

Apollo Tactical Income Fund Inc.
Form N-Q
November 21, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-22591

Apollo Tactical Income Fund Inc.

(Exact name of registrant as specified in charter)

9 West 57th Street

New York, New York 10019

(Address of principal executive offices) (Zip code)

Joseph Moroney, President

9 West 57th Street

New York, New York 10019

(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: September 30, 2014

Item 1. Schedule of Investments.

The Schedule(s) of Investments is attached herewith.

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

| | Principal | |
|--|--------------------|-------------------|
| | Amount (\$) | Value (\$) |
| Senior Loans - 89.4%^(a) | | |
| AEROSPACE & DEFENSE - 7.5% | | |
| Alion Science & Technology Corp. Tranche A Term Loan, 8.00%, 08/17/18 ^(b) | 2,083,333 | 2,052,083 |
| Tranche B Term Loan, 11.00%, 08/16/19 ^(b) | 1,837,500 | 1,791,562 |
| Camp International Holding Co. 2013 Second Lien Replacement Term Loan, 8.25%, 11/29/19 | 1,350,000 | 1,364,344 |
| Photonis Technologies SAS Term Loan, 8.50%, 09/18/19 ^(b) | 3,900,525 | 3,900,525 |
| The SI Organization, Inc. First Lien Term Loan, 11/23/19 ^(c) Second Lien Term Loan, 9.00%, 05/23/20 ^(b) | 660,727 | 664,652 |
| SRA International, Inc. Term Loan, 6.50%, 07/20/18 | 606,000 | 616,605 |
| TASC, Inc. First Lien Term Loan, 6.50%, 05/22/20 Second Lien Term Loan, 12.00%, 05/21/21 ^(d) | 2,925,783 | 2,929,441 |
| U.S. Joiner Holding Co. Term Loan, 7.00%, 04/16/20 ^(b) | 1,566,075 | 1,510,777 |
| WP CPP Holdings, LLC Second Lien Term Loan B-1, 8.75%, 04/30/21 | 2,233,239 | 2,185,782 |
| | 2,487,500 | 2,481,281 |
| | 1,435,000 | 1,440,826 |
| | | 20,937,878 |
| BANKING, FINANCE, INSURANCE & REAL ESTATE - 5.4% | | |
| | 3,124,000 | 3,166,955 |

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| | | |
|---|-----------|------------|
| Asurion, LLC Second Lien Term Loan, 8.50%, 03/03/21 Hyperion Finance S.a.r.l. (United Kingdom) Term Loan, 5.75%, 10/17/19 ^{(b)(e)} | 5,359,500 | 5,379,598 |
| Medical Card System, Inc. Term Loan, 12.00%, 09/17/15 ^{(b)(f)} | 4,355,154 | 4,289,827 |
| MMM Holdings, Inc. MMM Term Loan, 9.75%, 12/12/17 | 1,256,301 | 1,255,516 |
| MSO of Puerto Rico, Inc. MSO Term Loan, 9.75%, 12/12/17 | 913,355 | 912,784 |
| Nuveen Investments, Inc. Tranche B First Lien Term Loan, 4.16%, 05/13/17 | 286,000 | 285,667 |
| | | 15,290,347 |

BEVERAGE, FOOD & TOBACCO - 2.4%

| | | |
|--|-----------|-----------|
| ARG IH Corp. Term Loan, 4.75%, 11/15/20 | 1,905,600 | 1,906,791 |
| Arysta LifeScience SPC, LLC Second Lien Term Loan, 8.25%, 11/30/20 | 1,028,000 | 1,036,995 |
| Dave & Buster s, Inc. Term Loan, 4.50%, 07/25/20 | 948,398 | 942,471 |

Principal

Amount (\$) Value (\$)

BEVERAGE, FOOD & TOBACCO (continued)

| | | |
|--|-----------|-----------|
| PFS Holding Corp. Second Lien Term Loan, 8.25%, 01/31/22 | 499,800 | 387,345 |
| Winebow Holdings, Inc. (The Vintner Group, Inc.) Second Lien Term Loan, 8.50%, 01/02/22 ^(b) | 2,505,795 | 2,493,266 |
| | | 6,766,868 |

CAPITAL EQUIPMENT - 1.2%

| | | |
|--|-----------|-----------|
| Zebra Technologies Corp. Term Loan B, 10/27/21 ^(c) | 3,220,647 | 3,220,647 |
|--|-----------|-----------|

CHEMICALS, PLASTICS & RUBBER - 0.9%

| | | |
|--|-----------|-----------|
| Cyanco Intermediate Corp. Term Loan, 5.50%, 05/01/20 | 1,884,451 | 1,882,095 |
| Kronos Worldwide, Inc. Initial Term Loan, 4.75%, 02/18/20 | 626,850 | 626,066 |

| | | |
|--|-----------|------------|
| | | 2,508,161 |
| CONSUMER GOODS: DURABLE - 0.4% | | |
| Bluestem Brands, Inc. | | |
| Term Loan, 7.50%, 12/06/18 | 1,024,371 | 1,027,573 |
| CONSUMER GOODS: NON-DURABLE - 6.4% | | |
| ABG Intermediate Holdings 2, LLC | | |
| First Lien Term Loan, 5.50%, 05/27/21 | 3,532,250 | 3,527,835 |
| BRG Sports, Inc. | | |
| First Lien Term Loan, 6.50%, 04/15/21 ^(b) | 2,082,130 | 2,097,746 |
| Fender Musical Instruments Corp. | | |
| Initial Term Loan, 5.75%, 04/03/19 | 443,750 | 444,121 |
| Herff Jones, Inc. | | |
| Term Loan B, 5.50%, 06/25/19 | 3,651,333 | 3,655,897 |
| Nine West Holdings, Inc. | | |
| Unsecured Initial Term Loan, 6.25%, 01/08/20 ^(b) | 2,744,518 | 2,566,125 |
| Polyconcept Investments B.V. | | |
| Term Loan, 6.00%, 06/28/19 | 3,326,357 | 3,322,199 |
| The Topps Co., Inc. | | |
| Term Loan, 7.25%, 10/02/18 ^(b) | 2,511,025 | 2,479,637 |
| | | 18,093,560 |
| CONTAINERS, PACKAGING & GLASS - 1.5% | | |
| BWAY Intermediate Co., Inc. | | |
| Initial Term Loan, 5.50%, 08/14/20 | 1,541,590 | 1,542,562 |
| Pelican Products, Inc. | | |
| First Lien Term Loan, 5.25%, 04/10/20 | 2,779,167 | 2,784,378 |
| | | 4,326,940 |
| ENERGY: OIL & GAS - 7.1% | | |
| American Energy-Marcellus, LLC | | |
| First Lien Initial Term Loan, 5.25%, 08/04/20 | 1,561,946 | 1,553,160 |

See accompanying Notes to Schedule of Investments. 1

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

| | Principal | |
|--|--------------------|-------------------|
| | Amount (\$) | Value (\$) |
| Senior Loans^(a) (continued) | | |
| ENERGY: OIL & GAS (continued) | | |
| Atlas Energy, L.P. Term Loan, 6.50%, 07/31/19 ^(b) | 1,247,400 | 1,258,315 |
| Azure Midstream Energy, LLC Term Loan, 6.50%, 11/15/18 ^(b) | 864,920 | 858,433 |
| BlackBrush Oil & Gas, L.P. Closing Date Second Lien Term Loan, 8.75%, 07/30/21 | 2,733,766 | 2,699,594 |
| Chief Exploration & Development, LLC Second Lien Term Loan, 7.50%, 05/16/21 | 3,570,000 | 3,576,694 |
| Drillships Financing Holding, Inc. Tranche B-1 Term Loan, 6.00%, 03/31/21 | 3,249,831 | 3,123,900 |
| DrillShips Ocean Ventures, Inc. Term Loan, 5.50%, 07/25/21 | 1,777,080 | 1,728,210 |
| HGIM Corp. Term Loan A, 5.00%, 06/18/18 ^(b) | 729,375 | 724,816 |
| Southcross Energy Partners, L.P. Initial Term Loan, 5.25%, 08/04/21 | 342,979 | 343,087 |
| Southcross Holdings Borrower, L.P. Term Loan, 6.00%, 08/04/21 | 869,502 | 869,502 |
| Sprint Industrial Holdings, Inc. First Lien Term Loan, 7.00%, 05/14/19 ^(b) | 2,168,381 | 2,173,802 |
| W3 Co. First Lien Term Loan, 5.75%, 03/13/20 | 1,109,671 | 1,108,284 |
| | | 20,017,797 |
| ENVIRONMENTAL INDUSTRIES - 1.5% | | |
| Emerald 2, Ltd. (United Kingdom) Term Loan, 05/14/21 ^{(c)(e)} | 4,170,000 | 4,151,756 |
| FOREST PRODUCTS & PAPER - 1.0% | | |

| | | |
|--|-----------|-----------|
| Caraustar Industries, Inc. Term Loan, 7.50%, 05/01/19 | 2,785,253 | 2,802,661 |
|--|-----------|-----------|

HEALTHCARE & PHARMACEUTICALS - 6.6%

| | | |
|---|-----------|-----------|
| Ardent Medical Services, Inc. First Lien Term Loan, 6.75%, 07/02/18 | 812,794 | 817,195 |
| Opal Acquisition, Inc. First Lien Term Loan, 5.00%, 11/27/20 | 5,403,776 | 5,400,426 |
| Premier Dental Services, Inc. First Lien Term Loan, 6.00%, 11/01/18 | 3,710,250 | 3,691,699 |
| Smile Brands Group, Inc. Term Loan, 7.50%, 08/16/19 | 4,356,000 | 4,272,517 |
| Steward Health Care System, LLC Term Loan, 6.75%, 04/10/20 | 1,508,900 | 1,507,014 |
| Surgery Center Holdings, Inc. First Lien Term Loan, 11/03/20 ^{(b)(c)} | 1,660,944 | 1,658,868 |

Principal

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

HEALTHCARE & PHARMACEUTICALS (continued)

| | | |
|--|-----------|------------|
| U.S. Renal Care, Inc. Incremental Tranche B-1 Second Lien Term Loan, 8.50%, 01/03/20 ^(b) | 1,212,000 | 1,228,665 |
| | | 18,576,384 |

HIGH TECH INDUSTRIES - 4.0%

| | | |
|--|-----------|------------|
| The Active Network, Inc. (Lanyon, Inc.) First Lien Term Loan, 5.50%, 11/13/20 | 584,181 | 581,138 |
| Second Lien Term Loan, 9.50%, 11/15/21 | 2,303,304 | 2,318,425 |
| GTCR Valor Companies, Inc. ^(g) First Lien Initial Term Loan, 05/30/21 ^(c) | 1,146,972 | 1,140,761 |
| Landslide Holdings, Inc. (Crimson Acquisition Corp.) First Lien New Term Loan, 5.00%, 02/25/20 | 2,190,888 | 2,188,149 |
| Second Lien Term Loan, 8.25%, 02/25/21 | 1,682,000 | 1,665,180 |
| MSC.Software Corp. First Lien Initial Term Loan, 5.00%, 05/29/20 ^(b) | 898,748 | 896,501 |
| Second Lien Initial Term Loan, 8.50%, 05/28/21 ^(b) | 2,550,000 | 2,511,750 |
| | | 11,301,904 |

HOTEL, GAMING & LEISURE - 4.5%

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| | | |
|---|-----------|------------|
| CCM Merger, Inc. (MotorCity Casino Hotel) Term Loan B, 4.50%, 08/06/21 | 621,031 | 616,377 |
| Centaur Acquisition, LLC Second Lien Term Loan, 8.75%, 02/20/20 | 3,000,000 | 3,048,750 |
| Delta 2 (Lux) S.a.r.l. (Luxemburg) Second Lien Term Loan, 7.75%, 07/29/22 ^(e) | 1,601,769 | 1,598,766 |
| Delta 2 (Lux) S.a.r.l. (United Kingdom) Facility B3 (USD), 4.75%, 07/30/21 ^(e) | 2,000,000 | 1,978,750 |
| Deluxe Entertainment Services Group, Inc. Initial Term Loan, 02/28/20 ^(c) | 667,252 | 620,544 |
| Diamond Resorts Corp. Term Loan, 5.50%, 05/09/21 ^(b) | 906,728 | 906,728 |
| Peppermill Casinos, Inc. Term Loan B, 7.25%, 11/09/18 | 1,969,854 | 2,001,254 |
| Planet Fitness Holdings, LLC Term Loan, 4.75%, 03/31/21 | 1,333,300 | 1,334,407 |
| Scientific Games Corp. Term Loan B2, 10/01/21 ^(c) | 628,234 | 617,013 |
| | | 12,722,589 |

MEDIA: ADVERTISING, PRINTING & PUBLISHING - 7.4%

| | | |
|---|-----------|-----------|
| Acosta Holdco, Inc. Initial Term Loan, 5.00%, 09/26/21 | 4,577,669 | 4,577,669 |
|---|-----------|-----------|

2 See accompanying Notes to Schedule of Investments.

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

| | Principal | |
|--|--------------------|-------------------|
| | Amount (\$) | Value (\$) |
| Senior Loans^(a) (continued) | | |
| MEDIA: ADVERTISING, PRINTING & PUBLISHING (continued) | | |
| ALM Media, LLC | | |
| First Lien Term Loan, 5.50%, 07/31/20 | 3,996,168 | 3,981,182 |
| F & W Media, Inc. | | |
| Term Loan, 7.75%, 06/30/19 | 3,949,588 | 3,949,588 |
| Merrill Communications, LLC | | |
| Term Loan, 5.75%, 03/08/18 | 4,362,796 | 4,428,238 |
| Springer SBM Two GmbH (Germany) | | |
| Initial Term Loan B3, 4.75%, 08/14/20 ^(e) | 4,007,596 | 3,947,482 |
| | | 20,884,159 |
| MEDIA: BROADCASTING & SUBSCRIPTION - 5.5% | | |
| Charter Communications Operating, LLC | | |
| Term Loan G, 4.25%, 09/10/21 | 3,475,506 | 3,471,353 |
| Emmis Communications Corp. | | |
| Term Loan, 5.75%, 06/10/21 | 2,000,000 | 1,997,500 |
| Granite Broadcasting Corp. | | |
| First Lien Tranche B Term Loan, 6.75%, 05/23/18 ^(b) | 892,952 | 894,068 |
| Hemisphere Media Holdings, LLC (Intermedia Espanol, Inc.) | | |
| New Term Loan B, 07/30/20 ^(c) | 2,564,030 | 2,557,620 |
| SESAC Holdco II, LLC | | |
| First Lien Term Loan, 5.00%, 02/07/19 | 400,657 | 399,905 |
| Telecommunications Management, LLC | | |
| Second Lien Initial Term Loan, 9.00%, 10/30/20 ^(b) | 1,065,712 | 1,071,040 |
| William Morris Endeavor Entertainment, LLC (IMG Worldwide Holdings, LLC) | | |
| First Lien Term Loan, 5.25%, 05/06/21 | 5,037,375 | 4,974,408 |

15,365,894

MEDIA: DIVERSIFIED & PRODUCTION - 1.5%Tech Finance & Co. S.C.A.
(Luxembourg)U.S. Term Loan, 5.50%, 07/11/20^(e) 4,186,296 4,191,948**METALS & MINING - 1.1%**Oxbow Carbon, LLC
(Oxbow Calcining, LLC)

Term Loan B, 8.00%, 01/19/20 3,000,000 3,022,500

RETAIL - 0.7%

Charming Charlie, LLC

Initial Term Loan, 9.00%, 12/24/19 1,223,865 1,228,454

Vince, LLC (Vince Intermediate
Holding, LLC)

Term Loan B, 5.75%, 11/27/19 708,686 710,014

1,938,468

Principal**Amount (\$)****Value (\$)****SERVICES: BUSINESS - 10.7%**

Applied Systems, Inc.

Second Lien Initial Term Loan, 7.50%, 01/24/22 1,090,600 1,091,963

Aptean, Inc.

First Lien Term Loan, 5.25%, 02/26/20 1,515,385 1,509,702

ARC Document Solutions, Inc.

Term Loan B, 6.25%, 12/20/18 2,241,000 2,257,808

EIG Investors Corp.

Term Loan, 5.00%, 11/09/19 997,481 997,172

Element Materials Technology

Group U.S. Holdings, Inc.

Term Loan B, 5.25%, 08/06/21 756,410 756,409

Genex Holdings, Inc.

First Lien Term Loan B, 5.25%, 05/28/21 990,518 988,660

IBC Capital I, Ltd

First Lien Initial Term Loan, 4.75%, 09/09/21 2,143,478 2,138,119

Second Lien Term Loan, 08/05/22^(c)

529,000 529,992

Infogroup, Inc.

Term Loan B, 7.50%, 05/26/18 3,751,564 3,547,592

Onex Carestream Finance, L.P.

Second Lien Term Loan, 9.50%, 12/07/19 5,639,588 5,680,136

SGS Cayman, L.P. (Cayman Islands)

Term Loan, 7.25%, 03/06/19^{(b)(e)} 1,721,966 1,726,271

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| | | |
|--|-----------|------------|
| Stadium Management Corp. (SMG) Second Lien 2014 Term Loan, 9.25%, 02/27/21 ^(b) | 2,490,000 | 2,514,900 |
| Stafford Logistics, Inc. (dba Custom Ecology, Inc.) Term Loan, 6.75%, 06/26/19 ^(b) | 2,513,188 | 2,478,631 |
| Sutherland Global Services, Inc. U.S. Tranche Term Loan, 7.25%, 03/06/19 ^(b) | 3,812,925 | 3,822,457 |
| | | 30,039,812 |

SERVICES: CONSUMER - 2.6%

| | | |
|---|-----------|-----------|
| Burger King Corp. Term Loan B, 09/24/21 ^(c) | 2,133,826 | 2,122,260 |
| Laureate Education, Inc. 2018 New Series Extended Term Loan, 06/15/18 ^(c) | 4,353,612 | 4,183,081 |
| NVA Holdings, Inc. Second Lien Term Loan, 8.00%, 08/14/22 | 955,026 | 952,638 |
| | | 7,257,979 |

TELECOMMUNICATIONS - 6.1%

| | | |
|--|-----------|-----------|
| Global Tel*Link Corp. First Lien Term Loan, 05/23/20 ^(c) | 3,994,734 | 3,968,529 |
| Ntelos, Inc. Term Loan B, 5.75%, 11/09/19 | 4,039,294 | 4,037,598 |
| Securus Technologies Holdings, Inc. Second Lien Initial Term Loan, 9.00%, 04/30/21 | 5,000,000 | 4,981,250 |

See accompanying Notes to Schedule of Investments. 3

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

| | Principal | |
|---|--------------------|-------------------|
| | Amount (\$) | Value (\$) |
| Senior Loans^(a) (continued) | | |
| TELECOMMUNICATIONS (continued) | | |
| The TelX Group, Inc. Second Lien Initial Term Loan, 7.50%, 04/09/21 | 600,000 | 598,751 |
| U.S. TelePacific Corp. Term Loan, 02/23/17 ^(c) | 3,497,920 | 3,497,920 |
| | | 17,084,048 |
| TRANSPORTATION: CARGO - 2.3% | | |
| Carrix, Inc. Term Loan, 01/07/19 ^(c) | 4,030,741 | 3,824,166 |
| Commercial Barge Line Co. First Lien Initial Term Loan, 7.50%, 09/22/19 | 1,676,470 | 1,685,900 |
| OSG Bulk Ships, Inc. Initial Term Loan, 5.25%, 08/05/19 | 1,052,363 | 1,048,858 |
| | | 6,558,924 |
| TRANSPORTATION: CONSUMER - 0.9% | | |
| Blue Bird Body Co. Term Loan, 6.50%, 06/26/20 ^(b) | 1,477,941 | 1,459,467 |
| Travel Leaders Group, LLC Tranche B Term Loan, 7.00%, 12/05/18 | 1,175,625 | 1,170,482 |
| | | 2,629,949 |
| UTILITIES: ELECTRIC - 0.2% | | |
| TerraForm Power Operating, LLC Term Loan, 4.75%, 07/23/19 | 498,750 | 501,244 |

| | | |
|--|--|--------------------|
| Total Senior Loans (Cost \$249,737,006) | | 251,219,990 |
|--|--|--------------------|

Corporate Notes and Bonds - 40.3%**BANKING, FINANCE, INSURANCE & REAL ESTATE - 6.2%**

| | | |
|--|-----------|------------|
| First Data Corp. 10.63%, 06/15/21 | 3,256,000 | 3,719,980 |
| 11.25%, 01/15/21 | 1,190,000 | 1,358,088 |
| Jefferies Finance, LLC / JFIN Co-Issuer Corp. 7.38%, 04/01/20 ^(h) | 5,500,000 | 5,651,250 |
| KCG Holdings, Inc. (Knight Capital) 8.25%, 06/15/18 ^(h) | 3,934,000 | 4,111,030 |
| SquareTwo Financial Corp. 11.63%, 04/01/17 | 2,684,000 | 2,690,710 |
| | | 17,531,058 |

BEVERAGE, FOOD & TOBACCO - 5.2%

| | | |
|--|-----------|------------|
| Chiquita Brands International, Inc. / Chiquita Brands, LLC 7.88%, 02/01/21 | 5,256,000 | 5,696,190 |
| Land O Lakes Capital Trust I 7.45%, 03/15/28 ^(h) | 6,719,000 | 6,954,165 |
| NBTY, Inc. 9.00%, 10/01/18 | 2,000,000 | 2,090,000 |
| | | 14,740,355 |

Principal**Amount (\$)****Value (\$)****CAPITAL EQUIPMENT - 0.4%**

| | | |
|---|-----------|-----------|
| Waterjet Holdings, Inc. 7.63%, 02/01/20 ^(h) | 1,043,000 | 1,082,112 |
|---|-----------|-----------|

CHEMICALS, PLASTICS & RUBBER - 5.0%

| | | |
|---|-----------|-----------|
| Magnetation, LLC / Mag Finance Corp. 11.00%, 05/15/18 ^(h) | 3,323,000 | 3,389,460 |
| Rentech Nitrogen Partners, L.P. / Rentech Nitrogen Finance Corp. 6.50%, 04/15/21 ^(h) | 4,220,000 | 4,209,450 |
| TPC Group, Inc. 8.75%, 12/15/20 ^(h) | 6,000,000 | 6,405,000 |

| | | |
|--|-----------|------------|
| | | 14,003,910 |
| CONSUMER GOODS: NON-DURABLE - 1.9% | | |
| American Greetings Corp. 7.38%, 12/01/21 ^(b) | 5,000,000 | 5,237,500 |
| ENERGY: OIL & GAS - 4.1% | | |
| Sidewinder Drilling, Inc. 9.75%, 11/15/19 ^(h) | 6,000,000 | 6,060,000 |
| Summit Midstream Holdings, LLC / Summit Midstream Finance Corp. 7.50%, 07/01/21 | 5,000,000 | 5,375,000 |
| | | 11,435,000 |
| HEALTHCARE & PHARMACEUTICALS - 2.7% | | |
| InVentiv Health, Inc. 10.00%, 08/15/18 ^{(f)(h)} | 2,693,000 | 2,504,490 |
| 11.00%, 08/15/18 ^(h) | 1,940,000 | 1,571,400 |
| Valeant Pharmaceuticals International, Inc. (Canada) 7.50%, 07/15/21 ^{(e)(h)} | 3,200,000 | 3,436,000 |
| | | 7,511,890 |
| HOTEL, GAMING & LEISURE - 0.8% | | |
| DreamWorks Animation SKG, Inc. 6.88%, 08/15/20 ^(h) | 2,000,000 | 2,100,000 |
| MEDIA: ADVERTISING, PRINTING & PUBLISHING - 0.6% | | |
| Anna Merger Sub, Inc. 7.75%, 10/01/22 ^(h) | 1,600,000 | 1,612,000 |
| MEDIA: BROADCASTING & SUBSCRIPTION - 2.7% | | |
| Columbus International, Inc. (Barbados) 7.38%, 03/30/21 ^{(e)(h)} | 3,285,000 | 3,428,719 |
| Nara Cable Funding Ltd. (Ireland) 8.88%, 12/01/18 ^{(e)(h)} | 2,625,000 | 2,766,094 |
| Radio One, Inc. 9.25%, 02/15/20 ^(h) | 1,484,000 | 1,487,710 |
| | | 7,682,523 |
| MEDIA: DIVERSIFIED & PRODUCTION - 0.9% | | |

| | | |
|---|-----------|-----------|
| SiTV, Inc. 10.38%, 07/01/19 ^(h) | 2,493,000 | 2,474,302 |
| METALS & MINING - 3.0% | | |
| Molycorp, Inc. 10.00%, 06/01/20 | 8,000,000 | 5,600,000 |

4 See accompanying Notes to Schedule of Investments.

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

| | Principal | |
|--|--------------------|--------------------|
| | Amount (\$) | Value (\$) |
| Corporate Notes and Bonds (continued) | | |
| METALS & MINING (continued) | | |
| SunCoke Energy, Inc. 7.38%, 02/01/20 ^(h) | 2,000,000 | 2,110,000 |
| 7.38%, 02/01/20 ^(h) | 606,000 | 639,329 |
| | | 8,349,329 |
| SERVICES: CONSUMER - 3.6% | | |
| Laureate Education, Inc. 9.25%, 09/01/19 ^(h) | 2,000,000 | 2,020,000 |
| StoneMor Partners, L.P./ Cornerstone Family Services of West Virginia 7.88%, 06/01/21 ^(h) | 7,921,000 | 8,198,235 |
| | | 10,218,235 |
| TELECOMMUNICATIONS - 2.5% | | |
| Avanti Communications Group PLC (United Kingdom) 10.00%, 10/01/19 ^{(e)(h)} | 1,827,000 | 1,827,000 |
| Avaya, Inc. 9.00%, 04/01/19 ^(h) | 5,255,000 | 5,320,688 |
| | | 7,147,688 |
| TRANSPORTATION: CARGO - 0.7% | | |
| XPO Logistics, Inc. 7.88%, 09/01/19 ^(h) | 2,000,000 | 2,075,000 |
| Total Corporate Notes and Bonds (Cost \$113,359,159) | | 113,200,902 |

Asset-Backed Securities - 14.2%⁽ⁱ⁾

| | | |
|--|--------------------|-------------------|
| Atlas Senior Loan Fund Ltd. (Cayman Islands) Series 2012-1A, Class B2L, 6.48%, 08/15/24 ^{(e)(h)(j)} | 4,000,000 | 3,931,400 |
| Series 2012-1A, Class B3L, 7.73%, 08/15/24 ^{(b)(e)(h)(j)} | 5,000,000 | 5,006,250 |
| Battalion CLO Ltd. (Cayman Islands) Series 2012-3A, Class D, 5.53%, 01/18/25 ^{(e)(h)(j)} | 1,650,000 | 1,552,898 |
| Cent CLO 17 Ltd. (Cayman Islands) Series 2013-17A, Class D, 6.24%, 01/30/25 ^{(b)(e)(h)(j)} | 4,000,000 | 3,894,000 |
| CIFC Funding Ltd. (Cayman Islands) Series 2012-2X, Class B2L, 6.23%, 12/05/24 ^{(b)(e)(j)} | 3,000,000 | 2,923,500 |
| Dryden XXIV Senior Loan Fund (Cayman Islands) Series 2012-24A, Class E, 6.13%, 11/15/23 ^{(e)(h)(j)} | 1,000,000 | 976,499 |
| | Principal | |
| | Amount (\$) | Value (\$) |
| ECP CLO Ltd. (Cayman Islands) 6.78%, 07/15/26 ^{(b)(e)(h)(j)} | 4,000,000 | 3,986,400 |
| JFIN CLO 2012 Ltd. (Cayman Islands) Series 2012-1A, Class D, 5.73%, 07/20/23 ^{(e)(h)(j)} | 3,000,000 | 2,837,550 |
| JFIN CLO 2013 Ltd. (Cayman Islands) 6.23%, 01/20/25 ^{(b)(e)(h)(j)} | 2,000,000 | 1,747,960 |
| Marea CLO Ltd. (Cayman Islands) Series 2012-1A, Class E, 6.33%, 10/16/23 ^{(b)(e)(h)(j)} | 4,000,000 | 3,912,156 |
| NXT Capital CLO 2014-1, LLC 5.80%, 04/23/26 ^{(b)(h)(j)} | 5,000,000 | 4,652,350 |
| OCP CLO Ltd. (Cayman Islands) Series 2014-5A, Class E, 5.49%, 04/26/26 ^{(b)(e)(h)(j)} | 3,000,000 | 2,471,124 |
| Octagon Investment Partners XIV Ltd. (Cayman Islands) Series 2012-1A, Class E, 6.73%, 01/15/24 ^{(b)(e)(h)(j)} | 2,200,000 | 2,043,846 |
| Total Asset-Backed Securities (Cost \$40,422,940) | | 39,935,933 |

Share**Quantity****Value (\$)**

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

Watford Holdings, Ltd. (Bermuda)

8.50% ^{(b)(e)} 160,000 3,920,000**Total Preferred Stock****(Cost \$3,920,000) 3,920,000****Warrants - 0.0%****BANKING, FINANCE, INSURANCE & REAL ESTATE - 0.0%**

Medical Card System, Inc.

07/26/18^(b) 50,689 12,672**Total Warrants****(Cost \$) 12,672****Total Investments-145.3%****408,289,497**(Cost of \$407,439,105) ^(k)**Other Assets & Liabilities, Net-3.8%****10,669,222****Loan Outstanding-(49.1)%****(138,000,000)****Net Assets -100.0%****280,958,719**

^(a) Senior Loans are senior, secured loans made to companies whose debt is rated below investment grade and investments with similar characteristics. Senior Loans typically hold a first lien priority and pay interest at rates that are determined periodically on the basis of a floating base lending rate plus a spread. Unless otherwise identified, all Senior Loans carry a variable rate of interest. These base lending rates are primarily the London Interbank Offered Rate (LIBOR) and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate used by commercial lenders. The rates shown represent the weighted average rate at September 30, 2014. Senior Loans are generally not registered under the 1933 Act and often contain certain restrictions on resale and cannot be sold publicly. Senior Loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual maturity may be substantially less than the stated maturity shown.

See accompanying Notes to Schedule of Investments. 5

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

- (b) Fair Value Level 3 security. All remaining securities are categorized as Level 2.
- (c) All or a portion of this position has not settled. Full contract rates do not take effect until settlement date.
- (d) Fixed rate asset.
- (e) Foreign issuer traded in U.S. dollars.
- (f) Represents a payment-in-kind security which may pay interest in additional principal amount.
- (g) Senior Loan assets have additional unfunded loan commitments. As of September 30, 2014, the Fund had unfunded loan commitments, which could be extended at the option of the borrower, pursuant to the following loan agreements:

| Borrower | Unfunded Loan Commitments |
|-----------------------------------|--------------------------------------|
| Charger OpCo B.V. (Oak Tea, Inc.) | \$3,693,609 |
| GTCR Valor Companies, Inc. | 865,442 |
| The SI Organization, Inc. | 88,137 |
| Total Unfunded Loan Commitments | \$4,647,188 |

- (h) Securities exempt from registration pursuant to Rule 144A under the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. At September 30, 2014, these securities amounted to \$118,445,867, or 42.2% of net assets.
- (i) Asset-backed securities include collateralized loan obligations (CLOs). A CLO typically takes the form of a financing company (generally called a special purpose vehicle or SPV), created to reappportion the risk and return characteristics of a pool of assets. While the assets underlying CLOs are often Senior Loans or corporate notes and bonds, the assets may also include (i) subordinated loans; (ii) debt tranches of other CLOs; and (iii) equity securities incidental to investments in Senior Loans. The Fund may invest in lower tranches of CLOs, which typically experience a lower recovery, greater risk of loss or deferral or non-payment of interest than more senior tranches of the CLO. A key feature of the CLO structure is the prioritization of the cash flows from a pool of debt securities among the several classes of the CLO. The SPV is a company founded for the purpose of securitizing payment claims arising out of this asset pool. On this basis, marketable securities are issued by the SPV which, due to the diversification of the underlying risk, generally represent a lower level of risk than the original assets. The redemption of the securities issued by the SPV typically takes place at maturity out of the cash flow generated by the collected claims.
- (j) Floating rate asset. The interest rate shown reflects the rate in effect at September 30, 2014.
- (k)

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Cost for U.S. federal income tax purposes differs from book basis primarily due to the deferral of losses from wash sales. Unrealized appreciation and depreciation on investments are as follows:

Gross unrealized appreciation

| | |
|-------------------------------|--------------|
| | \$ 5,468,182 |
| Gross unrealized depreciation | (4,624,686) |
| Net unrealized appreciation | \$ 843,496 |

6 See accompanying Notes to Schedule of Investments.

Apollo Tactical Income Fund Inc.

Notes to Schedule of Investments

September 30, 2014 (unaudited)

Security Valuation

Apollo Tactical Income Fund Inc. (the Fund) values its investments primarily using the mean of the bid and ask prices provided by a nationally recognized security pricing service or broker. Senior Loans, corporate notes and bonds, preferred stock, warrants and asset-backed securities are priced based on valuations provided by an approved independent pricing service or broker, if available. If market or broker quotations are not available or a price is not available from an independent pricing service or broker, or if the price provided by the independent pricing service or broker is believed to be unreliable, the security will be fair valued pursuant to procedures adopted by the Fund's board of directors (the Board). In general, the fair value of a security is the amount that the Fund might reasonably expect to receive upon the sale of an asset or pay to transfer a liability in an orderly transaction between willing market participants at the reporting date. Fair value procedures can, but are not obligated to, take into account any factors deemed relevant, which may include, among others, (i) the nature and pricing history of the security, (ii) the liquidity or illiquidity of the market for the particular security, (iii) recent purchases or sales transactions for the particular security or similar securities, and (iv) press releases and other information published about the issuer. In these cases, the Fund's net asset value (NAV) will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAV. Determination of fair value is uncertain because it involves subjective judgments and estimates. There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security.

Fair Value Measurements:

The Fund has performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. The three levels of the fair value hierarchy are described below:

Level 1 Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;

Level 2 Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades, broker quotations that constitute an executable price, and alternative pricing sources supported by observable inputs which, in each case, are either directly or indirectly observable for the asset in connection with market data at the measurement date; and

Level 3 Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that

reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

At the end of each reporting period, management evaluates the Level 2 and Level 3 assets, if any, for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from independent pricing services, and the existence of contemporaneous, observable trades in the market.

Apollo Tactical Income Fund Inc.

Notes to Schedule of Investments (continued)

September 30, 2014 (unaudited)

The valuation techniques used by the Fund to measure fair value at September 30, 2014 maximized the use of observable inputs and minimized the use of unobservable inputs. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers into and out of the levels are recognized at the value at the end of the period. A summary of the Fund's investments categorized in the fair value hierarchy as of September 30, 2014 is as follows:

| Assets in Fair Value Hierarchy: | Fair Value at September 30, 2014 | Level 1 Quoted Price | Level 2 Significant Observable Inputs | Level 3 Significant Unobservable Inputs |
|---------------------------------|--|-------------------------|--|--|
| Cash and Cash Equivalents | \$ 15,513,682 | \$ 15,513,682 | \$ | \$ |
| Senior Loans | 251,219,990 | | 194,887,023 | 56,332,967 |
| Corporate Notes and Bonds | 113,200,902 | | 107,963,402 | 5,237,500 |
| Asset-Backed Securities | 39,935,933 | | 9,298,347 | 30,637,586 |
| Preferred Stock | 3,920,000 | | | 3,920,000 |
| Warrants | 12,672 | | | 12,672 |
| Total Assets | \$ 423,803,179 | \$ 15,513,682 | \$ 312,148,772 | \$ 96,140,725 |

The Fund did not have any liabilities that were measured at fair value at September 30, 2014. The following is a reconciliation of Level 3 holdings for which significant unobservable inputs were used in determining fair value as of September 30, 2014:

| | Corporate | | | | | |
|---------------------------------|---------------|---------------|--------------------|----------------------------|--------------------|----------|
| | Fair Value | Senior Loans | Notes and Bonds | Asset-Backed Securities | Preferred Stock | Warrants |
| Fair Value, beginning of period | \$ 90,759,035 | \$ 41,939,669 | \$ 30,897,963 | \$ 17,913,800 | \$ | \$ 7,603 |
| Purchases | 52,438,977 | 33,394,893 | | 15,124,084 | 3,920,000 | |
| Sales | (27,973,683) | (20,971,535) | (5,002,148) | (2,000,000) | | |
| | 219,674 | 163,109 | 3,682 | 52,883 | | |

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| | | | | | | |
|---|---------------|---------------|--------------|---------------|--------------|-----------|
| Accretion/(amortization) of discounts/(premiums) | | | | | | |
| Net realized gain/(loss) | 338,439 | 243,657 | 91,409 | 3,373 | | |
| Change in net unrealized appreciation/(depreciation) | 1,037,920 | 406,201 | 1,083,204 | (456,554) | | 5,069 |
| Transfers into Level 3 | 15,105,173 | 15,105,173 | | | | |
| Transfers out of Level 3 | (35,784,810) | (13,948,200) | (21,836,610) | | | |
| Total Fair Value, end of period | \$ 96,140,725 | \$ 56,332,967 | \$ 5,237,500 | \$ 30,637,586 | \$ 3,920,000 | \$ 12,672 |

Investments were transferred into and out of Level 3 and into and out of Level 2 during the nine months ended September 30, 2014 due to changes in the quantity and quality of information obtained to support the fair value of each investment as assessed by Apollo Credit Management, LLC, the Fund's investment adviser. The net change in unrealized appreciation/ (depreciation) attributable to Level 3 investments still held at September 30, 2014 was \$(347,667).

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

The following table provides quantitative measures used to determine the fair values of the Level 3 investments as of September 30, 2014:

| Assets | Fair Value at September 30, 2014 | Valuation Technique(s) | Unobservable Input(s) | Multiple | Weighted |
|------------------------------|--|--|--------------------------------|----------|------------------------|
| | | | | | Average or Range |
| Senior Loans | \$ 56,332,967 | Third-party pricing service and/or broker quotes | Vendor and/or broker quotes | N/A | N/A |
| Corporate Notes and Bonds | 5,237,500 | Third-party pricing service and/or broker quotes | Vendor and/or broker quotes | N/A | N/A |
| Asset-Backed Securities | 30,637,586 | Third-party pricing service and/or broker quotes | Vendor and/or broker quotes | N/A | N/A |
| Preferred Stock Warrants | 3,920,000 | Cost ⁽¹⁾ | N/A | N/A | N/A |
| | 12,672 | Third-party pricing service and/or broker quotes | Vendor and/or broker quotes | N/A | N/A |
| Total Fair Value | \$ 96,140,725 | | | | |

⁽¹⁾ The Fund values its Level 3 investments in accordance with its fair valuation procedures. These investments are generally privately held securities. There may not be a secondary market for these securities, the issuer may be newly formed and/or there may be a limited number of investors seeking to purchase or sell these securities. The value of certain Level 3 securities may be estimated to approximate cost. The value of such securities is monitored utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that may affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and/or the fact that comparable public companies are not identical to the investments being fair valued by the Fund.

For more information with regard to significant accounting policies, see the Fund's most recent semi-annual report filed with the Securities and Exchange Commission.

Item 2. Controls and Procedures.

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

- (b) There were no changes in the Fund's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the Fund's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Fund's internal control over financial reporting.

Item 3. Exhibits.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act are attached hereto.

SIGNATURES

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

(Registrant) Apollo Tactical Income Fund Inc.

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

(principal executive officer)

Date November 21, 2014

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

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

(principal executive officer)

Date November 21, 2014

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

(principal financial officer)

Date November 21, 2014