APOLLO INVESTMENT CORP
Form 497
September 12, 2014

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Prospectus Supplement

To Prospectus dated September 12, 2014

UP TO 16,000,000 SHARES

COMMON STOCK

Apollo Investment Corporation is a closed-end, externally managed, non-diversified management investment company that has elected to be treated as a business development company, or BDC, under the Investment Company Act of 1940, or 1940 Act. Our investment objective is to generate current income and capital appreciation. We invest primarily in various forms of debt investments including secured and unsecured loans, mezzanine investments and/or equity in private U.S. middle-market companies. We may also invest in the securities of public companies and structured products such as collateralized loan obligations.

We have entered into separate equity distribution agreements, each dated September 12, 2014, with each of SunTrust Robinson Humphrey, Inc., Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated relating to shares of common stock offered by this prospectus supplement and the accompanying prospectus. We sometimes refer to SunTrust Robinson Humphrey, Inc., Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated individually as a Sales Manager and together as the Sales Managers.

The equity distribution agreements provide that we may offer and sell up to 16,000,000 shares of our common stock from time to time through the Sales Managers, as our agents for the offer and sale of such common stock. Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made by means of ordinary brokers transactions on the NASDAQ Global Select Market or that otherwise qualify for delivery of a prospectus to the NASDAQ Global Select Market in accordance with Rule 153 under the Securities Act of 1933, as amended, or the 1933 Act, at market prices prevailing at the time of sale, at prices related to prevailing market prices or negotiated transactions or as otherwise agreed with the applicable Sales Manager.

The Sales Managers will receive from us a commission to be negotiated from time to time but in no event in excess of 1.5% of the gross sales price of all shares of common stock sold through them as agents under the applicable equity distribution agreement. The Sales Managers are not required to sell any specific number or dollar amount of common stock, but each will use its commercially reasonable efforts to sell the common stock offered by this prospectus supplement and the accompanying prospectus. We may also sell our common stock to any Sales Manager as principal for its own account at prices agreed upon at the time of sale. See Plan of Distribution on page S-35 of this prospectus supplement.

Our common stock is traded on the NASDAQ Global Select Market under the symbol AINV. The last reported closing price for our common stock on September 11, 2014 was $8.83 per share. The offering price per share of our common stock sold in this offering less the Sales Managers commissions or discounts payable by us will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission. This information is available free of charge by contacting us at 9 West 57th Street, New York, New York 10019, or by calling us at (212) 515-3450. The Securities and Exchange Commission maintains a website at www.sec.gov where such information is available without charge upon written or oral request. Our Internet website address is www.apolloic.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

Investing in our securities involves a high degree of risk, including the risk of the use of leverage, and is highly speculative. Before buying any securities, you should read the discussion of the material risks of investing in our securities in Risk Factors beginning on page 8 of the accompanying prospectus and the additional risks noted in Risk Factors beginning on page S-8, respectively, of this prospectus supplement.

We invest in securities that have been rated below investment grade by independent rating agencies or that would be rated below investment grade if they were rated. These securities, which are often referred to as junk, have predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal. They may also be difficult to value and illiquid.

Neither the Securities and Exchange Commission nor any state securities commission, nor any other regulatory body, has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

SunTrust Robinson Humphrey **BofA Merrill Lynch** **Goldman, Sachs & Co.**

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, which we refer to collectively as the prospectus. We have not, and the Sales Managers have not, authorized anyone to provide you with additional information, or information different from that contained in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or additional information, you should not rely on it. We are offering to sell, and seeking offers to buy, securities only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement or such base prospectus, respectively. Our business, financial condition, results of operations and prospects may have changed since then.

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PROSPECTUS

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THE OFFERING

Common stock offered by us	Up to 16,000,000 shares.
Common stock outstanding prior to the date of this prospectus supplement	236,741,351 shares.
Use of Proceeds	We expect to use the net proceeds from this offering initially to maintain balance sheet liquidity, involving repayment of indebtedness owed under our senior secured, multi-currency, revolving credit facility (the Senior Secured Facility), if any, investments in high quality short-term debt instruments or a combination thereof, and thereafter to make long-term investments in accordance with our investment objective. See Use of Proceeds.
The NASDAQ Global Select Market Symbol	AINV
Risk Factors	See Risk Factors in this prospectus supplement and the accompanying prospectus and other information in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before you decide whether to make an investment in shares of our common stock.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in shares of our common stock will bear directly or indirectly. In these tables, we assume that we have borrowed $695 million under our Senior Secured Facility, in addition to our other indebtedness of $770 million and a maximum sales load of 1.5% pursuant to the equity distribution agreements. We caution you that the percentage indicated for Other expenses in the table below is an estimate and may vary. Except where the context suggests otherwise, whenever this prospectus supplement and the accompanying prospectus contain a reference to fees or expenses paid by you, us or Apollo Investment, or that we will pay fees or expenses, stockholders will indirectly bear such fees or expenses as investors in Apollo Investment.

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	1.5%(1)
Offering expenses (as a percentage of offering price)	0.25%(2)
Total stockholder transaction expenses (as a percentage of offering price)	1.75%(3)
Annual expenses (as percentage of net assets attributable to common stock) (4):	
Management fees	3.45%(5)
Incentive fees payable under investment advisory and management agreement	2.41%(6)
Interest and other debt expenses on borrowed funds	3.45%(7)
Other expenses	0.70%(8)
Total annual expenses (9)	10.02%(5,6,7,8)

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. These dollar amounts are based upon payment by an investor of a 1.5% sales load (Sales Manager commissions) and the assumption that our annual operating expenses and leverage would remain at the levels set forth in the table above (other than performance-based incentive fees).

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$ 89	$ 231	$ 366	$ 674

While the example assumes, as required by the Securities and Exchange Commission (the SEC), a 5% annual return, our performance will vary and may result in a return greater or less than 5%. Assuming a 5% annual return, the incentive fee under the investment advisory and management agreement may not be earned or payable and is not included in the example. This illustration assumes that we will not realize any capital gains computed net of all realized capital losses and gross unrealized capital depreciation in any of the indicated time periods. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See Dividend Reinvestment Plan in the accompanying prospectus for additional information regarding our dividend reinvestment plan.

This example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown.

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(1) Represents the Sales Manager commissions with respect to the shares to be sold by us in this offering. The Sales Managers will be entitled to compensation of up to 1.5% of the gross proceeds of the sale of any shares of our common stock under the equity distribution agreements, with the exact amount of such compensation to be mutually agreed upon by the Company and the Sales Managers from time to time. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

(2) The offering expenses of this offering are estimated to be approximately $350,000.

(3) The expenses of the dividend reinvestment plan per share are included in Other expenses.

(4) Net assets attributable to common stock equals net assets as of June 30, 2014 plus the anticipated net proceeds from this offering.

(5) The contractual management fee is calculated at an annual rate of 2.00% of our average total assets. Estimate is calculated assuming that proceeds from this offering are used to repay debt and are not invested into new investments. Annual expenses are based on current fiscal year estimates. For more detailed information about our computation of average total assets, please see Note 3 of our financial statements dated June 30, 2014 included herein.

(6) Assumes that annual incentive fees earned by our investment adviser, Apollo Investment Management, L.P. (AIM), remain consistent with the incentive fees accrued by AIM for the current fiscal quarter. AIM earns incentive fees consisting of two parts. The first part, which is payable quarterly in arrears, is based on our pre-incentive fee net investment income for the immediately preceding calendar quarter. 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% quarterly (7% annualized). Our net investment income used to calculate this part of the incentive fee is also included in the amount of our gross assets used to calculate the 2% base management fee (see footnote 5 above). Accordingly, we pay AIM an incentive fee 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 the performance threshold 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 pro rated 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%, AIM will receive a fee of 20% of our pre-incentive fee net investment income for the quarter. You should be aware that a rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates would make it easier for us to meet or exceed the incentive fee performance threshold and may result in a substantial increase of the amount of incentive fees payable to our investment adviser with respect to pre-incentive fee net investment income. Furthermore, since the performance threshold is based on a percentage of our net asset value, decreases in our net asset value make it easier to achieve the performance threshold. The second part of the incentive fee will equal 20% of our realized capital gains for the calendar year, if any, computed net of all realized capital losses and unrealized capital depreciation (and incorporating unrealized depreciation on a gross investment-by-investment basis) and is payable in arrears at the end of each calendar year. The net incentive fees are currently entirely attributable to net investment income incentive fees. For a more detailed discussion of the calculation of this fee, see Management Investment Advisory and Management Agreement in the accompanying prospectus.

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(7) Our interest and other debt expenses are based on current fiscal year estimates. We currently have $443.7 billion available under our Senior Secured Facility, of which we had $801 million in borrowings outstanding and $1.57 billion in total debt outstanding as of June 30, 2014. For more information, see Risk Factors Risks relating to our business and structure We fund a portion of our investments with borrowed money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us in the accompanying prospectus and Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources in this prospectus supplement.

(8) Includes our estimated overhead expenses, including payments under the administration agreement based on our estimated allocable portion of overhead and other expenses incurred by Apollo Investment Administration, LLC in performing its obligations under the administration agreement between the Company and Apollo Investment Administration, LLC (the Administration Agreement). See Management Administration Agreement in the accompanying prospectus.

(9) Total annual expenses as a percentage of net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage our net assets and increase our total assets. The SEC requires that the Total annual expenses percentage be calculated as a percentage of net assets (defined as total assets less indebtedness), rather than the total assets, including assets that have been funded with borrowed monies. If the Total annual expenses percentage were calculated instead as a percentage of total assets as of June 30, 2014 plus anticipated net proceeds from this offering, our Total annual expenses would be 5.80% of total assets.

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BUSINESS

This summary highlights some of the information in this prospectus supplement. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information set forth under Risk Factors in this prospectus supplement and in the accompanying prospectus and the other information included in this prospectus supplement and the accompanying prospectus. In this prospectus supplement and the accompanying prospectus, except where the context suggests otherwise, the terms we, us, our, and Apollo Investment refer to Apollo Investment Corporation; AIM or investment adviser refers to Apollo Investment Management, L.P.; Apollo Administration or AIA refers to Apollo Investment Administration, LLC; and Apollo refers to the affiliated companies of Apollo Investment Management, L.P.

Apollo Investment

Apollo Investment Corporation, a Maryland corporation organized 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 through our debt and equity investments. We invest primarily in various forms of debt investments including secured and unsecured loans, mezzanine investments and/or equity in private U.S. middle-market companies. We may also invest in the securities of public companies and structured products such as collateralized loan obligations and credit-linked notes.

Our portfolio is comprised primarily of investments in debt, including secured, unsecured and mezzanine debt of private U.S. middle-market companies that, in the case of senior secured loans, generally are not broadly syndicated and whose aggregate tranche size is less than $250 million. Our portfolio also includes equity interests such as common stock, preferred stock, warrants or options. In this prospectus, we use the term middle-market to refer to companies with annual revenues between $50 million and $2 billion. While our investment objective is to generate current income and capital appreciation through investments in U.S. secured and unsecured loans, other debt securities and equity, we may also invest a portion of the portfolio in other investment opportunities, including foreign securities and structured products. Most of the debt instruments we invest in are unrated or rated below investment grade, which is often an indication of size, credit worthiness and speculative nature relative to the capacity of the borrower to pay interest and principal. Generally, if Apollo Investment s unrated investments were rated, they would be rated below investment grade. These securities, which are often referred to as junk or high yield, have predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal. They may also be difficult to value and illiquid. See Risk Factors Risks Related to Our Investments in the accompanying prospectus.

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.

During the three months ended June 30, 2014, we invested $650 million across 25 new and 24 existing portfolio companies, through a combination of primary and secondary market purchases. This

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compares to investing $788 million in 23 new and 23 existing portfolio companies for the three months ended June 30, 2013. Investments sold or repaid during the three months ended June 30, 2014 totaled $517 million versus $580 million for the three months ended June 30, 2013. The weighted average yields on our secured debt portfolio, unsecured debt portfolio, and total debt portfolio as of June 30, 2014 at our current cost basis were 10.9%, 11.5%, and 11.1%, respectively, exclusive of securities on non-accrual status. The weighted average yields on our secured debt portfolio, unsecured debt portfolio, and total debt portfolio as of March 31, 2014 at the current cost basis were 10.8%, 11.5%, and 11.1%, respectively, exclusive of securities on non-accrual status.

Our targeted investment size typically ranges between $20 million and $250 million, although this investment size may vary as the size of our available capital base changes. At June 30, 2014, our portfolio consisted of 117 portfolio companies (which reflects counting investments in operating and holding companies within the same corporate structure as one portfolio company) and was invested 59% in secured debt, 22% in unsecured debt, 8% in structured products and other, and 11% in common equity, preferred equity and warrants measured at fair value versus 111 portfolio companies invested 56% in secured debt, 27% in unsecured debt, 6% in structured products and other, and 11% in common equity, preferred equity and warrants measured at fair value at March 31, 2014.

Since the initial public offering of Apollo Investment in April 2004, and through June 30, 2014, invested capital totaled $13.8 billion in 316 portfolio companies. Over the same period, Apollo Investment completed transactions with more than 100 different financial sponsors. A financial sponsor is a term commonly used to refer to private equity investment firms, particularly those private equity firms that engage in leveraged buyout transactions.

At June 30, 2014, 53% or $1.7 billion of our income-bearing investment portfolio was fixed rate debt and 47% or $1.5 billion was floating rate debt, measured at fair value. On a cost basis, 53% or $1.7 billion of our income-bearing investment portfolio was fixed rate debt and 47% or $1.5 billion was floating rate debt. At March 31, 2014, 58% or $1.7 billion of our income-bearing investment portfolio was fixed rate debt and 42% or $1.3 billion was floating rate debt at fair value. On a cost basis, 58% or $1.7 billion of our income-bearing investment portfolio was fixed rate debt and 42% or $1.2 billion was floating rate debt.

About Apollo Investment Management

AIM, our investment adviser, is led by John J. Hannan, James C. Zelter and Edward Goldthorpe. Potential investment opportunities are generally approved by an investment committee composed of senior personnel across AGM, including Mr. Zelter and Mr. Goldthorpe. The composition of the investment committee and its approval process for our investments may change from time to time. AIM draws upon AGM s more than 20 year history and benefits from the broader firm s significant capital markets, trading and research expertise developed through investments in many core sectors in over 200 companies since inception.

About Apollo Investment Administration

In addition to furnishing us with office facilities, equipment, and clerical, bookkeeping and record keeping services, AIA, an affiliate of AGM, also oversees our financial records as well as prepares our reports to stockholders 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.

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Our Corporate Information

Our administrative and principal executive offices are located at 730 Fifth Avenue, New York, NY 10019 and 9 West 57th Street, New York, NY, 10019, respectively. Our common stock is quoted on the NASDAQ Global Select Market under the symbol AINV. Our Internet website address is www.apolloic.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

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RISK FACTORS

In addition to the other information set forth in this prospectus supplement, you should carefully consider the factors discussed below, and those set forth under the caption Risk Factors in the accompanying prospectus and in this prospectus supplement, which could materially affect our business, financial condition and/or operating results. The risks described below and in the accompanying prospectus and this prospectus supplement are not the only risks we face. 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, operating results, dividend payments, Senior Secured Facility, access to capital and valuation of our assets.

Our most recent NAV was calculated on June 30, 2014 and our NAV when calculated effective September 30, 2014 may be higher or lower.

Our most recently determined net asset value (NAV) per share was $8.74 as of June 30, 2014. NAV per share as of September 30, 2014, may be higher or lower than our NAV per share as of June 30, 2014 based on potential changes in valuations, issuances of securities, dividends paid and earnings for the quarter then ended. Our Board of Directors has not yet determined the fair value of portfolio investments at any date subsequent to June 30, 2014. Our Board of Directors determines the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from independent valuation firms, our investment adviser and the audit committee of our Board of Directors.

Senior securities, including debt, expose us to additional risks, including the typical risks associated with leverage.

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as senior securities, up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after each issuance of senior securities. If the value of our assets declines, we may be unable to maintain asset coverage above the 200% level. If that happens, the contractual arrangements governing these securities may require us to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous.

The amount of leverage that we employ will depend on our investment adviser s and our Board of Directors assessment of market conditions and other factors at the time of any proposed borrowing. There is no assurance that a leveraging strategy will be successful. Leverage involves risks and special considerations for stockholders, including:

- A likelihood of greater volatility in the net asset value and market price of our common stock;
- Diminished operating flexibility as a result of asset coverage or investment portfolio composition requirements required by lenders or investors that are more stringent than those imposed by the 1940 Act;
- The possibility that investments will have to be liquidated at less than full value or at inopportune times to comply with debt covenants or to pay interest or dividends on the leverage;

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- Increased operating expenses due to the cost of leverage, including issuance and servicing costs;

- Convertible or exchangeable securities issued in the future may have rights, preferences and privileges more favorable than those of our common stock; and

- Subordination to lenders superior claims on our assets as a result of which lenders will be able to receive proceeds available in the case of our liquidation before any proceeds will be distributed to our stockholders.

For example, the amount we may borrow under our Senior Secured Facility is determined, in part, by the fair value of our investments. If the fair value of our investments declines, we may be forced to sell investments at a loss to maintain compliance with our borrowing limits. Other forms of leverage we may enter into in the future may contain similar provisions. Any such forced sales would reduce our net asset value and also make it difficult for the net asset value to recover. Our investment adviser and our Board of Directors in their best judgment nevertheless may determine to use leverage if they expect that the benefits to our stockholders of maintaining the leveraged position will outweigh the risks.

The following table is designed to illustrate the effect on return to a holder of our common stock of the leverage created by our use of borrowing and potential issuance of preferred stock, at the weighted average annual interest rate of 4.44% for the three months ended June 30, 2014, and assuming the same average dividend rate on any preferred stock that we might issue and hypothetical annual returns on our portfolio of minus 10 to plus 10 percent. As can be seen, leverage generally increases the return to stockholders when the portfolio return is positive and decreases the return when the portfolio return is negative. Actual returns may be greater or less than those appearing in the table.

Assumed Return on Portfolio (net of expenses) (1)	**-10.0%**	**-5.0%**	**0%**	**5.0%**	**10%**
Corresponding Return to Common Stockholders (2)	(21.0)%	(12.2)%	(3.4)%	5.4%	14.2%

(1) The assumed portfolio return is required by regulation of the SEC and is not a prediction of, and does not represent, our projected or actual performance.

(2) In order to compute the Corresponding Return to Common Stockholders, the Assumed Return on Portfolio (net of expenses) is multiplied by the total value of our assets at the beginning of the period to obtain an assumed return to us. From this amount, all interest expense accrued during the period is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets as of the beginning of the period to determine the Corresponding Return to Common Stockholders.

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USE OF PROCEEDS

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made by means of ordinary brokers transactions on the NASDAQ Global Select Market or that otherwise qualify for delivery of a prospectus to the NASDAQ Global Select Market in accordance with Rule 153 under the 1933 Act, at market prices prevailing at the time of sale, at prices related to prevailing market prices or negotiated transactions or as otherwise agreed with the applicable Sales Manager. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in this paragraph depending on, among other things, the market price of our common stock and the net asset value per share of our common stock at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this prospectus supplement. However, the offering price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less the Sales Managers commissions and discounts payable by us, will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering. Assuming the sale of all 16,000,000 shares of common stock offered under this prospectus supplement and the accompanying prospectus at a sale price of $8.88 per share for our common stock, we estimate that the net proceeds of this offering will be approximately $139.6 million after deducting the estimated Sales Managers commissions and our estimated offering expenses.

We expect to use the net proceeds from this offering initially to maintain balance sheet liquidity, involving repayment of indebtedness owed under our Senior Secured Facility, if any, investments in high quality short-term debt instruments or a combination thereof, and thereafter to make long-term investments in accordance with our investment objective. We anticipate that substantially all of the net proceeds from this offering will be used for the above purposes within six months, depending on the availability of appropriate investment opportunities consistent with our investment objective and market conditions.

At September 11, 2014, we had approximately $761.84 million outstanding under our Senior Secured Facility. The remaining capacity under the Senior Secured Facility was $508.16 million at September 11, 2014. On September 13, 2013, Apollo Investment amended and restated its Senior Secured Facility. The Senior Secured Facility extended the lenders commitments totaling $1.25 billion through August 2017, and allows Apollo Investment to seek additional commitments from new and existing lenders in the future, up to an aggregate facility size not to exceed $1.71 billion. On April 16, 2014, Apollo Investment obtained an additional commitment from a new lender, increasing the size of the Senior Secured Facility to $1.27 billion. The Senior Secured Facility is secured by substantially all of the assets in Apollo Investment s portfolio, including cash and cash equivalents. The final maturity date of the Senior Secured Facility is August 31, 2018. Commencing September 30, 2017, Apollo Investment is required to repay, in twelve consecutive monthly installments of equal size, the outstanding amount under the Senior Secured Facility as of August 31, 2017. Pricing for Alternate Base Rate (ABR) borrowings is 100 basis points over the greater of (i) the applicable Prime Rate, (ii) the Federal Funds Effective Rate plus $^1/_2$ of 1% and (iii) the one-month LIBO Rate plus 1%, and pricing for eurocurrency borrowings is 200 basis points over the Adjusted LIBO Rate. Terms used in the foregoing sentence have the meanings set forth in the Senior Secured Facility.

Affiliates of the Sales Managers are lenders under the Senior Secured Facility. Accordingly, affiliates of the Sales Managers may receive a portion of the net proceeds from offerings made pursuant to this prospectus supplement and the accompanying prospectus through the repayment of any borrowings.

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SENIOR SECURITIES

Information about our senior securities is shown in the following table as of each year ended March 31 since Apollo Investment commenced operations, unless otherwise noted. The indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities. The report of our independent registered public accounting firm covering the total amount of senior securities outstanding as of March 31, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007 and 2006 is attached as an exhibit to the registration statement of which this prospectus is a part.

Class and Year	Total Amount Outstanding (1)	Asset Coverage Per Unit (2)	Involuntary Liquidating Preference Per Unit (3)	Estimated Market Value
Senior Secured Facility				
Fiscal 2015 (through June 30, 2014)	$ 801,018	$ 1,181		$ 800,215(4)
Fiscal 2014	602,261	1,095		602,983(4)
Fiscal 2013	536,067	1,137		551,097
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
Fiscal 2005				N/A
Senior Secured Notes				
Fiscal 2015 (through June 30, 2014)	$ 270,000	$ 399		$ 277,054(4)
Fiscal 2014	270,000	491		280,067(4)
Fiscal 2013	270,000	572		282,173
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
Fiscal 2005				N/A
2042 Notes				
Fiscal 2015 (through June 30, 2014)	$ 150,000	$ 221		$ 147,480(5)
Fiscal 2014	150,000	273		145,680(5)
Fiscal 2013	150,000	318		148,920
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
Fiscal 2005				N/A

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Class and Year	Total Amount Outstanding (1)	Asset Coverage Per Unit (2)	Involuntary Liquidating Preference Per Unit (3)	Estimated Market Value
2043 Notes				
Fiscal 2015 (through June 30, 2014)	$ 150,000	$ 221		$ 132,570(5)
Fiscal 2014	150,000	273		128,250(5)
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
Fiscal 2005				N/A
Convertible Notes				
Fiscal 2015 (through June 30, 2014)	$ 200,000	$ 295		$ 209,900(5)
Fiscal 2014	200,000	364		212,734(5)
Fiscal 2013	200,000	424		212,000
Fiscal 2012	200,000	529		N/A
Fiscal 2011	200,000	544		N/A
Fiscal 2010				N/A
Fiscal 2009				N/A
Fiscal 2008				N/A
Fiscal 2007				N/A
Fiscal 2006				N/A
Fiscal 2005				N/A
Total Debt Securities				
Fiscal 2015 (through June 30, 2014)	$ 1,571,018	$ 2,317	$	$ 1,567,219
Fiscal 2014	1,372,261	2,496		1,369,714
Fiscal 2013	1,156,067	2,451		1,194,190
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
Fiscal 2005				N/A

N/A - Not applicable

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

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by 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 specific Asset Coverage Per Unit for each class of debt, the total Asset Coverage Per Unit was divided based on the amount outstanding at the end of the period for each.

(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) The fair value of these debt obligations are categorized as Level 3 under ASC 820 as of June 30, 2014 and March 31, 2014. The valuation is based on a yield analysis and discount rate commensurate with the market yields for similar types of debt.

(5) The fair value of these debt obligations are categorized as Level 1 under ASC 820 as of June 30, 2014 and March 31, 2014. The valuation is based on quoted prices of identical liabilities in active markets.

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PRICE RANGE OF COMMON STOCK

Our common stock is traded on the NASDAQ Global Select Market under the symbol AINV. The following table lists the NAV per share of our common stock, the high and low closing sale price for our common stock, the closing sale price as a percentage of NAV, and quarterly dividends per share. The last reported closing sale price of our common stock on September 11, 2014 was $8.83 per share. As of September 11, 2014, we had 97 stockholders of record.

	NAV Per Share (1)	Closing Sales Price Per Share High	Closing Sales Price Per Share Low	Premium or Discount of High Sales Price to NAV (2)	Premium or Discount of Low Sales Price to NAV (2)	Dividends Per Share
Fiscal Year Ending March 31, 2015						
Second Fiscal Quarter (July 1, 2014 through September 11, 2014)	**	$ 8.83	$ 8.39	**	**	*
First Fiscal Quarter	$ 8.74	$ 8.61	$ 7.89	(1)%	(10)%	$ 0.20
Fiscal Year Ending March 31, 2014						
Fourth Fiscal Quarter	$ 8.67	$ 9.15	$ 8.14	6%	6%	$ 0.20
Third Fiscal Quarter	$ 8.57	$ 9.02	$ 8.05	5%	(6)%	$ 0.20
Second Fiscal Quarter	$ 8.30	$ 8.47	$ 7.77	2%	(6)%	$ 0.20
First Fiscal Quarter	$ 8.16	$ 8.87	$ 7.37	9%	(10)%	$ 0.20
Fiscal Year Ending March 31, 2013						
Fourth Fiscal Quarter	$ 8.27	$ 9.01	$ 8.23	9%	(1)%	$ 0.20
Third Fiscal Quarter	$ 8.14	$ 8.47	$ 7.29	4%	(10)%	$ 0.20
Second Fiscal Quarter	$ 8.46	$ 8.30	$ 7.57	(2)%	(11)%	$ 0.20
First Fiscal Quarter	$ 8.30	$ 7.67	$ 6.59	(8)%	(21)%	$ 0.20

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) Calculated as of the respective high or low closing sales price per share divided by the quarter end NAV per share.

* Dividends not yet declared.

** NAV not yet determined.

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SELECTED FINANCIAL DATA

The Statement of Operations, Per Share data and Balance Sheet data for the fiscal years ended March 31, 2014, 2013, 2012, 2011 and 2010 are derived from our financial statements, which have been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm. Quarterly financial information is derived from unaudited financial data, but in the opinion of management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results of such interim periods. Interim results for the three months ended June 30, 2014 are not necessarily indicative of the results that may be expected for the year ending March 31, 2015.

This selected financial data should be read in conjunction with our financial statements and related notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus supplement and the accompanying prospectus. All amounts are in thousands except per share data and as otherwise indicated.

	For the Three Months Ended June 30, (unaudited)		For the Year Ended March 31,				
Statement of Operations Data:	**2014**	**2013**	**2014**	**2013**	**2012**	**2011**	**2010**
Total Investment Income	$ 102,580	$ 96,673	$ 381,346	$ 331,994	$ 357,584	$ 358,779	$ 340,238
Net Expenses (including excise taxes)	$ 49,029	$ 44,306	$ 180,098	$ 164,634	$ 184,842	$ 167,607	$ 140,828
Net Investment Income	$ 53,551	$ 52,367	$ 201,248	$ 167,360	$ 172,742	$ 191,172	$ 199,410
Net Realized and Unrealized Gains (Losses)	$ 11,085	$ (33,563)	$ 69,624	$ (62,889)	$ (259,006)	$ (10,760)	$ 63,880
Net Increase (Decrease) in Net Assets Resulting from Operations	$ 64,636	$ 18,804	$ 270,872	$ 104,471	$ (86,264)	$ 180,412	$ 263,290
Per Share Data:							
Net Asset Value	$ 8.74	$ 8.16	$ 8.67	$ 8.27	$ 8.55	$ 10.03	$ 10.06
Net Investment Income	$ 0.23	$ 0.25	$ 0.91	$ 0.83	$ 0.88	$ 0.99	$ 1.26
Net Earnings (Loss)	$ 0.27	$ 0.09	$ 1.21	$ 0.51	$ (0.44)	$ 0.93	$ 1.65
Net Earnings (Loss) (Diluted)	$ 0.27	$ 0.09	$ 1.18	$ 0.51	$ (0.44)	$ 0.93	$ 1.65
Distributions Declared	$ 0.20	$ 0.20	$ 0.80	$ 0.80	$ 1.04	$ 1.12	$ 1.10
Balance Sheet Data:							
Total Assets	$ 3,812,349	$ 3,153,678	$ 3,641,951	$ 2,944,312	$ 2,775,263	$ 3,148,813	$ 3,465,116
Borrowings Outstanding	$ 1,571,018	$ 1,125,491	$ 1,372,261	$ 1,156,067	$ 1,009,337	$ 1,053,443	$ 1,060,616
Total Net Assets	$ 2,068,873	$ 1,833,168	$ 2,051,611	$ 1,677,389	$ 1,685,231	$ 1,961,031	$ 1,772,806
Other Data:							
Total Return (1)	6.00%	(5.07)%	9.4%	28.2%	(32.4)%	5.1%	313.0%
Number of Portfolio Companies at Period End	117	94	111	81	62	69	67
Total Portfolio Investments for the Period	$ 649,512	$ 788,349	$ 2,816,149	$ 1,537,366	$ 1,480,508	$ 1,085,601	$ 716,425
Investment Sales and Prepayments for the Period	$ 516,826	$ 580,561	$ 2,322,189	$ 1,337,431	$ 1,634,520	$ 977,493	$ 451,687
Weighted Average Yield on Debt Portfolio at Period End	11.10%	11.60%	11.1%	11.9%	11.9%	11.6%	11.8%
Weighted Average Shares Outstanding at Period End (Basic) (2)	236,741	212,976	222,800	202,875	196,584	193,192	159,369

(1) Total return is based on the change in market price per share and takes into account dividends and distributions, if any, reinvested in accordance with our dividend reinvestment plan.

(2) Weighted Average Shares Outstanding on a diluted basis for the three months ended June 30, 2014 were 251,289. Weighted Average Shares Outstanding on a diluted basis for the three months ended June 30, 2013 were 227,524. Weighted Average Shares Outstanding on a diluted basis for the fiscal year ended March 31, 2014 were 237,348. Weighted Average Shares Outstanding on a diluted basis for the fiscal year ended March 31, 2013 were 217,423. Weighted Average Shares Outstanding on a diluted basis for the fiscal year ended March 31, 2012 were 211,132. Weighted Average Shares Outstanding on a diluted basis for the fiscal year ended March 31, 2011 were 195,823. For the fiscal years ended 2010 and 2009, basic and diluted weighted average shares were the same.

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CAPITALIZATION

The equity distribution agreements provide that we may offer and sell up to 16,000,000 shares of our common stock from time to time through the Sales Managers. The table below assumes that we will sell all of the 16,000,000 shares at a price of $8.88 per share but there is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in the table below. In addition, the price per share of any such sale may be greater or less than $8.88, depending on the net asset value per share of our common stock at the time of any such sale. The following table sets forth our capitalization as of June 30, 2014:

on an actual basis; and

on an as adjusted basis giving effect to the assumed sale of 16,000,000 shares of our common stock at a price of $8.88 per share less commissions and expenses.

This table should be read in conjunction with Use of Proceeds and our Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and notes thereto included in this prospectus supplement and the accompanying prospectus. The adjusted information is illustrative only.

All amounts in thousands, except share data

	As of June 30, 2014	
	Actual	**As Adjusted for this Offering**
Cash and cash equivalents	$ 11,563	$ 11,563
Total assets	$ 3,812,349	$ 3,812,349
Borrowings under Senior Secured Facility (1)	$ 801,018	$ 661,419
Senior Secured Notes	270,000	270,000
Unsecured Notes	500,000	500,000
Total Debt	1,571,018	1,431,419
Common stock, par value $0.001 per share; 400,000,000 shares authorized, 236,741,351 shares issued and outstanding, 252,741,351 shares issued and outstanding, as adjusted, respectively	237	253
Capital in excess of par value	3,221,802	3,361,385
Distributable earnings (2)	(1,153,166)	(1,153,166)
Total stockholders equity	2,068,873	2,208,472
Total capitalization	$ 3,639,891	$ 3,639,891

(1) As described under Use of Proceeds, we expect to use the net proceeds from this offering to repay borrowings outstanding under our Senior Secured Facility.

(2) Includes cumulative net investment income or loss, cumulative amounts of gains and losses realized from investment and foreign currency transactions and net unrealized appreciation or depreciation of investments and foreign currencies, and distributions paid to stockholders

other than tax return of capital distributions. Distributable earnings is not intended to represent amounts we may or will distribute to our stockholders.

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FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus supplement and the accompanying prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this prospectus supplement and the accompanying prospectus 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 actu results could differ materially from those projected in the forward-looking statements for any reason, including the factors set forth in Risk Factors and elsewhere in this prospectus supplement and accompanying prospectus.

We have based the forward-looking statements included in this prospectus supplement and accompanying prospectus on information available to us on the date of this prospectus supplement and accompanying prospectus. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, we have a general obligation to update to reflect material changes in our disclosures and 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 annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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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 and other financial information appearing elsewhere in this prospectus supplement and the accompanying prospectus.

OVERVIEW

Apollo Investment was incorporated under the Maryland General Corporation Law in February 2004. We have elected to be treated as a BDC under 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 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 stockholders. Apollo Investment commenced operations on April 8, 2004 upon completion of its initial public offering that raised $870 million in net proceeds selling 62 million shares of its common stock at a price of $15.00 per share. Since then, and through June 30, 2014, we have raised approximately $2.21 billion in net proceeds from additional offerings of common stock.

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 business development company, 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 payment-in-kind (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.

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Expenses

All investment professionals of the investment adviser and their staff, when and to the extent engaged in providing investment advisory and management services to us, and 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;
- marketing and distribution-related expenses;
- the costs of any reports, proxy statements or other notices to stockholders, 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 AIA 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 and chief compliance officer and their respective staffs.

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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 months ended June 30, 2014 and 2013 is as follows:

(amounts in millions)	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013
Investment made in portfolio companies (1)	$ 650	$ 788
Investments sold	(397)	(105)
Net activity before repaid investments	253	683
Investments repaid (2)	(120)	(475)
Net investment activity	$ 133	$ 208
Portfolio companies, at beginning of period	111	81
Number of new portfolio companies	25	23
Number of exited companies	(19)	(10)
Portfolio companies, at end of period	117	94
Number of investments in existing portfolio companies	24	23

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

(2) Investments repaid includes prepayments of $6.1 million and $7.8 million during the three months ended June 30, 2014 and three months ended June 30, 2013, respectively.

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Our portfolio composition and weighted average yields at June 30, 2014 and at March 31, 2014 are as follows:

	June 30, 2014	March 31, 2014
Portfolio composition, measured at fair value:		
Secured debt	59%	56%
Unsecured debt	22%	27%
Structured products and other (1)	8%	6%
Common equity, preferred equity and warrants	11%	11%
Weighted average yields, at current cost basis, exclusive of securities on non-accrual status (2):		
Secured debt portfolio	10.9%	10.8%
Unsecured debt portfolio	11.5%	11.5%
Total debt portfolio	11.1%	11.1%
Income-bearing investment portfolio composition, measured at fair value:		
Fixed rate amount	$ 1.7 billion	$ 1.7 billion
Floating rate amount	$ 1.5 billion	$ 1.3 billion
Fixed rate %	53%	58%
Floating rate %	47%	42%
Income-bearing investment portfolio composition, measured at cost:		
Fixed rate amount	$ 1.7 billion	$ 1.7 billion
Floating rate amount	$ 1.5 billion	$ 1.2 billion
Fixed rate %	53%	58%
Floating rate %	47%	42%

(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 owners in various tranches.

(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 June 30, 2014, invested capital totaled $13.8 billion in 316 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, or GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets 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 included herein.

Fair Value Measurements

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. 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, unless such valuation, in the judgment of our investment adviser, does not represent fair value, in which 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 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 firm and responds to the valuation recommendation of the independent valuation firm to reflect any comments; and

(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, 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,

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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. As of June 30, 2014, there was no change to the Company s valuation techniques and related inputs considered in the valuation process.

Accounting Standards Codification 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 the Company 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. Of the Company s investments at June 30, 2014, $2.31 billion or 63% of the Company s investments were classified as Level 3.

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 PIK interest or dividends. PIK interest and dividends 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. For the three months ended June 30, 2014, PIK income totaled $6.8 million on total investment income of $102.6 million.

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.

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Loan origination fees, original issue discount, and market discounts are capitalized and amortized into income using the interest method or straight-line, as applicable. Upon the prepayment of a loan, any unamortized loan origination fees are recorded as interest income. We record prepayment premiums on loans and other investments as interest income when we receive such amounts. Other income generally includes administrative fee, bridge fee, and structuring fee 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. Structured products typically have an underlying pool of assets and payments on structured product investments that are and will be payable solely from the cashflows from such assets. As such any unforeseen event in these underlying pool 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, and other general and administrative expenses. Expenses are recognized on an accrual basis.

Net Realized Gains or Losses and Net Change in Unrealized Gain (Loss)

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 appreciation or depreciation 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.

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RESULTS OF OPERATIONS

Operating results for the three months ended June 30, 2014 and 2013 were as follows:

(in thousands)	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013
Investment income		
Interest	$ 93,623	$ 81,174
Dividends	6,595	10,985
Other	2,362	4,514
Total investment income	$ 102,580	$ 96,673
Expenses		
Base management fees and performance-based incentive fees, net of amounts waived	$ (26,426)	$ (25,232)
Interest and other debt expenses, net of expense reimbursements	(18,882)	(15,845)
Administrative services expenses	(1,433)	(1,097)
Other general and administrative expenses	(2,288)	(2,132)
Net expenses	(49,029)	(44,306)
Net investment income	$ 53,551	$ 52,367
Realized and unrealized gain (loss) on investments, cash equivalents, derivatives and foreign currencies		
Net realized loss	$ (13,333)	$ (95,934)
Net change in unrealized gain	24,418	62,371
Net realized and unrealized gain (loss) from investments, cash equivalents, derivatives and foreign currencies	11,085	(33,563)
Net increase (decrease) in net assets resulting from operations	$ 64,636	$ 18,804
Net investment income per share on per average share basis	$ 0.23	$ 0.25
Earnings per share basic	$ 0.27	$ 0.09
Earnings per share diluted	$ 0.27	$ 0.09

Total Investment Income

The increase in total investment income for the three months ended June 30, 2014 compared to the three months ended June 30, 2013 was due to an increase in the investment portfolio size, which increased to an average cost of $3.53 billion for the three months ended June 30, 2014 from an average cost of $3.09 billion for the three months ended June 30, 2013. The increase in interest income was partially offset by a decrease in income from original issue discount and prepayment fees, which totaled approximately $6.1 million and $7.8 million for the three months ended June 30, 2014 and three months ended June 30, 2013, respectively, and a decrease in yield from debt investments (11.1% as of June 30, 2014 and 11.6% as of June 30, 2013). Dividend income decreased due to $5.0 million dividend payments received from RC Coinvestment, LLC and AIC Credit Opportunity during the three months ended June 30, 2013. Other income during the three months ended June 30, 2013 was higher due to a one-time $2.0 million fee received from a portfolio company.

Net Expenses

The increase in expenses for the three months ended June 30, 2014 compared to three months ended June 30, 2013 was primarily driven by an increase of $3.0 million in interest and other

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debt expenses and an increase of $1.2 million in incremental management and performance-based incentive fees (net of amounts waived). Interest and other debt costs were higher due to a higher average debt outstanding balance, which increased to $1.55 billion during the three months ended June 30, 2014 from $1.18 billion during the three months ended June 30, 2013. Average debt outstanding increased primarily as a result of the issuance of the 2043 Notes in the latter half of June 2013. The increase was offset by a decrease in total annualized cost of debt to 4.87% for the three months ended June 30, 2014 from 5.37% for the three months ended June 30, 2013. The decrease in cost of debt is due to the September 2013 credit facility amendment which resulted in a decrease in pricing for revolving credit facility borrowings by 25 basis points. Management and performance-based incentive fees increased primarily due to the increase in the size of the portfolio. Administrative services expenses and other general and administrative expenses remained consistent.

Net Realized Loss

Net realized losses for the three months ended June 30, 2014 were primarily the result of the sale of two portfolio companies: Altegrity, Inc. and inVentiv Health, Inc., which resulted in $19.8 million of the net realized losses. These losses were partially offset by realized gains from the exit of various portfolio companies. Net realized losses were made up of $10.2 million of gross realized gains and $23.5 million of gross realized losses.

Net realized losses for the three months ended June 30, 2013 were primarily the result of the sale of two portfolio companies: Cengage Learning Acquisitions and ATI Acquisition Company, which resulted in realized losses of $99.6 million. Net realized losses were made up of $12.0 million of gross realized gains and $107.9 million of gross realized losses.

The realized losses incurred upon the exit of these investments reversed out previously reported unrealized losses.

Net Change in Unrealized Gain

For the three months ended June 30, 2014, the net change in unrealized gain was primarily derived from the reversal of previously recognized unrealized loss upon the exit of Altegrity, Inc. and inVentiv Health, Inc., which resulted in realized losses of $21.3 million. The remainder of the portfolio was generally impacted by stronger capital market conditions as well as improved portfolio company fundamentals. Net unrealized gain was made up of $83.2 million of gross unrealized gains and $58.8 million of gross unrealized losses.

For the three months ended June 30, 2013 the net change in unrealized loss was primarily derived from the reversal of previously recognized unrealized loss upon the exit of Cengage Learning Acquisitions and ATI Acquisition Company. The remainder of the portfolio was impacted by general capital market conditions. Net unrealized gain was made up of $158.5 million of gross unrealized gains and $96.1 million of gross unrealized losses.

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 Facility, 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. For the three months ended June 30, 2014, PIK income totaled $6.8 million, on total investment income of $102.6 million. At June 30, 2014, the Company had $801.0 million in borrowings outstanding

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on its Senior Secured Facility and $443.7 million of unused capacity. As of June 30, 2014, aggregate lender commitments under the Senior Secured Facility totaled $1.27 billion. The Senior Secured Facility allows the Company to seek additional commitments in the future up to an aggregate facility size not to exceed $1.71 billion. The Company also has investments in its portfolio that contain PIK provisions. 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. In order to maintain the Company s status as a RIC, this non-cash source of income must be paid out to stockholders annually in the form of dividends, even though the Company has not yet collected the cash.

On February 24, 2014, the Company issued 12 million shares of common stock at $8.69 per share raising approximately $104 million in net proceeds.

On May 20, 2013, the Company issued 21.85 million shares of common stock at $8.60 per share (or $8.34 per share net proceeds before estimated expense) raising approximately $182 million in net proceeds. AIM has agreed to waive the base management and incentive fees associated with this equity capital for the time period beginning May 20, 2013 through March 31, 2015.

In April 2012, a subsidiary of Apollo Global Management, LLC purchased 5,847,953 newly issued shares of the Company based on the NAV as of March 31, 2012 of $8.55 per share. AIM has agreed to waive the base management and incentive fees associated with this equity capital for the time period beginning April 2, 2012 through March 31, 2015.

On June 17, 2013, the Company issued $135 million in aggregate principal amount of 6.875% senior unsecured notes due 2043 and on June 24, 2013 an additional $15 million in aggregate principal amount of such notes was issued pursuant to the underwriters over-allotment option exercise. In aggregate, $150 million of principal was issued for net proceeds of $145.3 million (the 2043 Notes). 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% per year. The 2043 Notes mature on July 15, 2043. 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.

On October 9, 2012, the Company issued $150 million in aggregate principal amount of 6.625% senior unsecured notes due 2042 for net proceeds of $145.3 million (the 2042 Notes). 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% per year. The 2042 Notes mature on October 15, 2042. 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.

On September 29, 2011, the Company closed a private offering of $45 million aggregate principal amount of senior secured notes (the Notes) consisting of two series: (1) 5.875% Senior Secured Notes, Series A, of the Company due September 29, 2016 in the aggregate principal amount of $29 million; and (2) 6.250% Senior Secured Notes, Series B, of the Company due September 29, 2018, in the aggregate principal amount of $16 million. The Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the 1933 Act.

On January 25, 2011, the Company closed a private offering of $200 million 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 1933 Act. The Convertible Notes bear 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 will mature on January 15, 2016 unless earlier converted or repurchased at the holder s option. Prior to December 15, 2015, the Convertible Notes will be convertible only upon certain corporate reorganizations, dilutive recapitalizations or dividends, or if, during specified periods our shares trade at more than 130% of the then applicable conversion price or the Convertible Notes trade at less than 97% of their conversion value and, thereafter, at any time. The Convertible Notes will be 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 $1,000 principal amount of Convertible Notes (14,548,100 common shares) corresponding to an initial conversion price of approximately $13.75, which represents 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 will be 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, are subject to a conversion price floor of $11.70 per share. The Convertible Notes are senior unsecured obligations and rank senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

On September 30, 2010, the Company entered into a note purchase agreement, providing for a private placement issuance of $225 million in aggregate principal amount of five-year, senior secured notes with a 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 were sold to certain institutional accredited investors pursuant to an exemption from registration under the 1933 Act. Interest on the Senior Secured Notes will be due semi-annually on April 4 and October 4, commencing on April 4, 2011. The proceeds from the issuance of the Senior Secured Notes were primarily used to reduce other outstanding borrowings and/or commitments on the Company s Senior Secured Facility.

On August 11, 2011, the Company adopted a plan for the purpose of repurchasing up to $200 million of its common stock in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The Company s plan was designed to allow it to repurchase its shares both during its open window periods and at times when it otherwise might be prevented from doing so under 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 the plan to repurchase shares on the Company s behalf in accordance with the terms of the plan. Repurchases are subject to SEC regulations as well as certain price, market volume and timing constraints specified in the plan. While the portion of the plan reliant on Rule 10b-18 remains in effect, the portion reliant on Rule 10b5-1 is subject to periodic renewal and is not currently in effect. As of March 31, 2014, no shares have been repurchased.

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 of the financial statements dated June 30, 2014 included herein.) 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 June 30, 2014.

Commitments and Contingencies

	Payments due by Period as of June 30, 2014 (in millions)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Senior Secured Facility (1)	$ 801	$	$	$ 801	$
Senior Secured Notes	$ 225	$	$ 225	$	$
Senior Secured Notes (Series A)	$ 29	$	$ 29	$	$
Senior Secured Notes (Series B)	$ 16	$	$	$ 16	$
2042 Notes	$ 150	$	$	$	$ 150
2043 Notes	$ 150	$	$	$	$ 150
Convertible Notes	$ 200	$	$ 200	$	$

(1) At June 30, 2014, there was $25.2 million of letters of credit issued under the Senior Secured Facility that are not recorded as liabilities on the Company s Statement of Assets and Liabilities, and the Company had $443.7 million of unused capacity under its Senior Secured Facility.

We have entered into two contracts under which we have future commitments: an investment advisory agreement with AIM (the Investment Advisory Agreement), pursuant to which AIM has agreed to serve as our investment adviser, and the Administration Agreement, pursuant to which AIA has agreed to furnish us with the facilities and administrative services necessary to conduct our day-to-day operations and provide on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. Payments under the Investment Advisory Agreement are equal to (1) a percentage of the value of our average gross assets and (2) a two-part incentive fee. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of AIA s overhead in performing its obligations under the Administration Agreement, including rent, technology systems, insurance and our allocable portion of the costs of our chief financial officer and chief compliance officer and their respective staffs. Either party may terminate each of the Investment Advisory Agreement and Administration Agreement without penalty upon not more than 60 days written notice to the other. Please see note 3 within our financial statements dated June 30, 2014 included herein for more information.

As of June 30, 2014 and March 31, 2014, the Company s unfunded commitments and contingencies were as follows:

(in millions)	As of June 30, 2014	As of March 31, 2014
Unfunded revolver obligations and bridge loans commitments (1)(2)	$ 373	$ 409
Unfunded delayed draw commitments on senior loans to portfolio companies	128	139
Unfunded delayed draw commitments on senior loans to portfolio companies (performance thresholds not met) (3)	49	49
Standby letters of credit issued for certain portfolio companies for which the Company and portfolio companies are liable	26	16

(1) Included in this amount is $65.9 and $114.1 of the unfunded revolver commitment for Merx Aviation Finance Holdings II, LLC. as of June 30, 2014 and March 31, 2014, respectively.

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(2) 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 June 30, 2014, subject to the terms of each loan s respective credit agreements.

(3) The borrower is required to meet certain performance thresholds before the Company is obligated to fulfill the commitments and those performance thresholds were not met as of June 30, 2014.

Apollo Investment s commitments are subject to the consummation of the underlying corporate transactions and conditional upon receipt of all necessary stockholder, regulatory and other applicable approvals.

AIC Credit Opportunity Fund LLC *(amounts in thousands)*

We owned all of the common member interests in AIC Credit Opportunity Fund LLC (AIC Holdco). AIC Holdco was formed for the purpose of holding various financed investments. AIC Holdco wholly owned three special purpose entities, each of which in 2008 acquired directly or indirectly an investment in a particular security from an unaffiliated entity that provided leverage for the investment as part of the sale. As of March 31, 2014, the three special purpose entities along with AIC Holdco were fully dissolved. Each of these transactions is described in more detail below together with summary financial statements.

In June 2008 we invested through AIC Holdco $39,500 in AIC (FDC) Holdings LLC (Apollo FDC). Apollo FDC used the proceeds to purchase a Junior Profit-Participating Note due 2013 in principal amount of $39,500 (the Junior Note) issued by Apollo I Trust (the Trust). The Trust also issued a Senior Floating Rate Note due 2013 (the Senior Note) to an unaffiliated third party in principal amount of $39,500 paying interest at the London Interbank Offered Rate (LIBOR) plus 1.50%, increasing over time to LIBOR plus 2.0%. The Trust used the aggregate $79,000 proceeds to acquire $100,000 face value of a senior subordinated loan of First Data Corporation (the FDC Loan) due 2016. The FDC Loan pays interest at 11.25% per year. The Junior Note of the Trust owned by Apollo FDC pays to Apollo FDC all of the interest and other proceeds received by the Trust on the FDC Loan after satisfying the Trust s obligations on the Senior Note. The holder of the Senior Note has no recourse to Apollo FDC, AIC Holdco or us with respect to any interest on, or principal of, the Senior Note. However, if the value of the FDC Loan held by the Trust declines sufficiently, the investment would be unwound unless Apollo FDC posts additional collateral for the benefit of the Senior Note. During the year ended March 31, 2014, we unwound the transaction by investing $20,386 into the Trust which then repaid the Senior Note. Subsequent to the repayment of the Senior Note, $10,993 of face value of the FDC Loan was prepaid by First Data Corporation resulting in a distribution of $11,556 to the Company. The remaining FDC Loan, which consisted of $41,862 of face value, was transferred to the Company at an accreted cost of $38,728 with a fair value of $40,397 on the transfer date and the Trust was closed.

In the second of these investments, in June 2008 we invested through AIC Holdco $11,375 in AIC (TXU) Holdings LLC (Apollo TXU). Apollo TXU acquired exposure to $50,000 notional amount of a LIBOR plus 3.5% senior secured delayed draw term loan of Texas Competitive Electric Holdings (TXU) due 2014 through a non-recourse total return swap (the TRS) with an unaffiliated third party expiring on October 10, 2013. Pursuant to such delayed draw term loan, Apollo TXU pays an unaffiliated third-party interest at LIBOR plus 1.5% and generally receives all proceeds due under the delayed draw term loan of TXU (the TXU Term Loan). Like Apollo FDC, Apollo TXU is entitled to 100% of any realized appreciation in the TXU Term Loan and, since the TRS is a non-recourse arrangement, Apollo TXU is exposed only up to the amount of its investment in the TRS, plus any additional margin we decide to post, if any, during the term of the financing. The TRS does not constitute a senior security or a borrowing of Apollo TXU. In connection with the amendment and extension of the TXU Term Loan in April 2011, for which Apollo TXU received a consent fee along with

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an increase in the rate of the TXU Term Loan to LIBOR plus 4.5%, Apollo TXU extended its TRS to 2016 at a rate of LIBOR plus 2.0%. During the year ended March 31, 2014, Apollo TXU terminated the entire TRS resulting in a realized loss of $10,314. The excess collateral posted was returned to Apollo TXU.

In the third of these investments, in September 2008 we invested through AIC Holdco $10,022 in AIC (Boots) Holdings, LLC (Apollo Boots). Apollo Boots acquired 23,383 and £12,465 principal amount of senior term loans of AB Acquisitions Topco 2 Limited, a holding company for the Alliance Boots group of companies (the Boots Term Loans), out of the proceeds of our investment and a multicurrency $40,876 equivalent non-recourse loan to Apollo Boots (the Acquisition Loan) by an unaffiliated third party that was scheduled to mature in September 2013 and paid interest at LIBOR plus 1.25% or, in certain cases, the higher of the Federal Funds Rate plus 0.50% or the lender s prime-rate. The Boots Term Loans paid interest at the rate of LIBOR plus 3% per year and are scheduled to mature in June 2015. During the fiscal year ended March 31, 2013, Apollo Boots sold the entire position of the Boots Term Loans in the amount of 23,383 and £12,465 of principal.

We do not consolidate AIC Holdco or its wholly owned subsidiaries and accordingly only the value of our investment in AIC Holdco was included on our statement of assets and liabilities. Our investment in AIC Holdco was valued in accordance with our normal valuation procedures and was based on the values of the underlying assets held by each special purpose entity net of associated liabilities.

As of June 30, 2014 and March 31, 2014, the consolidated AIC Holdco had no outstanding assets and liabilities. Below is summarized financial information for AIC Holdco for the three months ended June 30, 2013. There was no operating activity during the three months ended June 30, 2014.

		Three Months Ended June 30, 2013
Net Operating Income (Loss)		
Apollo FDC (1)	$	1,559
Apollo TXU (1)		329
Apollo Boots (1)		8
Other		10
Total Operating Income	$	1,906
Net Realized Gain (Loss)		
Apollo FDC	$	9,634
Apollo TXU		
Apollo Boots		
Total Net Realized Gain (Loss)	$	9,634
Net Change in Unrealized Gain (Loss)		
Apollo FDC	$	(11,509)
Apollo TXU		(386)
Apollo Boots		
Total Net Change in Unrealized Gain (Loss)	$	(11,895)
Net Income (Loss) (2)		
Apollo FDC	$	(316)
Apollo TXU		(57)
Apollo Boots		8
Other		10
Total Net Income (Loss)	$	(355)

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(1) In the case of Apollo FDC, net operating income consists of interest income on the Junior Note less interest paid on the senior note together with immaterial administrative expenses. In the case of Apollo TXU, net operating income consists of net payments from the swap counterparty of Apollo TXU s obligation to pay interest and its right to receive the proceeds in respect of the reference asset, together with immaterial administrative expenses. In the case of AIC Boots, net operating income consists of interest income on the Boots Term Loans, less interest payments on the Acquisition Loan together with immaterial administrative expenses. There are no management or incentive fees.

(2) Net income is the sum of operating income, realized gain (loss) and net change in unrealized gain (loss).

Merx Aviation Finance Holdings II, LLC

Merx Aviation Finance Holdings II, LLC. (Merx) and its subsidiaries (Merx Aviation) are principally engaged in acquiring and leasing commercial aircraft to airlines. Its primary focus is on current generation aircrafts, held either domestically or internationally. Merx Aviation may acquire fleets of aircraft through securitized, non-recourse debt or individual aircraft. Merx Aviation is not intended to compete with the numerous large lessors, but rather to be complementary to them, providing them a capital base for various transactions. Merx Aviation also may outsource its aircraft servicing requirements to the large lessors that have the global staff necessary to complete such tasks.

The Company believes Merx is an operating company and therefore is not consolidated in accordance with investment company accounting. If it was determined that Merx was to be consolidated, the likely impact would be to reclass interest income attributable to Merx to dividend income for the three months period ended June 30, 2014. Additionally, on the schedule of investments, the investment in Merx would likely be aggregated into one line item as an equity investment instead of currently being classified as equity and debt investments.

Dividends

Dividends paid to stockholders for the three months ended June 30, 2014 and June 30, 2013 totaled $47.3 million or $0.20 per share and $44.9 million or $0.20 per share, respectively. Tax characteristics of all dividends will be reported to stockholders on Form 1099 after the end of the calendar year. Our quarterly dividends, if any, will be determined by our Board of Directors.

We have elected to be taxed as a RIC under Subchapter M of the Code. 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 net 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.

We maintain an opt out dividend reinvestment plan for our common stockholders. As a result, if we declare a dividend, then stockholders 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 business development company, we may in the future be

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limited in our ability to make distributions. Also, our Senior Secured 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 regulated investment company. In addition, in accordance with U.S. generally accepted accounting principles and tax regulations, we include in income certain amounts that we have not yet received in cash, such as contractual PIK interest, 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 regulated investment company.

With respect to the dividends to stockholders, 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 stockholders.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates. During the three months ended June 30, 2014, 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 six 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 June 30, 2014, assuming no changes in our investment and borrowing structure:

(in thousands except per share data)

Basis Point Change		**Net Investment Income**		**Net Investment Income per Share**
Up to 400 basis points	$	11,248	$	0.048
Up 300 basis points	$	5,673	$	0.024
Up 200 basis points	$	(12)	$	0.000
Up 100 basis points	$	(3,639)	$	(0.015)

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.

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PLAN OF DISTRIBUTION

We have entered into separate equity distribution agreements, each dated September 12, 2014, with each of SunTrust Robinson Humphrey, Inc., Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, under which we may issue and sell up to 16,000,000 shares of our common stock from time to time through, at our discretion, any of the Sales Managers. Upon its acceptance of instructions from us, the applicable Sales Manager will use its commercially reasonable efforts to solicit offers to purchase shares of our common stock, under the terms and subject to the conditions set forth in the applicable equity distribution agreement. We will designate the maximum number of shares of common stock to be sold by each Sales Manager daily or as otherwise agreed to by such Sales Manager and us; provided, however, that, subject to the terms of the equity distribution agreements, any sales of common stock pursuant to the equity distribution agreements will only be effected by or through only one of SunTrust Robinson Humphrey, Inc., Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated on any single given day. We may instruct the applicable Sales Manager not to sell common stock if the sales cannot be effected at or above the price designated by us in any instruction. The offering price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less the Sales Managers commissions and discounts payable by us, will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering. We or the applicable Sales Manager may suspend the offering of common stock upon proper notice and subject to other conditions.

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made by means of ordinary brokers transactions on the NASDAQ Global Select Market or that otherwise qualify for delivery of a prospectus to the NASDAQ Global Select Market in accordance with Rule 153 under the 1933 Act, at market prices prevailing at the time of sale, at prices related to prevailing market prices or negotiated transactions or as otherwise agreed with the applicable Sales Manager. The Sales Managers will not engage in any transactions that stabilize the price of our common stock.

The applicable Sales Manager will provide written confirmation to us as soon as practicable following the close of trading on the NASDAQ Global Select Market each trading day in which shares of our common stock are sold under the applicable equity distribution agreement. Trading day means any day on which shares of our common stock are purchased or sold on the NASDAQ Global Select Market. Each confirmation will include the number of shares sold on such day, the net proceeds to us and the compensation payable by us to the applicable Sales Manager in connection with the sales.

We will pay the Sales Managers commissions for their services in acting as agent in the sale of common stock. The Sales Managers will be entitled to compensation of up to 1.5% of the gross sales price of any such shares sold through them as agents under the applicable equity distribution agreement. We have agreed to reimburse the Sales Managers for certain expenses, including reasonable fees and expenses of counsel under certain circumstances.

Settlement for sales of common stock will occur on the third trading day following the date on which any sales are made, or on some other date that is agreed upon by us and the applicable Sales Manager in connection with a particular transaction, in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

Under the terms of the equity distribution agreements, we also may sell our common stock to one or more of the Sales Managers as principal for their own account at a price agreed upon at the time of sale.

We will report at least quarterly the number of shares of common stock sold through or to the Sales Managers under the equity distribution agreements, the net proceeds to us and the compensation paid by us in connection with the sales of common stock during the relevant quarter.

In connection with the sale of the common stock on our behalf, each Sales Manager may be deemed to be an underwriter within the meaning of the 1933 Act, and the compensation of each Sales Manager may be deemed to be underwriting commissions or discounts. We, AIA and AIM have agreed to indemnify the Sales Managers and their controlling persons against specified liabilities, including liabilities under the 1933 Act, or to contribute to payments that the Sales Managers and / or their controlling persons may be required to make because of those liabilities.

The offering of shares of our common stock pursuant to any of the equity distribution agreements will terminate upon the earlier of (1) the sale of all common stock subject to the equity distribution agreements and (2) the termination of the applicable equity distribution agreement. Each equity distribution agreement may be terminated by the applicable Sales Manager or us at any time.

We and the Sales Managers have determined that our common stock is an actively-traded security excepted from the requirements of Rule 101 of Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act , by Rule 101(c)(1) under the Exchange Act. If any of the Sales Managers or we have reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied, that party will promptly notify the other and sales of the shares of our common stock under the equity distribution agreements will be suspended until that or other exemptive provisions have been satisfied in the judgment of the Sales Managers and us.

Subject to certain specified exceptions, we and AIM and AIA have agreed not to sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to sell or otherwise dispose of or agree to dispose of, directly or indirectly, or permit the registration under the 1933 Act of, any shares of our common stock or any other of our securities that are substantially similar to our common stock or any securities convertible into or exchangeable or exercisable for our common stock or similar securities (including without limitation, any options, warrants or other rights to purchase our common stock or similar securities), in each case without giving the Sales Managers at least three trading days prior written notice specifying the nature of the proposed sale and the date of such proposed sale.

The principal business address of SunTrust Robinson Humphrey, Inc. is 3333 Peachtree Road NE, Atlanta, Georgia 30326, the principal business address of Goldman, Sachs & Co. is 200 West Street, New York, New York 10282, and the principal business address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, New York 10036.

Other Relationships

Certain of the Sales Managers and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. In the ordinary course of their business activities, the Sales Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of our company. The Sales Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

We may use the proceeds of this offering to repay indebtedness owed under the Senior Secured Facility. See Use of Proceeds. Affiliates of the Sales Managers are lenders under the Senior Secured Facility. Accordingly, affiliates of the Sales Managers may receive a portion of the net proceeds from offerings made pursuant to this prospectus supplement and the accompanying prospectus through the repayment of any borrowings.

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LEGAL MATTERS

Certain legal matters regarding the securities offered by this prospectus will be passed upon for Apollo Investment by Skadden, Arps, Slate, Meagher & Flom LLP, New York, NY, and Venable LLP, Baltimore, MD. Certain legal matters will be passed upon for the Sales Managers by Simpson Thacher & Bartlett LLP, New York, NY, who may rely as to certain matters of Maryland law upon the opinion of Venable LLP.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The financial statements as of March 31, 2014 and 2013 and for each of the three years in the period ended March 31, 2014, and management s assessment of the effectiveness of internal control over financial reporting (which is included in Management s Report on Internal Control over Financial Reporting) as of March 31, 2014, included in the accompanying prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

With respect to the unaudited financial information of Apollo Investment Corporation for the three months ended June 30, 2014 and 2013, included in this prospectus supplement, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such financial information. However, their separate report dated August 7, 2014 appearing herein, states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the 1933 Act for their report on the unaudited financial information because such report is not a report or a part of the registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the 1933 Act.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders 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 June 30, 2014 and the related statement of operations for the three month periods ended June 30, 2014 and June 30, 2013, the statement of cash flows for the three month periods ended June 30, 2014 and June 30, 2013 and the statement of changes in net assets for the three month period ended June 30, 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, 2014, and the related statement of operations, statement of changes in net assets and statement of cash flows for the year then ended (not presented herein), and in our report dated May 20, 2014, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet information and schedule of investments information, as of March 31, 2014 is fairly stated in all material respects in relation to the statements from which it has been derived.

/s/ PricewaterhouseCoopers LLP

New York, New York

August 7, 2014

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APOLLO INVESTMENT CORPORATION

STATEMENTS OF ASSETS AND LIABILITIES

(in thousands, except per share amounts)

	June 30, 2014 (unaudited)	March 31, 2014
Assets		
Non-controlled/non-affiliated investments, at fair value (cost $2,790,135 and $2,714,971, respectively)	$ 2,829,627	$ 2,751,896
Non-controlled/affiliated investments, at fair value (cost $162,796 and $153,721, respectively)	161,412	144,628
Controlled investments, at fair value (cost $647,103 and $590,060, respectively)	653,669	582,147
Total investments (cost $3,600,034 and $3,458,752, respectively)	3,644,708	3,478,671
Cash	10,177	13,413
Foreign currency (cost $1,384 and $1,305, respectively)	1,386	1,323
Receivable for investments sold	86,874	72,918
Interest receivable	32,829	40,106
Dividends receivable	5,050	3,627
Deferred financing costs	30,010	31,601
Prepaid expenses and other assets	1,315	292
Total assets	$ 3,812,349	$ 3,641,951
Liabilities		
Debt (see note 6 & 9)	$ 1,571,018	$ 1,372,261
Payable for investments purchased	70,580	119,577
Dividends payable	47,348	47,348
Management and performance-based incentive fees payable (see note 3)	33,362	31,108
Interest payable	14,718	14,318
Accrued administrative expenses	2,747	1,915
Other liabilities and accrued expenses	3,703	3,813
Total liabilities	$ 1,743,476	$ 1,590,340
Net Assets		
Common stock, par value $.001 per share, 400,000,000 and 400,000,000 common shares authorized, respectively, 236,741,351 and 236,741,351 issued and outstanding, respectively	$ 237	$ 237
Paid-in capital in excess of par (see note 2)	3,221,802	3,221,829
Over-distributed net investment income (see note 2)	(47,791)	(53,995)
Accumulated net realized loss (see note 2)	(1,146,738)	(1,133,405)
Net unrealized gain	41,363	16,945
Total net assets	$ 2,068,873	$ 2,051,611
Total liabilities and net assets	$ 3,812,349	$ 3,641,951
Net asset value per share	$ 8.74	$ 8.67

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

STATEMENTS OF OPERATIONS (unaudited)

(in thousands, except per share amounts)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013
INVESTMENT INCOME:		
From non-controlled/non-affiliated investments:		
Interest	$ 82,547	$ 75,561
Dividends	841	4,264
Other income	2,256	4,476
From non-controlled/affiliated investments:		
Interest	1,956	703
Dividends	3,946	4,825
From controlled investments:		
Interest	9,120	4,910
Dividends	1,808	1,896
Other income	106	38
Total investment income	$ 102,580	$ 96,673
EXPENSES:		
Management fees (see note 3)	$ 18,111	$ 14,757
Performance-based incentive fees (see note 3)	12,467	12,449
Interest and other debt expenses	18,902	15,845
Administrative services expense	1,433	1,097
Other general and administrative expenses	2,288	2,132
Total expenses	53,201	46,280
Management and performance-based incentive fees waived (see note 3)	$ (4,152)	$ (1,974)
Expense reimbursements (see note 3)	(20)	
Net expenses	$ 49,029	$ 44,306
Net investment income	$ 53,551	$ 52,367
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, CASH EQUIVALENTS, FOREIGN CURRENCIES AND DERIVATIVES:		
Net realized gain (loss):		
Investments and cash equivalents		
Non-controlled/non-affiliated investments	$ (11,716)	$ (105,876)
Non-controlled/affiliated investments	(107)	
Controlled investments		7,966
Net realized loss from investments and cash equivalents	$ (11,823)	$ (97,910)
Foreign currencies		
Non-controlled/non-affiliated investments	$ 380	$ (177)
Non-controlled/affiliated investments		

Controlled investments		(11)
Foreign debt	(1,890)	2,164
Net realized gain (loss) from foreign currencies	$ (1,510)	$ 1,976
Net realized gain (loss)	$ (13,333)	$ (95,934)

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

STATEMENTS OF OPERATIONS (unaudited) (continued)

(in thousands, except per share amounts)

	Three Months Ended	
	June 30, 2014	**June 30, 2013**
Net change in unrealized gain (loss):		
Investments and cash equivalents		
Non-controlled/non-affiliated investments	$ 2,595	$ 64,225
Non-controlled/affiliated investments	7,709	(3,933)
Controlled investments	14,501	(3,098)
Net change in unrealized gain (loss) from investments and cash equivalents	$ 24,805	$ 57,194
Foreign currencies		
Non-controlled/non-affiliated investments	$ (177)	$ 226
Non-controlled/affiliated investments		
Controlled investments	(79)	(1)
Foreign debt	(131)	(1,903)
Net change in unrealized gain (loss) from foreign currencies	$ (387)	$ (1,678)
Derivatives	$	$ 6,855
Net change in unrealized gain	$ 24,418	$ 62,371
Net realized and unrealized gain (loss) from investments, cash equivalents, foreign currencies and derivatives	11,085	(33,563)
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 64,636	$ 18,804
EARNINGS PER SHARE BASIC (see note 4)	$ 0.27	$ 0.09
EARNINGS PER SHARE DILUTED (see note 4)	$ 0.27	$ 0.09

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

STATEMENTS OF CHANGES IN NET ASSETS

(in thousands, except shares)

	Three months ended June 30, 2014 (unaudited)	Year ended March 31, 2014
Increase (decrease) in net assets from operations:		
Net investment income	$ 53,551	$ 201,248
Net realized loss	(13,333)	(106,507)
Net change in unrealized gain	24,418	176,131
Net increase in net assets resulting from operations	64,636	270,872
Dividends and distributions to stockholders (see note 2):		
Distribution of income	(47,348)	(182,193)
Return of capital		
Total dividends and distributions to stockholders	(47,348)	(182,193)
Capital share transactions:		
Net proceeds from shares sold		286,553
Less offering costs	(26)	(1,010)
Reinvestment of dividends		
Net increase (decrease) in net assets from capital share transactions	(26)	285,543
Total increase (decrease) net assets:	17,262	374,222
Net assets at beginning of period	2,051,611	1,677,389
Net assets at end of period	$ 2,068,873	$ 2,051,611
Capital share activity		
Shares sold		33,850,000
Shares issued from reinvestment of dividends		
Net capital share activity		33,850,000

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

STATEMENTS OF CASH FLOWS (unaudited)

(in thousands)

	Three months ended June 30, 2014	Three months ended June 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase in net assets resulting from operations	$ 64,636	$ 18,804
Adjustments to reconcile net increase (decrease):		
PIK interest and dividends	(11,545)	(12,098)
Net amortization on investments	(2,688)	(2,285)
Amortization of deferred financing costs	1,746	1,821
Increase (decrease) from foreign currency transactions	(1,831)	2,123
Net change in unrealized gain on investments, cash equivalents, foreign currencies and derivatives	(24,418)	(62,371)
Net realized loss on investments, cash equivalents, and foreign currencies	13,333	95,934
Changes in operating assets and liabilities:		
Restricted cash		(5,180)
Purchase of investments and cash equivalents	(649,512)	(788,349)
Proceeds from derivatives		4,156
Proceeds from disposition of investments and cash equivalents	510,753	572,722
Increase in receivables for investments sold	(13,956)	(2,415)
Decrease in interest receivable	7,277	7,541
Increase in dividends receivable	(1,423)	(2,147)
Increase in prepaid expenses and other assets	(1,023)	(675)
Increase (decrease) in payable for investments purchased	(48,997)	75,538
Increase in management and performance-based incentive fees payable	2,254	2,658
Increase in interest payable	400	669
Increase in accrued administrative expenses	832	233
Increase (decrease) in other liabilities and accrued expenses	(110)	695
Net cash (used in) provided by operating activities	$ (154,272)	$ (92,626)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from the issuance of common stock	$	$ 182,273
Offering costs for the issuance of common stock	(26)	(350)
Dividends paid in cash	(47,348)	(40,578)
Proceeds from debt	956,000	681,559
Payments on debt	(757,356)	(713,912)
Deferred financing costs paid	(155)	(5,344)
Net cash provided by financing activities	$ 151,115	$ 103,648
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (3,157)	$ 11,022
Effect of exchange rates on cash balances	(16)	(135)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	$ 14,736	$ 6,197
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 11,563	$ 17,084

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited)

June 30, 2014

(in thousands)

INVESTMENTS IN NON-CONTROLLED/ NON-AFFILIATED INVESTMENTS 136.8%	Interest Rate	Maturity Date	Industry	Par Amount*	Cost	Fair Value (1)
CORPORATE DEBT 125.6%						
SECURED DEBT 87.4%						
1st Lien Secured Debt 37.3%						
Altegrity, Inc. ¿	9.500%	7/1/19	Diversified Service	$ 3,000	$ 3,000	$ 3,023
Altegrity, Inc.	L+825	7/1/19	Diversified Service	4,500	4,433	4,444
Archroma	9.50% (L+825, 1.25% Floor)	10/1/18	Chemicals	45,459	44,972	46,198
Avanti Communication Group PLC ¿	10.000%	10/1/19	Telecommunications	2,891	3,035	3,068
Avaya, Inc., (Revolver)	2.90% (L+275) Funded, 0.50% Unfunded	10/26/16	Telecommunications	18,392	18,392	16,967
Aveta, Inc.	9.75% (L+825, 1.50% Floor)	12/12/17	Healthcare	58,287	56,987	58,797
Caza Petroleum, Inc.	12.00% (L+1000, 2.00% Floor)	5/23/17	Oil and Gas	45,000	43,701	44,145
Confie Seguros Holding II Co., (Revolver)	6.75% (P+350, 3.25% Floor) Funded, 0.50% Unfunded	12/10/18	Insurance	210	210	191
Deep Gulf Energy II, LLC	11.500%	3/31/17	Oil and Gas	25,000	25,000	25,000
Delta Educational Systems, Inc.	16.00% (8.00% Cash/8.00% PIK)	12/11/16	Education	5,546	5,546	5,546
Evergreen Tank Solutions, Inc.	9.50% (L+800, 1.50% Floor)	9/28/18	Containers, Packaging, and Glass	41,214	40,734	41,420
Extraction Oil & Gas Holdings, LLC	11.000%	5/29/19	Oil and Gas	25,000	24,630	24,625
GenCorp, Inc.	9.50% (L+850, 1.00% Floor)	4/18/22	Aerospace and Defense	39,500	39,500	39,500
Great Bear Petroleum Operating, LLC	12.000%	10/1/17	Oil and Gas	5,064	5,064	5,064
Hunt Companies, Inc. ¿	9.625%	3/1/21	Buildings and Real Estate	41,210	40,714	43,322
Lee Enterprises, Inc. ¿	9.500%	3/15/22	Media	13,000	13,000	13,894
M&G Chemicals, S.A.	8.73% (L+850)	3/28/16	Chemicals	5,000	5,000	5,000
Magnetation, LLC ¿	11.000%	5/15/18	Mining	16,400	16,455	17,999
Maxus Capital Carbon SPE I, LLC (Skyonic Corp.)	13.000%	9/18/19	Chemicals	60,000	60,000	60,000
Molycorp, Inc.	10.000%	6/1/20	Diversified Natural Resources, Precious Metals and Minerals	50,424	49,990	46,453
My Alarm Center, LLC	8.50% (L+750, 1.00% Floor)	1/9/18	Business Services	42,613	42,613	42,613
My Alarm Center, LLC	8.50% (L+750, 1.00% Floor)	1/9/18	Business Services	4,661	4,661	4,661
Osage Exploration & Development, Inc.	13.00% (L+1100, 2.00% Floor)	4/27/16	Oil and Gas	25,000	24,588	24,250
Panda Sherman Power, LLC	9.00% (L+750, 1.50% Floor)	9/14/18	Energy	15,000	14,830	15,375
Panda Temple Power, LLC	11.50% (L+1000, 1.50% Floor)	7/17/18	Energy	25,500	25,117	26,217
Pelican Energy, LLC	10.00% (7.00% Cash/3.00% PIK)	12/31/18	Oil and Gas	24,119	23,209	24,601

Reichhold Holdings International B.V.	10.75% (L+975, 1.00% Floor)	12/19/16	Chemicals	22,500	22,500	22,500

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands)

INVESTMENTS IN NON-CONTROLLED/ NON-AFFILIATED INVESTMENTS 136.8%	Interest Rate	Maturity Date	Industry	Par Amount*	Cost	Fair Value (1)
1st Lien Secured Debt 37.3% (continued)						
Sand Waves, S.A. (Endeavour Energy UK Limited)	9.750%	12/31/15	Oil and Gas	12,083	12,083	12,083
Spotted Hawk Development, LLC	14.00% (13.00% Cash/1.00% PIK)	6/30/16	Oil and Gas	$ 32,386	$ 31,847	$ 32,386
Sunrun Solar Owner IX, LLC	9.079%	12/31/24	Energy	3,574	3,422	3,422
UniTek Global Services, Inc., (Revolver)	10.25% (L+925, 1.00% Floor) Funded, 2.00% Unfunded	4/15/16	Telecommunications	37,652	37,652	37,652
Walter Energy, Inc. ¿	9.500%	10/15/19	Mining	21,257	21,676	21,636
Total 1st Lien Secured Debt					**$ 764,561**	**$ 772,052**
Unfunded Revolver Obligations (0.3)%						
Avaya, Inc., (Unfunded Revolver) (8)	L+275 Funded, 0.50% Unfunded	10/26/16	Telecommunications	$ 18,392	$ (4,699)	$ (1,425)
BMC Software, Inc., (Unfunded Revolver) (8)	L+400 Funded, 0.50% Unfunded	9/10/18	Business Services	30,760	(3,281)	(2,768)
Confie Seguros Holding II Co., (Unfunded Revolver) (8)	P+350 Funded, 0.50% Unfunded	12/10/18	Insurance	3,641	(409)	(328)
Laureate Education, Inc., (Unfunded Revolver) (8)	L+375 Funded, 0.625% Unfunded	6/16/16	Education	28,880	(2,888)	(2,455)
Reichhold Holdings International B.V., (Unfunded Revolver)	L+600 Funded, 1.50% Unfunded	12/19/16	Chemicals	12,500		
Salix Pharmaceuticals, Ltd., (Unfunded Revolver) (8)	L+300 Funded, 0.50% Unfunded	1/2/19	Healthcare	24,867	(1,822)	(249)
UniTek Global Services, Inc., (Unfunded Revolver)	L+925 Funded, 2.00% Unfunded	4/15/16	Telecommunications	15,702		
Walter Energy, Inc., (Unfunded Revolver) (8)	L+550 Funded, 0.625% Unfunded	10/1/17	Mining	1,923	(215)	(101)

Total Unfunded Revolver Obligations					**$ (13,314)**	**$ (7,326)**
Letters of Credit (0.0)%						
Confie Seguros Holding II Co., Letter of Credit (8)	4.500%	10/27/14	Insurance	$ 600	$	$ (54)
Confie Seguros Holding II Co., Letter of Credit (8)	4.500%	1/13/15	Insurance	50		(5)
Salix Pharmaceuticals, Ltd., Letter of Credit	3.000%	2/10/15	Healthcare	8	3	
Salix Pharmaceuticals, Ltd., Letter of Credit (8)	3.000%	2/10/15	Healthcare	125	48	(1)
UniTek Global Services, Inc., Letter of Credit	9.250%	12/15/14	Telecommunications	5,446		
UniTek Global Services, Inc., Letter of Credit	9.250%	3/18/15	Telecommunications	1,000		
UniTek Global Services, Inc., Letter of Credit	9.250%	3/18/15	Telecommunications	2,700		

See notes to financial statements.

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands)

INVESTMENTS IN NON-CONTROLLED/NON-AFFILIATED INVESTMENTS 136.8%	Interest Rate	Maturity Date	Industry	Par Amount*	Cost	Fair Value (1)
Letters of Credit (0.0)% (Continued)						
UniTek Global Services, Inc., Letter of Credit	9.250%	3/26/15	Telecommunications	12,500		
Walter Energy, Inc., Letter of Credit (8)(9)	5.500%	9/18/14-7/4/15	Mining	86		(5)
Walter Energy, Inc., Letter of Credit (8)(9)	5.500%	11/28/15-8/31/15	Mining	CAD 192		(9)
Total Letters of Credit					**$ 51**	**$ (74)**
2nd Lien Secured Debt 50.4%						
Active Network, Inc.	9.50% (L+850, 1.00% Floor)	11/15/21	Business Services	$ 22,910	$ 22,801	$ 22,995
American Energy Utica, LLC (10)	11.00% (L+950, 1.50% Floor)	9/30/18	Oil and Gas	10,869	10,764	11,521
Aptean, Inc.	8.50% (L+750, 1.00% Floor)	2/26/21	Business Services	11,322	11,158	11,506
Armor Holdings, Inc. (American Stock Transfer and Trust Company)	10.25% (L+900, 1.25% Floor)	12/26/20	Financial Services	8,000	7,855	7,960
Asurion Corporation	8.50% (L+750, 1.00% Floor)	3/3/21	Insurance	90,400	89,086	94,072
BancTec Group, LLC	11.75% (L+1075, 1.00% Floor)	4/3/20	Business Services	40,000	39,224	39,200
BJ s Wholesale Club, Inc.	8.50% (L+750, 1.00% Floor)	3/26/20	Retail	15,000	14,927	15,450
Confie Seguros Holding II Co.	10.25% (L+900, 1.25% Floor)	5/8/19	Insurance	27,344	27,105	27,652
Consolidated Precision Products Corp.	8.75% (L+775, 1.00% Floor)	4/30/21	Aerospace and Defense	8,940	8,898	9,046
Del Monte Foods Co.	8.25% (L+725, 1.00% Floor)	8/18/21	Beverage, Food, and Tobacco	2,146	2,126	2,113
Deltek, Inc.	10.00% (L+875, 1.25% Floor)	10/10/19	Business Services	27,273	27,032	27,921
DSI Renal, Inc.	7.75% (L+675, 1.00% Floor)	10/22/21	Healthcare	3,300	3,276	3,325
Elements Behavioral Health, Inc.	9.25% (L+825, 1.00% Floor)	2/11/20	Healthcare	9,500	9,410	9,488
Emerald 3 Limited	8.00% (L+700, 1.00% Floor)	5/9/22	Business Services	3,179	3,143	3,179
Flexera Software, LLC	8.00% (L+700, 1.00% Floor)	4/2/21	Business Services	4,250	4,228	4,266
Garden Fresh Restaurant Corp.	14.50% (L+1300 PIK, 1.50% Floor)	1/1/19	Restaurants	35,764	33,654	31,830
Garden Fresh Restaurant Corp.	7.25% (L+575 PIK, 1.50% Floor)	1/1/19	Restaurants	7,800	5,831	5,304
GCA Services Group, Inc.	9.25% (L+800, 1.25% Floor)	11/1/20	Diversified Service	22,838	22,937	23,066
Genex Holdings, Inc.	8.75% (L+775, 1.00% Floor)	5/30/22	Healthcare	5,320	5,267	5,370

Grocery Outlet, Inc.	10.50% (L+925, 1.25% Floor)	6/17/19	Grocery	8,674	8,531	8,847
GTCR Valor Companies, Inc.	L+850	11/21/21	Business Services	35,000	34,650	34,825
HD Vest, Inc.	9.25% (L+800, 1.25% Floor)	6/18/19	Financial Services	9,396	9,294	9,384
Healogics, Inc.	9.25% (L+800, 1.25% Floor)	2/5/20	Healthcare	10,000	10,106	10,242

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands)

INVESTMENTS IN NON-CONTROLLED/NON-AFFILIATED INVESTMENTS 136.8%	**Interest Rate**	**Maturity Date**	**Industry**	**Par Amount***	**Cost**	**Fair Value (1)**
2nd Lien Secured Debt 50.4% (continued)						
Insight Pharmaceuticals, LLC	13.25% (L+1175, 1.50% Floor)	8/25/17	Consumer Products	15,448	15,255	15,410
Institutional Shareholder Services, Inc.	8.50% (L+750, 1.00% Floor)	4/30/22	Financial Services	9,640	9,544	9,640
Kronos, Inc.	9.75% (L+850, 1.25% Floor)	4/30/20	Business Services	92,516	91,561	96,448
Learfield Communications, Inc.	8.75% (L+775, 1.00% Floor)	10/8/21	Media	15,000	14,859	15,300
Miller Energy Resources, Inc.	11.75% (L+975, 2.00% Floor)	2/3/18	Oil and Gas	$ 87,500	$ 85,892	$ 85,750
MSC Software Corp.	8.50% (L+750, 1.00% Floor)	5/28/21	Business Services	20,448	20,244	20,652
Ranpak Corp.	8.50% (L+725, 1.25% Floor)	4/23/20	Packaging	22,000	21,808	22,468
RegionalCare Hospital Partners, Inc.	10.50% (L+950, 1.00% Floor)	10/23/19	Healthcare	10,000	9,508	9,953
River Cree Enterprises LP ¿	11.000%	1/20/21	Hotels, Motels, Inns and Gaming	CAD 33,000	31,110	33,673
SiTV, Inc. ¿	10.375%	7/1/19	Cable Television	$ 2,219	2,219	2,277
Sprint Industrial Holdings, LLC	11.25% (L+1000, 1.25% Floor)	11/14/19	Containers, Packaging, and Glass	14,163	13,935	14,305
SquareTwo Financial Corp. (Collect America, Ltd.)	11.625%	4/1/17	Financial Services	66,079	64,944	63,436
Stadium Management Corp.	9.25% (L+825, 1.00% Floor)	2/27/21	Business Services	19,900	19,900	20,248
TASC, Inc.	12.000%	5/23/21	Aerospace and Defense	14,077	13,372	13,971
Tectum Holdings, Inc	9.00% (L+800, 1.00% Floor)	3/12/19	Auto Sector	17,670	17,586	17,648
Transfirst Holdings, Inc.	7.50% (L+650, 1.00% Floor)	6/27/18	Financial Services	22,500	22,435	22,669
TriMark USA, LLC	10.00% (L+900, 1.00% Floor)	8/12/19	Distribution	27,000	26,490	27,337
U.S. Renal Care, Inc.	10.25% (L+900, 1.25% Floor)	1/3/20	Healthcare	11,927	11,978	12,136
U.S. Renal Care, Inc.	8.50% (L+750, 1.00% Floor)	7/3/20	Healthcare	12,120	11,936	12,302
Velocity Technology Solutions, Inc.	9.00% (L+775, 1.25% Floor)	9/28/20	Business Services	16,500	16,180	16,170
Vertafore, Inc.	9.75% (L+825, 1.50% Floor)	10/27/17	Business Services	50,436	50,183	51,487
Walter Energy, Inc. ¿	11.000%	4/1/20	Mining	22,554	21,138	18,823
Winebow Group	L+750	1/1/22	Beverage, Food, and Tobacco	2,582	2,562	2,588
Xand Operations, LLC	8.50% (L+750, 1.00% Floor)	5/13/20	Telecommunications	20,000	19,803	19,800

Total 2nd Lien Secured Debt	**$ 1,025,745**	**$ 1,043,053**
TOTAL SECURED DEBT	**$ 1,777,043**	**$ 1,807,705**

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands)

INVESTMENTS IN NON-CONTROLLED/ NON-AFFILIATED INVESTMENTS 136.8%	Interest Rate	Maturity Date	Industry	Par Amount*	Cost	Fair Value (1)
UNSECURED DEBT 38.2%						
American Tire Distributors, Inc. ¿	11.500%	6/1/18	Distribution	$ 25,000	$ 25,000	$ 25,500
American Tire Distributors, Inc.	11.500%	6/1/18	Distribution	40,000	39,353	40,800
Artsonig Pty Ltd. ¿	11.500%	4/1/19	Transportation	20,000	19,712	19,900
BCA Osprey II Limited (British Car Auctions)	12.50% PIK	8/17/17	Transportation	14,333	19,731	20,370
BCA Osprey II Limited (British Car Auctions)	12.50% PIK	8/17/17	Transportation	£ 23,566	37,603	41,826
Ceridian Corp. ¿	11.000%	3/15/21	Diversified Service	$ 34,000	34,000	39,334
Ceridian Corp.	11.250%	11/15/15	Diversified Service	35,800	35,800	35,830
Ceridian Corp.	12.25% Cash (12.25% Cash or 13.00% PIK)	11/15/15	Diversified Service	14,420	14,420	14,432
Delta Educational Systems, Inc.	16.00% (10.00% Cash/6.00% PIK)	5/12/17	Education	22,001	21,691	21,088
Denver Parent Corp. (Venoco) ¿	12.250%	8/15/18	Oil and Gas	15,000	14,649	14,512
Energy & Exploration Partners, Inc.	15.000%	4/8/18	Oil and Gas	25,000	22,520	23,750
Energy & Exploration Partners, Inc.	15.000%	12/12/18	Oil and Gas	4,464	4,270	4,241
Energy & Exploration Partners, Inc.	15.000%	12/12/18	Oil and Gas	2,679	2,476	2,545
Energy & Exploration Partners, Inc.	15.000%	3/27/19	Oil and Gas	8,036	7,664	7,634
First Data Corp.	11.250%	1/15/21	Financial Services	67,000	66,979	78,348
inVentiv Health, Inc. ¿	11.000%	8/15/18	Healthcare	65,250	65,250	62,069
My Alarm Center, LLC	16.25% (12.00% Cash/4.25% PIK)	7/9/18	Business Services	4,145	4,145	4,145
Niacet Corporation	13.000%	8/28/18	Chemicals	12,500	12,500	12,625
PetroBakken Energy Ltd. ¿	8.625%	2/1/20	Oil and Gas	44,045	44,234	46,412
Radio One, Inc. ¿	9.250%	2/15/20	Broadcasting & Entertainment	14,804	14,804	16,155
Sorenson Communications Holdings, LLC ¿	13.00% PIK	10/31/21	Consumer Products	68	46	63
Symbion, Inc.	11.000%	8/23/15	Healthcare	8,488	8,499	8,555
U.S. Security Associates Holdings, Inc.	11.000%	7/28/18	Business Services	135,000	135,000	137,570
Univar, Inc.	10.500%	6/30/18	Distribution	20,000	20,000	20,000
Varietal Distribution ¿	10.750%	6/30/17	Distribution	22,204	21,927	22,204
Varietal Distribution ¿	10.750%	6/30/17	Distribution	11,574	15,086	15,846
Venoco, Inc.	8.875%	2/15/19	Oil and Gas	$ 55,824	55,844	54,638
TOTAL UNSECURED DEBT					**$ 763,203**	**$ 790,392**
TOTAL CORPORATE DEBT					**$ 2,540,246**	**$ 2,598,097**
STRUCTURED PRODUCTS AND OTHER 7.0%						
Craft 2013-1, Credit-Linked Note	9.48% (L+925)	4/17/22	Diversified Investment Vehicle	$ 25,000	$ 25,100	$ 24,553
Craft 2013-1, Credit-Linked Note	9.48% (L+925)	4/17/22	Diversified Investment Vehicle	7,625	7,759	7,541

Craft 2014-1A, Credit-Linked Note	9.89% (L+965)	5/15/21	Diversified Investment Vehicle	38,500	38,500	37,898

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands)

INVESTMENTS IN NON-CONTROLLED/NON-AFFILIATED INVESTMENTS 136.8%	Interest Rate	Maturity Date	Industry	Par Amount*	Cost	Fair Value (1)
STRUCTURED PRODUCTS AND OTHER 7.0% (continued)						
Dark Castle Holdings, LLC	N/A	N/A	Media	24,395	1,189	2,158
JP Morgan Chase & Co., Credit-Linked Note	12.48% (L+1225)	12/20/21	Diversified Investment Vehicle	43,250	42,786	43,382
NXT Capital CLO 2014-1, LLC	5.80% (L+550)	4/23/26	Diversified Investment Vehicle	5,000	4,655	4,652
Renaissance Umiat, LLC, ACES Tax Receivable ****	N/A	N/A	Oil and Gas		7,153	8,084
Renaissance Umiat, LLC, ACES Tax Receivable ****	N/A	N/A	Oil and Gas		16,967	17,423
TOTAL STRUCTURED PRODUCTS AND OTHER					**$ 144,109**	**$ 145,691**
				Shares		
PREFERRED EQUITY 2.0%						
CA Holding, Inc. (Collect America, Ltd.), Series A Preferred Stock	N/A	N/A	Financial Services	7,961	$ 788	$ 1,592
Crowley Holdings, Series A Preferred Stock	12.00% (10.00% Cash/2.00% PIK)	N/A	Cargo Transport	22,500	22,736	22,810
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Preferred Stock (Convertible) ***	12.50% PIK	N/A	Education	332,500	6,863	
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Preferred Stock ***	13.50% PIK	N/A	Education	12,360	27,686	13,322
Varietal Distribution Holdings, LLC, Class A Preferred Unit	8.00% PIK	N/A	Distribution	3,097	5,393	3,570
TOTAL PREFERRED EQUITY					**$ 63,466**	**$ 41,294**
EQUITY 2.2%						
Common Equity/Interests 1.7%						
AHC Mezzanine, LLC (Advanstar), Common Stock **	N/A	N/A	Media	25,016	$ 1,063	$ 370
ATD Corporation (Accelerate Parent Corp.), Common Stock **	N/A	N/A	Distribution	3,225,514	3,276	4,260
CA Holding, Inc. (Collect America, Ltd.), Series A Common Stock **	N/A	N/A	Financial Services	25,000	2,500	176
CA Holding, Inc. (Collect America, Ltd.), Series AA Common Stock **	N/A	N/A	Financial Services	4,294	429	859
Caza Petroleum, Inc., Net Profits Interest **	N/A	N/A	Oil and Gas		1,202	1,517
Caza Petroleum, Inc., Overriding Royalty Interest **	N/A	N/A	Oil and Gas		339	395
Clothesline Holdings, Inc. (Angelica Corporation), Common Stock **	N/A	N/A	Healthcare	6,000	6,000	1,588
Explorer Coinvest, LLC (Booz Allen), Common Stock **	N/A	N/A	Business Services	295,159	2,259	5,830
Garden Fresh Restaurant Holdings, LLC., Common Stock **	N/A	N/A	Restaurants	50,000	5,000	

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands)

INVESTMENTS IN NON-CONTROLLED/NON-AFFILIATED INVESTMENTS 136.8%	Interest Rate	Maturity Date	Industry	Shares	Cost	Fair Value (1)
Common Equity/Interests 1.7% (continued)						
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Common Stock **	N/A	N/A	Education	17,500	175	
GS Prysmian Co-Invest L.P. (Prysmian Cables & Systems), Limited Partnership (2)(3)**	N/A	N/A	Manufacturing			133
JV Note Holdco, LLC (DSI Renal, Inc.), Common Equity / Interest **	N/A	N/A	Healthcare	9,303	85	
Pelican Energy, LLC, Net Profit Interest **	N/A	N/A	Oil and Gas	941,633	942	1,394
RC Coinvestment, LLC (Ranpak Corp.), Common Stock **	N/A	N/A	Packaging	50,000	5,000	9,066
Sorenson Communications Holdings, LLC, Class A Common Stock **	N/A	N/A	Consumer Products	587		52
Univar, Inc., Common Stock **	N/A	N/A	Distribution	900,000	9,000	9,450
Varietal Distribution Holdings, LLC, Class A Common Unit **	N/A	N/A	Distribution	28,028	28	
Total Common Equity/Interests					**$ 37,298**	**$ 35,090**

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands, except warrants)

INVESTMENTS IN NON-CONTROLLED/ NON-AFFILIATED INVESTMENTS 136.8%	Interest Rate	Maturity Date	Industry	Warrants	Cost	Fair Value (1)
Warrants 0.5%						
CA Holding, Inc. (Collect America, Ltd.), Common Stock Warrants **	N/A	N/A	Financial Services	7,961	$ 8	$
Energy & Exploration Partners, Inc., Common Stock Warrants **	N/A	N/A	Oil and Gas	60,778	2,374	863
Fidji Luxco (BC) S.C.A., Common Stock Warrants (2)**	N/A	N/A	Electronics	18,113	182	5,036
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Class A-1 Preferred Stock Warrants **	N/A	N/A	Education	45,947	459	
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Class B-1 Preferred Stock Warrants **	N/A	N/A	Education	104,314	1,043	
Gryphon Colleges Corp. (Delta Educational Systems, Inc.), Common Stock Warrants **	N/A	N/A	Education	9,820	98	
Osage Exploration & Development, Inc., Common Stock Warrants **	N/A	N/A	Oil and Gas	1,496,843		1,386
Spotted Hawk Development, LLC, Common Stock Warrants **	N/A	N/A	Oil and Gas	54,545	852	2,170
Total Warrants					$ 5,016	$ 9,455
TOTAL EQUITY					$ 42,314	$ 44,545
Total Investments in Non-Controlled/ Non-Affiliated Investments					$ 2,790,135	$ 2,829,627

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APOLLO INVESTMENT CORPORATION

SCHEDULE OF INVESTMENTS (unaudited) (continued)

June 30, 2014

(in thousands, except shares and warrants)

INVESTMENTS IN NON-CONTROLLED/ AFFILIATED INVESTMENTS 7.8% (4)	Interest Rate	Maturity Date	Industry	Par Amount*	Cost	Fair Value (1)
CORPORATE DEBT 0.8%						
SECURED DEBT 0.8%						
1st Lien Secured Debt 0.8%						
Aventine Renewable Energy Holdings, Inc.	15.00% (12.00% Cash/3.00% PIK)	9/23/16	Chemicals	$ 2,757	$ 2,641	$ 2,568
Aventine Renewable Energy Holdings, Inc.	15.00% PIK (15.00% PIK or 10.50% Cash)	9/22/17	Chemicals	14,601	17,519	10,987
Aventine Renewable Energy Holdings, Inc.	25.00% PIK	9/24/16	Chemicals	4,008	4,008	4,008
Total 1st Lien Secured Debt					**$ 24,168**	**$ 17,563**
TOTAL SECURED DEBT					**$ 24,168**	**$ 17,563**
TOTAL CORPORATE DEBT					**$ 24,168**	**$ 17,563**
STRUCTURED PRODUCTS AND OTHER 6.3%						
Golden Hill CLO I, LLC, Equity ¢	N/A	N/A	Diversified Investment Vehicle	$ 13,195	$ 13,728	$ 13,248
Highbridge Loan Management 3-2014, Ltd., Class D Notes ¢	5.22% (L+500)	1/18/25	Diversified Investment Vehicle	5,000	4,645	4,655
Highbridge Loan Management 3-2014, Ltd., Class E Notes ¢	6.22% (L+600)	1/18/25	Diversified Investment Vehicle	2,485	2,267	2,295
Highbridge Loan Management 3-2014, Ltd., Subordinated Notes ¢	N/A	1/18/25	Diversified Investment Vehicle	8,163	7,527	7,111
Jamestown CLO I LTD, Subordinated Notes ¢	N/A	11/5/24	Diversified Investment Vehicle	4,325	3,553	3,941
MCF CLO I, LLC, Membership Interests ¢	N/A	N/A	Diversified Investment Vehicle	38,918	36,898	40,798
MCF CLO III, LLC, Class E Notes ¢	4.81% (L+445)	1/20/24	Diversified Investment Vehicle	12,750	11,375	11,331
MCF CLO III, LLC, Membership Interests ¢	N/A	1/20/24	Diversified Investment Vehicle	41,900	39,183	38,843
Slater Mill Loan Fund LP, LP Certificates ¢	N/A	N/A	Diversified Investment Vehicle	8,375	6,017	7,691
TOTAL STRUCTURED PRODUCTS AND OTHER					**$ 125,193**	**$ 129,913**
				Shares		
PREFERRED EQUITY 0.4%						
Renewable Funding Group, Inc., Series B Preferred Stock	N/A	N/A	Finance	1,505,868	$ 8,750	$ 8,750
Total Preferred Equity					**$ 8,750**	**$ 8,750**
EQUITY 0.3%						
				Shares		
Common Equity/Interests 0.1%						
Aventine Renewable Energy Holdings, Inc., Common Stock **	N/A	N/A	Chemicals	262,036	$ 689	$ 762

Total Common Equity/Interests