses)

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized gains or losses previously recognized, but considering unamortized upfront fees and prepayment penalties. Net change in unrealized gain (loss) reflects the net change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized gains or losses.

Within the context of these critical accounting policies, we are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

Recent Accounting Pronouncements

See Note 2 within the Notes to the Financial Statements.

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Results of Operations

Operating results for the three and nine months ended December 31, 2015 and December 31, 2014 were as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
(in millions)*	2015	2014	2015	2014
Investment income				
Interest income	$75.3	$98.1	$240.8	$298.9
Dividend income	18.3	7.3	46.4	21.2
Other income	0.7	4.6	7.2	11.4
Total investment income	$94.3	$110.0	$294.4	$331.5
Expenses				
Management and performance-based incentive fees, net of amounts waived	$22.6	$28.2	$70.1	$84.9
Interest and other debt expenses, net of reimbursements	19.3	20.3	63.5	58.1
Administrative services expense, net of reimbursements	1.5	1.8	4.5	4.7
Other general and administrative expenses	2.8	3.0	7.7	7.9
Net expenses	$46.2	$53.4	$145.8	$155.6
Net investment income	$48.1	$56.7	$148.6	$175.9
Net realized and change in unrealized gains (losses)				
Net realized gains (losses)	$(9.3)	$(1.4)	$(120.4)	$(3.2)
Net change in unrealized gains (losses)	(64.6)	(74.7)	(49.4)	(85.6)
Net realized and change in unrealized gains (losses)	(73.9)	(76.1)	(169.8)	(88.8)
Net increase (decrease) in net assets resulting from operations	$(25.8)	$(19.5)	$(21.1)	$87.2
Net investment income on per average share basis	$0.21	$0.24	$0.63	$0.75
Earnings (Loss) per share — basic	$(0.11)	$(0.09)	$(0.09)	$0.36
Earnings (Loss) per share — diluted	$(0.11)	$(0.09)	$(0.09)	$0.36

*Totals may not foot due to rounding.

Total Investment Income

For the three months ended December 31, 2015 as compared to the three months ended December 31, 2014

The decrease in total investment income for the three months ended December 31, 2015 compared to the three months ended December 31, 2014 was primarily driven by a decrease in interest income of $22.8 million due to a lower income-bearing investment portfolio, an increase in investments on non-accrual status, and a decrease in prepayment fees and income recognized from the acceleration of original issue discount on repaid investments which totaled $0.3 million and $9.3 million for the three months ended December 31, 2015 and December 31, 2014, respectively. The decrease in total investment income was partially offset by an increase in dividend income of $10.9 million, primarily due to distributions received from the following portfolio companies: AMP Solar (UK) Limited; Dynamic Product Tankers, LLC; Golden Hill CLO I, LLC; Merx Aviation Finance, LLC; and MSEA Tankers LLC.

For the nine months ended December 31, 2015 as compared to the nine months ended December 31, 2014

The decrease in total investment income for the nine months ended December 31, 2015 compared to the nine months ended December 31, 2014 was primarily driven by a decrease in interest income of $58.1 million due to a lower income-bearing investment portfolio, an increase in investments on non-accrual status, and a decrease in prepayment fees and income recognized from the acceleration of original issue discount on repaid investments which totaled $12.8 million and $37.3 million for the nine months ended December 31, 2015 and December 31, 2014, respectively. The decrease in total investment income was partially offset by an increase in dividend income of $25.2 million, primarily due to distributions received from the following portfolio companies: AMP Solar (UK) Limited; Dynamic Product Tankers, LLC; Golden Hill CLO I, LLC; Ivy Hill Middle Market Credit Fund IX, Ltd.; Merx Aviation Finance, LLC; and MSEA Tankers LLC.

Net Expenses

For the three months ended December 31, 2015 as compared to the three months ended December 31, 2014

The decrease in expenses for the three months ended December 31, 2015 compared to three months ended December 31, 2014 was primarily driven by a decrease of $5.6 million in management and performance-based incentive fees (net of amounts waived) due to lower average gross assets, a higher CION fee offset, and lower investment income. To a lesser extent, the decrease in expenses was driven by a decrease of $1.0 million in interest and other debt expenses, primarily due to the repayment of the Senior Secured Notes in October 2015 using amounts borrowed under the Senior Secured Facility, which has a lower interest rate.

For the nine months ended December 31, 2015 as compared to the nine months ended December 31, 2014

The decrease in expenses for the nine months ended December 31, 2015 compared to nine months ended December 31, 2014 was primarily driven by a decrease of $14.8 million in management and performance-based incentive fees (net of amounts waived) due to lower average gross assets, a higher CION fee offset, lower investment income, and reversal of prior period incentive fee due to lower than par realization on certain PIK investments. The decrease in management and performance-based incentive fees was partially offset by an increase of $5.4 million in interest and other debt expenses, primarily due to the issuance of the 2025 Notes in March 2015, which increased the total annualized cost of debt from 4.88% for the nine months ended December 31, 2014 to 5.68% for the nine months ended December 31, 2015. The increase in interest expense related to the 2025 Notes was partially offset by decreased utilization of the Senior Secured Facility and the repayment of the Senior Secured Notes in October 2015, which decreased the average debt outstanding from $1.58 billion during the nine months ended December 31, 2014 to $1.48 billion during the nine months ended December 31, 2015.

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Net Realized Gains (Losses)

For the three months ended December 31, 2015 as compared to the three months ended December 31, 2014

During the three months ended December 31, 2015, we recognized gross realized gains of $5.4 million and gross realized losses of $14.7 million, resulting in net realized losses of $9.3 million. Significant realized gains (losses) for the three months ended December 31, 2015 are summarized below:

(in millions)	Net Realized Gain (Loss)
Fidji Luxco (BC) S.C.A.	$3.6
Explorer Coinvest, LLC	1.2
AMP Solar (UK) Limited	(1.6)
American Energy - Woodford LLC/AEW Finance Corp	(2.2)
CA Holding, Inc. (Collect America, Ltd.)	(3.7)
Caza Petroleum Inc.	(4.8)

During the three months ended December 31, 2014, we recognized gross realized gains of $15.9 million and gross realized losses of $17.3 million, resulting in net realized losses of $1.4 million. Significant realized gains (losses) for the three months ended December 31, 2014 are summarized below:

(in millions)	Net Realized Gain (Loss)
First Data Corp.	$5.6
RC Coinvestment, LLC	5.0
inVentiv Health, Inc.	(5.6)
Walter Energy, Inc.	(7.8)

For the nine months ended December 31, 2015 as compared to the nine months ended December 31, 2014

During the nine months ended December 31, 2015, we recognized gross realized gains of $14.4 million and gross realized losses of $134.8 million, resulting in net realized losses of $120.4 million. Significant realized gains (losses) for the nine months ended December 31, 2015 are summarized below:

(in millions)	Net Realized Gain (Loss)
Venoco, Inc.	$(7.1)
BCA Osprey II Limited (British Car Auctions)	(7.4)
PetroBakken Energy Ltd.	(9.0)
Denver Parent Corp. (Venoco)	(9.1)
Artsonig Pty Ltd	(21.7)
Molycorp, Inc.	(22.1)
PlayPower Holdings, Inc.	(39.7)

During the nine months ended December 31, 2014, we recognized gross realized gains of $37.8 million and gross realized losses of $41.0 million, resulting in net realized losses of $3.2 million. Significant realized gains (losses) for the nine months ended December 31, 2014 are summarized below:

(in millions)	Net Realized Gain (Loss)
Aventine Renewable Energy Holdings, Inc.	$11.6
First Data Corp.	7.5
Walter Energy, Inc.	(8.6)
inVentiv Health, Inc.	(9.4)
Altegrity Holding Corp.	(13.8)

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Net Change in Unrealized Gains (Losses)

For the three months ended December 31, 2015 as compared to the three months ended December 31, 2014

During the three months ended December 31, 2015, we recognized gross unrealized gains of $43.9 million and gross unrealized losses of $108.5 million, resulting in net unrealized losses of $64.6 million. Significant unrealized gains (losses) for the three months ended December 31, 2015 are summarized below:

(in millions)	Net Change in Unrealized Gain (Loss)
Renewable Funding Group, Inc.	$8.4
Golden Bear Warehouse LLC	6.4
Venoco, Inc.	(5.8)
Aveta, Inc.	(7.6)
Magnetation, LLC	(9.8)
Osage Exploration & Development, Inc.	(10.0)
Spotted Hawk Development, LLC	(13.1)

During the three months ended December 31, 2014, we recognized gross unrealized gains of $51.1 million and gross unrealized losses of $125.8 million, resulting in net unrealized losses of $74.7 million. Significant unrealized gains (losses) for the three months ended December 31, 2014 are summarized below:

(in millions)	Net Change in Unrealized Gain (Loss)
Generation Brands Holdings, Inc.	$10.9
Playpower Holdings, Inc.	7.0
inVentiv Health, Inc.	5.7
RC Coinvestment, LLC	(4.8)
Gryphon Colleges Corp. (Delta Educational Systems, Inc.)	(5.8)
First Data Corp.	(6.2)
Molycorp, Inc.	(6.8)
PetroBakken Energy Ltd.	(10.7)
Magnetation, LLC	(12.4)
Venoco, Inc.	(20.0)

For the nine months ended December 31, 2015 as compared to the nine months ended December 31, 2014

During the nine months ended December 31, 2015, we recognized gross unrealized gains of $156.0 million and gross unrealized losses of $205.4 million, resulting in net unrealized losses of $49.4 million. Significant unrealized gains (losses) for the nine months ended December 31, 2015 are summarized below:

(in millions)	Net Change in Unrealized Gain (Loss)
PlayPower Holdings, Inc.	$21.8
Molycorp, Inc.	20.4
Renewable Funding Group, Inc.	17.7
Merx Aviation Finance, LLC	16.0
Spotted Hawk Development, LLC	(16.7)
SquareTwo Financial Corp.	(17.8)
Magnetation, LLC	(17.9)
Miller Energy Resources, Inc.	(19.2)
Osage Exploration & Development, Inc.	(19.4)

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During the nine months ended December 31, 2014, we recognized gross unrealized gains of $128.5 million and gross unrealized losses of $214.1 million, resulting in net unrealized losses of $85.6 million. Significant unrealized gains (losses) for the nine months ended December 31, 2014 are summarized below:

(in millions)	Net Change in Unrealized Gain (Loss)	
Generation Brands Holdings, Inc.	$23.1	
Playpower Holdings, Inc.	20.7	
First Data Corp.	(11.2	)
PetroBakken Energy Ltd.	(12.4	)
Walter Energy, Inc.	(12.6	)
Magnetation, LLC	(15.3	)
LVI Services, Inc.	(17.9	)
Molycorp, Inc.	(21.7	)
Venoco, Inc.	(24.6	)

Liquidity and Capital Resources

The Company's liquidity and capital resources are generated and generally available through periodic follow-on equity and debt offerings, our senior secured, multi-currency Senior Secured Facility (as defined in Note 6 within the Notes to Financial Statements), our senior secured notes, our senior unsecured notes, investments in special purpose entities in which we hold and finance particular investments on a non-recourse basis, as well as from cash flows from operations, investment sales of liquid assets and repayments of senior and subordinated loans and income earned from investments.

Cash Equivalents

We deem certain U.S. Treasury bills, repurchase agreements and other high-quality, short-term debt securities as cash equivalents. (See Note 2 within the Notes to Financial Statements.) At the end of each fiscal quarter, we consider taking proactive steps utilizing cash equivalents with the objective of enhancing our investment flexibility during the following quarter, pursuant to Section 55 of the 1940 Act. More specifically, we may purchase U.S. Treasury bills from time-to-time on the last business day of the quarter and typically close out that position on the following business day, settling the sale transaction on a net cash basis with the purchase, subsequent to quarter end. Apollo Investment may also utilize repurchase agreements or other balance sheet transactions, including drawing down on our Senior Secured Facility, as we deem appropriate. The amount of these transactions or such drawn cash for this purpose is excluded from total assets for purposes of computing the asset base upon which the management fee is determined. There were no cash equivalents held as of December 31, 2015.

Debt

See Note 6 and Note 7 within the Notes to Financial Statements for information on the Company's debt and public offerings.

The following table shows the contractual maturities of our debt obligations as of December 31, 2015:

	Payments due by Period				
(in millions)*	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Senior Secured Facility (1)	$495.2	$—	$—	$495.2	$—
Senior Secured Notes (Series A)	29.0	29.0	—	—	—
Senior Secured Notes (Series B)	16.0	—	16.0	—	—
2042 Notes	150.0	—	—	—	150.0
2043 Notes	150.0	—	—	—	150.0
2025 Notes	344.6	—	—	—	344.6
Convertible Notes	200.0	200.0	—	—	—
Total Debt Obligations	$1,384.7	$229.0	$16.0	$495.2	$644.6

*Totals may not foot due to rounding.

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(1) As of December 31, 2015, aggregate lender commitments under the Senior Secured Facility totaled $1.31 billion and $0.80 billion of unused capacity. As of December 31, 2015, there were $16.3 million of letters of credit issued under the Senior Secured Facility that were not recorded as liabilities on the Company's Statement of Assets and Liabilities.

On April 24, 2015, the Company amended and restated the Senior Secured Facility. The amendment increased the lenders' commitments to $1.31 billion, extended the final maturity date to April 24, 2020, and allows the Company to seek additional commitments from new and existing lenders in the future, up to an aggregate facility size not to exceed $1.97 billion. In addition, the stated interest rate on the facility was changed from LIBOR plus 2.00% to a formula-based calculation, based on a minimum borrowing base, resulting in a stated interest rate of either LIBOR plus 1.75%, or LIBOR plus 2.00%. As of December 31, 2015, the stated interest rate on the facility is LIBOR plus 2.00%. Commencing May 24, 2019, the Company is required to repay, in twelve consecutive monthly installments of equal size, the outstanding amount under the Senior Secured Facility as of April 24, 2019.

Shareholders' Equity

On August 6, 2015, the Company adopted a plan for the purpose of repurchasing up to $50 million of its common stock in accordance with applicable rules specified in the Securities Exchange Act of 1934 (the "Exchange Act") (the "August Repurchase Plan"). Since adopting the August Repurchase Plan, the Company has repurchased the full amount authorized by the board of directors under such plan.

On December 14, 2015, the board of directors approved a new plan to acquire up to an additional $50 million of its common stock in accordance with applicable rules specified in the Exchange Act (the "Current Repurchase Plan," and together with the August Repurchase Plan, the "Repurchase Plans"). The Current Repurchase Plan is designed to allow the Company to repurchase its shares both during its open window periods and at times when it otherwise might be prevented from doing so under applicable insider trading laws or because of self-imposed trading blackout periods. A broker selected by the Company will have the authority under the terms and limitations specified in an agreement with the Company to repurchase shares on the Company's behalf in accordance with the terms of the Current Repurchase Plan. Repurchases are subject to SEC regulations as well as certain price, market volume and timing constraints specified in the Current Repurchase Plan. Pursuant to the Current Repurchase Plan, the Company may from time to time repurchase a portion of its shares of common stock and the Company is hereby notifying shareholders of its intention as required by applicable securities laws.

On September 15, 2015 and December 16, 2015, the Company allocated $5 million and $10 million, respectively, to be repurchased under the August Repurchase Plan and the Current Repurchase Plan, respectively, in accordance with SEC Rule 10b5-1 (the "10b5-1 Repurchase Plans").

Under the Repurchase Plans and 10b5-1 Repurchase Plans (the "Plans"), the Company repurchased 8,572,729 shares at a weighted average price per share of $6.12, inclusive of commissions. This represents a discount of approximately 21.58% of the average net asset value per share for the nine months ended December 31, 2015. Since the inception of the Plans to December 31, 2015, the total dollar amount of shares repurchased is $52.4 million.

During the period from January 1, 2016 through February 8, 2016, the Company repurchased 2,012,126 shares at a weighted average price per share of $4.97, inclusive of commissions, for a total cost of $10.0 million, leaving a maximum of $37.6 million available for future purchases under the Current Repurchase Plan.

Distributions

Distributions paid to shareholders for the three and nine months ended December 31, 2015 totaled $46.9 million ($0.20 per share) and $141.5 million ($0.60 per share), respectively. Distributions paid to shareholders for the three and nine months ended December 31, 2014 totaled $47.3 million ($0.20 per share) and $142.0 million ($0.60 per share), respectively. For income tax purposes, distributions made to shareholders are reported as ordinary income, capital gains, non-taxable return of capital, or a combination thereof. The tax character of distributions paid to shareholders through December 31, 2015 may include return of capital, the exact amount cannot be determined at this point. The final determination of the tax character of distributions will not be made until we file our tax return for the tax year ending March 31, 2016. Tax characteristics of all distributions will be reported to shareholders on Form 1099 after the end of the calendar year. Our quarterly distributions, if any, will be determined by our board of directors.

To maintain our RIC status, we must distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment.

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We maintain an “opt out” dividend reinvestment plan for our common shareholders. As a result, if we declare a dividend, then shareholders’ cash dividends will be automatically reinvested in additional shares of our common stock, unless they specifically “opt out” of the dividend reinvestment plan so as to receive cash dividends.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, due to the asset coverage test applicable to us as a BDC, we may in the future be limited in our ability to make distributions. Also, our revolving credit facility may limit our ability to declare dividends if we default under certain provisions or fail to satisfy certain other conditions. If we do not distribute a certain percentage of our income annually, we may suffer adverse tax consequences, including possible loss of the tax benefits available to us as a RIC. In addition, in accordance with GAAP and tax regulations, we include in income certain amounts that we have not yet received in cash, such as contractual PIK, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accrual of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may not be able to meet the requirement to distribute at least 90% of our investment company taxable income to obtain tax benefits as a RIC.

With respect to the distributions to shareholders, income from origination, structuring, closing, commitment and other upfront fees associated with investments in portfolio companies is treated as taxable income and accordingly, distributed to shareholders.

PIK Income

For the three and nine months ended December 31, 2015, PIK income totaled $10.2 million and $31.6 million, respectively, on total investment income of $94.3 million and $294.4 million, respectively. In order to maintain the Company’s status as a RIC, this non-cash source of income must be paid out to shareholders annually in the form of dividends, even though the Company has not yet collected the cash. See Note 5 within the Notes to the Financial Statements for more information on the Company’s PIK income.

Related Party Transactions

See Note 3 within the Notes to the Financial Statements for information on the Company’s related party transactions.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are subject to financial market risks, including changes in interest rates. During the three and nine months ended December 31, 2015, many of the loans in our portfolio had floating interest rates. These loans are usually based on floating LIBOR and typically have durations of one to twelve months after which they reset to current market interest rates. The Company also has a Senior Secured Facility that is based on floating LIBOR rates.

The following table shows the approximate annual impact on net investment income of base rate changes in interest rates (considering interest rate flows for variable rate instruments) to our loan portfolio and outstanding debt as of December 31, 2015, assuming no changes in our investment and borrowing structure:

Basis Point Change	Net Investment Income		Net Investment Income Per Share
Up 400 basis points	$20.8	million	$0.091
Up 300 basis points	$14.0	million	$0.062
Up 200 basis points	$7.2	million	$0.032
Up 100 basis points	$0.5	million	$0.002

We may hedge against interest rate fluctuations from time-to-time by using standard hedging instruments such as futures, options and forward contracts subject to the requirements of the 1940 Act and applicable commodities laws. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to our portfolio of investments.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of December 31, 2015 (the end of the period covered by this report), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

(b) Changes in Internal Controls Over Financial Reporting

Management has not identified any change in the Company's internal control over financing reporting that occurred during the third fiscal quarter of 2016 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While we do not expect that the resolution of these matters if they arise would materially affect our business, financial condition or results of operations, resolution will be subject to various uncertainties and could result in the expenditure of significant financial and managerial resources.

On May 20, 2013, the Company was named as a defendant in a complaint by the bankruptcy trustee of DSI Renal Holdings and related companies (“DSI”). The complaint alleges, among other things, that the Company participated in a “fraudulent conveyance” involving a restructuring and subsequent sale of DSI in 2010 and 2011. The complaint seeks, jointly and severally from all defendants, (1) damages of approximately $425 million, of which the Company’s share would be approximately $41 million, and the return of 9,000 shares of common stock of DSI obtained by the Company in the restructuring and sale and (2) punitive damages. At this point in time, the Company is unable to assess whether it may have any liability in this action. The Company has not made any determination that this action is or may be material to the Company and intends to vigorously defend itself. The Company has filed a motion to dismiss this litigation.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended March 31, 2015, which could materially affect our business, financial condition and/or operating results. These risks are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

On August 6, 2015, the Company adopted a plan for the purpose of repurchasing up to $50 million of its common stock in accordance with applicable rules specified in the Securities Exchange Act of 1934 (the “Exchange Act”) (the “August Repurchase Plan”). Since adopting the August Repurchase Plan, the Company has repurchased the full amount authorized by the board of directors under such plan.

On December 14, 2015, the board of directors approved a new plan to acquire up to an additional $50 million of its common stock in accordance with applicable rules specified in the Exchange Act (the “Current Repurchase Plan,” and together with the August Repurchase Plan, the “Repurchase Plans”). The Current Repurchase Plan is designed to allow the Company to repurchase its shares both during its open window periods and at times when it otherwise might be prevented from doing so under applicable insider trading laws or because of self-imposed trading blackout periods. A broker selected by the Company will have the authority under the terms and limitations specified in an agreement with the Company to repurchase shares on the Company’s behalf in accordance with the terms of the Current Repurchase Plan. Repurchases are subject to SEC regulations as well as certain price, market volume and timing constraints specified in the Current Repurchase Plan. Pursuant to the Current Repurchase Plan, the Company may from time to time repurchase a portion of its shares of common stock and the Company is hereby notifying shareholders of its intention as required by applicable securities laws.

On September 15, 2015 and December 16, 2015, the Company allocated $5 million and $10 million, respectively, to be repurchased under the August Repurchase Plan and the Current Repurchase Plan, respectively, in accordance with SEC Rule 10b5-1 (the “10b5-1 Repurchase Plans”).

Under the Repurchase Plans and 10b5-1 Repurchase Plans (the “Plans”), the Company repurchased 8,572,729 shares at a weighted average price per share of $6.12, inclusive of commissions. This represents a discount of approximately 21.58% of the average net asset value per share for the nine months ended December 31, 2015. Since the inception of the Plans to December 31, 2015, the total dollar amount of shares repurchased is $52.4 million.

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The following table presents information with respect to the Company’s purchases of its common stock during the nine months ended December 31, 2015:

Period*	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Dollar Value of Shares That May Yet Be Purchased Under Publicly Announced Plans	
August 12, 2015 through August 31, 2015	1,530,000	$6.57	1,530,000	$40.0	million
September 1, 2015 through September 25, 2015	1,810,400	$6.15	1,810,400	$28.8	million
November 6, 2015 through November 30, 2015	3,350,000	$6.03	3,350,000	$8.6	million
December 1, 2015 through December 16, 2015	1,882,329	$5.86	1,882,329	$47.6	million
Total	8,572,729	$6.12	8,572,729		

* Represents actual transaction dates within each month that there were share repurchase transactions.

During the period from January 1, 2016 through February 8, 2016, the Company repurchased 2,012,126 shares at a weighted average price per share of $4.97, inclusive of commissions, for a total cost of $10.0 million, leaving a maximum of $37.6 million available for future purchases under the Current Repurchase Plan.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits

3.1	Articles of Amendment and Restatement, as amended (1)
3.2	Fourth Amended and Restated Bylaws (2)
10.1	Amended and Restated Senior Secured Revolving Credit Agreement, dated as of April 24, 2015, between Apollo Investment Corporation, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (3)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)*

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* Filed herewith.

(1) Incorporated by reference from the Registrant’s post-effective Amendment No. 1 to the Registration Statement under the Securities Act of 1933, as amended, on Form N-2, filed on August 14, 2006.

(2) Incorporated by reference from the Registrant’s Form 10-K, filed on May 19, 2015.

(3) Incorporated by reference from the Registrant’s Form 8-K, filed on April 30, 2015.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on February 9, 2016.

APOLLO INVESTMENT CORPORATION

By: /s/ JAMES C. ZELTER
James C. Zelter
Chief Executive Officer

By: /s/ GREGORY W. HUNT
Gregory W. Hunt
Chief Financial Officer and Treasurer