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Brixmor Property Group Inc.
Form 10-Q
October 30, 2017

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

Form 10-Q

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

For the quarterly period ended September 30, 2017

or

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

For the transition period from _____ to _____

Commission File Number: 001-36160 (Brixmor Property Group)

Commission File Number: 333-201464-01 (Brixmor Operating Partnership LP)

Brixmor Property Group Inc.
Brixmor Operating Partnership LP
(Exact Name of Registrant as Specified in Its Charter)

Maryland (Brixmor Property Group Inc.) 45-2433192
Delaware (Brixmor Operating Partnership LP) 80-0831163
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

450 Lexington Avenue, New York, New York 10017

(Address of Principal Executive Offices) (Zip Code)

212-869-3000

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP Yes No

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

Brixmor Property Group Inc. Large accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company
Brixmor Operating Partnership LP Large accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

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(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Brixmor Property Group Inc. Brixmor Operating Partnership LP

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP Yes No

(APPLICABLE ONLY TO CORPORATE ISSUERS)

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

As of October 1, 2017, Brixmor Property Group Inc. had 304,937,144 shares of common stock outstanding.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended September 30, 2017 of Brixmor Property Group Inc. and Brixmor Operating Partnership LP. Unless stated otherwise or the context otherwise requires, references to the “Parent Company” or “BPG” mean Brixmor Property Group Inc. and its consolidated subsidiaries; and references to the “Operating Partnership” mean Brixmor Operating Partnership LP and its consolidated subsidiaries. The terms the “Company,” “Brixmor,” “we,” “our” and “us” mean the Parent Company and the Operating Partnership, collectively.

The Parent Company is a real estate investment trust (“REIT”) which owns 100% of the common stock of BPG Subsidiary Inc. (“BPG Sub”), which, in turn, is the sole owner of Brixmor OP GP LLC (the “General Partner”), the sole general partner of the Operating Partnership. As of September 30, 2017, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, 100% of the outstanding partnership common units of interest (the “OP Units”) in the Operating Partnership.

The Company believes combining the quarterly reports on Form 10-Q of the Parent Company and the Operating Partnership into this single report provides the following benefits:

- Enhances investors’ understanding of the Parent Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- Eliminates duplicative disclosure and provides a more streamlined and readable presentation; and
- Creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates the Parent Company and the Operating Partnership as one business. The management of the Parent Company consists of the same individuals as the management of the Operating Partnership. These individuals are officers of both the Parent Company and the Operating Partnership.

We believe it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how the Parent Company and the Operating Partnership operate as a consolidated company. The Parent Company is a REIT, whose only material asset is its indirect interest in the Operating Partnership. As a result, the Parent Company does not conduct business itself other than issuing public equity from time to time. The Parent Company does not incur any material indebtedness. The Operating Partnership holds substantially all of our assets. Except for net proceeds from public equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for OP Units, the Operating Partnership generates all remaining capital required by the Company’s business. Sources of this capital include the Operating Partnership’s operations, its direct or indirect incurrence of indebtedness, and the issuance of OP Units.

Stockholders’ equity, partners’ capital, and non-controlling interests are the primary areas of difference between the unaudited condensed consolidated financial statements of the Parent Company and those of the Operating Partnership. The Operating Partnership’s capital currently includes OP Units owned by the Parent Company through BPG Sub and the General Partner and has in the past and may in the future include OP Units owned by third parties. OP Units owned by third parties, if any, are accounted for in partners’ capital in the Operating Partnership’s financial statements and outside of stockholders’ equity in non-controlling interests in the Parent Company’s financial statements.

In order to highlight the differences between the Parent Company and the Operating Partnership, there are sections in this report that separately discuss the Parent Company and the Operating Partnership, including separate financial statements (but combined footnotes), separate controls and procedures sections, separate certification of periodic report under Section 302 of the Sarbanes-Oxley Act of 2002 and separate certification pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. In the sections that combine disclosure for the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or

holdings of the Company.

The Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have material assets other than its indirect investment in the Operating Partnership. Therefore, while stockholders' equity, partners' capital and non-controlling interests may differ as discussed above, the assets and liabilities of the Parent Company and the Operating Partnership are materially the same on their respective financial statements.

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Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” “targets” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our Form 10-K for the year ended December 31, 2016, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (the “SEC”), which are accessible on the SEC’s website at <http://www.sec.gov>. These factors include (1) changes in national, regional or local economic climates; (2) local market conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in our Portfolio; (3) changes in market rental rates; (4) changes in the regional demographics surrounding our properties; (5) competition from other available properties and the attractiveness of properties in our Portfolio to our tenants; (6) the financial stability of tenants, including the ability of tenants to pay rent and expense reimbursements; (7) in the case of percentage rent, the sales volume of our tenants; and (8) litigation and governmental investigations discussed under the heading “Legal Matters” in Note 13 - Commitments and Contingencies to our unaudited Condensed Consolidated Financial Statements in this report. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we expressly disclaim any obligation or undertaking to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except to the extent otherwise required by law.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands, except share information)

	September 30, 2017	December 31, 2016
Assets		
Real estate		
Land	\$ 1,985,781	\$ 2,006,655
Buildings and improvements	8,944,738	9,002,403
	10,930,519	11,009,058
Accumulated depreciation and amortization	(2,320,090)	(2,167,054)
Real estate, net	8,610,429	8,842,004
Investments in and advances to unconsolidated joint venture		
	—	7,921
Cash and cash equivalents	29,978	51,402
Restricted cash	112,040	51,467
Marketable securities	28,840	25,573
Receivables, net of allowance for doubtful accounts of \$16,177 and \$16,756	219,873	178,216
Deferred charges and prepaid expenses, net	143,140	122,787
Other assets	51,920	40,315
Total assets	\$ 9,196,220	\$ 9,319,685
Liabilities		
Debt obligations, net		
	\$ 5,713,688	\$ 5,838,889
Accounts payable, accrued expenses and other liabilities	561,191	553,636
Total liabilities	6,274,879	6,392,525
Commitments and contingencies (Note 13)		
Equity		
Common stock, \$0.01 par value; authorized 3,000,000,000 shares; 304,937,144 and 304,343,141 shares outstanding	3,049	3,043
Additional paid-in capital	3,333,696	3,324,874
Accumulated other comprehensive income	20,054	21,519
Distributions in excess of net income	(435,458)	(426,552)
Total stockholders' equity	2,921,341	2,922,884
Non-controlling interests	—	4,276
Total equity	2,921,341	2,927,160
Total liabilities and equity	\$ 9,196,220	\$ 9,319,685

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF
OPERATIONS**

(Unaudited, in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues				
Rental income	\$246,578	\$247,859	\$749,976	\$744,580
Expense reimbursements	66,489	69,469	206,718	200,944
Other revenues	1,429	1,249	6,426	6,214
Total revenues	314,496	318,577	963,120	951,738

(c)

Operating expenses

as to any
person,
who is a
partner,
officer or
employee
of any
Electronic
Data
Processor
covered
under this

bond, from and after the time that the Insured or any partner or officer thereof not in collusion with such person shall have knowledge or information that such person has committed any dishonest or fraudulent act(s), including Larceny or Embezzlement in the service of the Insured or otherwise, whether such act be committed before or after the time this bond is effective.

SECTION 14. RIGHTS AFTER TERMINATION OR CANCELLATION

At any time prior to the termination or cancellation of this bond as an entirety, whether by the Insured or the Underwriter, the Insured may give to the Underwriter notice that it desires under this bond an additional period of 12 months within which to discover loss sustained by the Insured prior to the effective date of such termination or cancellation and shall pay an additional premium therefor.

Upon receipt of such notice from the Insured, the Underwriter shall give its written consent thereto; provided, however, that such additional period of time shall terminate immediately;

- (a) on the effective date of any other insurance obtained by the Insured, its successor in business or any other party, replacing in whole or in part the insurance afforded by this bond, whether or not such other insurance provides coverage for loss sustained prior to its effective date, or
- (b) upon takeover of the Insured's business by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed for this purpose

without the necessity of the Underwriter giving notice of such termination. In the event that such additional period of time is terminated, as provided above, the Underwriter shall refund any unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured's business for the operation or for the liquidation thereof or for any other purpose.

SECTION 15. CENTRAL HANDLING OF SECURITIES

Securities included in the systems for the central handling of securities established and maintained by Depository Trust Company, Midwest Depository Trust Company, Pacific Securities Depository Trust Company, and Philadelphia Depository Trust Company, hereinafter called Corporations, to the extent of the Insured's interest therein as effective by the making of appropriate entries on the books and records of such Corporations shall be deemed to be Property.

The words Employee and Employees shall be deemed to include the officers, partners, clerks and other employees of the New York Stock Exchange, Boston Stock Exchange, Midwest Stock Exchange, Pacific Stock Exchange and Philadelphia Stock Exchange, hereinafter called Exchanges, and of the above named Corporations, and of any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and any employee of any recognized service company, while such officers, partners, clerks and other employees and employees of service companies perform services for such Corporations in the operation of such systems. For the purpose of the above definition a recognized service company shall be any company providing clerks or other personnel to said Exchanges or Corporation on a contract basis.

The Underwriter shall not be liable on account of any loss(es) in connection with the central handling of securities within the systems established and maintained by such Corporations, unless such loss(es) shall be in excess of the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations, against such loss(es), and then the Underwriter shall be liable hereunder only for the Insured's share of such excess loss(es), but in no event for more than the Limit of Liability applicable hereunder.

For the purpose of determining the Insured's share of excess loss(es) it shall be deemed that the Insured has an interest in any certificate representing any security included within such systems equivalent to the interest the Insured then has in all certificates representing the same security included within such systems and that

such Corporations shall use their best judgement in apportioning the amount(s) recoverable or recovered under any bond or policy of insurance indemnifying such Corporations against such loss(es) in connection with the central handling of securities within such systems among all those having an interest as recorded by appropriate entries in the books and records of such Corporations in Property involved in such loss(es) on the basis that each such interest shall share in the amount(s) so recoverable or recovered in the ratio that the value of each such interest bears to the total value of all such interests and that the Insured's share of such excess loss(es) shall be the amount of the Insured's interest in such Property in excess of the amount(s) so apportioned to the Insured by such Corporations.

This bond does not afford coverage in favor of such Corporations or Exchanges or any nominee in whose name is registered any security included within the systems for the central handling of securities established and maintained by such Corporations, and upon payment to the Insured by the Underwriter on account of any loss(es) within the systems, an assignment of such of the Insured's rights and causes of action as it may have against such Corporations or Exchanges shall to the extent of such payment, be given by the Insured to the Underwriter, and the Insured shall execute all papers necessary to secure to the Underwriter the rights provided for herein.

SECTION 16. ADDITIONAL COMPANIES INCLUDED AS INSURED

If more than one corporation, co- partnership or person or any combination of them be included as the Insured herein:

- (a) the total liability of the Underwriter hereunder for loss or losses sustained by any one or more or all of them shall not exceed the limit for which the Underwriter would be liable hereunder if all such loss were

- sustained by any one of them,
- (b) the one first named herein shall be deemed authorized to make, adjust and receive and enforce payment of all claims hereunder and shall be deemed to be the agent of the others for such purposes and for the giving or receiving of any notice required or permitted to be given by the terms

hereof, provided that the Underwriter shall furnish each named Investment Company with a copy of the bond and with any amendment thereto, together with a copy of each formal filing of the settlement of each such claim prior to the execution of such settlement,

- (c) the Underwriter shall not be responsible for the proper application of any payment made hereunder to said first named Insured,
- (d) knowledge possessed or discovery made by any partner, officer or supervisory Employee of any Insured shall for the purposes of Section 4 and Section 13 of this bond constitute knowledge or discovery by all the Insured, and
- (e) if the first named Insured ceases for any reason to be covered under this bond, then the Insured next named shall thereafter be considered as the first named Insured for the purposes of this bond.

SECTION 17. NOTICE AND CHANGE OF CONTROL

Upon the Insured's obtaining knowledge of a transfer of its outstanding voting securities which results in a change in control (as set forth in Section 2(a) (9) of the Investment Company Act of 1940) of the Insured, the Insured shall within thirty (30) days of such knowledge give written notice to the Underwriter setting forth:

- (a) the names of the transferors and transferees (or the names of the beneficial owners if the voting securities are requested in another name), and
- (b) the total number of voting securities owned by the transferors and the transferees (or the beneficial owners), both immediately before and after the transfer, and
- (c) the total number of outstanding voting securities.

As used in this section, control means the power to exercise a controlling influence over the management or policies of the Insured.

Failure to give the required notice shall

result in termination of coverage of this bond, effective upon the date of stock transfer for any loss in which any transferee is concerned or implicated.

Such notice is not required to be given in the case of an Insured which is an Investment Company.

SECTION 18. CHANGE OR MODIFICATION

This bond or any instrument amending or effecting same may not be changed or modified orally. No changes in or modification thereof shall be effective unless made by written endorsement issued to form a part hereof over the signature of the Underwriter's Authorized Representative. When a bond covers only one Investment Company no change or modification which would adversely affect the rights of the Investment Company shall be effective prior to 60 days after written notification has been furnished to the Securities and Exchange Commission, Washington, D.C. by the Insured or by the Underwriter. If more than one Investment Company is named as the Insured herein, the Underwriter shall give written notice to each Investment Company and to the Securities and Exchange Commission, Washington, D.C. not less than 60 days prior to the effective date of any change or modification which would adversely affect the rights of such Investment Company.

IN WITNESS WHEREOF, the Underwriter has caused this bond to be executed on the Declarations Page.

ENDORSEMENT# 1

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

**NOTICE OF CLAIM
(REPORTING BY E-
MAIL)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. **Email Reporting of Claims:** In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:
c-claim@AIG.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227-1750.

2. **Definitions:** For this endorsement only, the following definitions shall apply:
 - (a) **Insurer** means the Insurer, Underwriter or Company or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
 - (b) **Notice of Claim Reporting** means notice of claim/ circumstance, notice of loss or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
 - (c) **Policy** means the policy, bond or other insurance product to which this endorsement is attached.

- 3.

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This endorsement does not apply to any Kidnap & Ransom/ Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED

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END 001

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ENDORSEMENT# 2

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

EMPLOYEE DEFINITION AMENDED RIDER

It is agreed that:

1. Paragraph (e) of Section 1. DEFINITIONS of the CONDITIONS AND LIMITATIONS Clause of the attached bond is amended by adding the following additional paragraph to the end thereof:

(e) Employee means:

- (1) any of the Insured's officers, partners, or employees, and
- (2) any of the officers or employees of any predecessor of the Insured whose principal assets are acquired by the Insured by consolidation or merger with, or purchase of assets or capital stock of such predecessor. And
- (3) attorneys retained by the Insured to perform legal services for the Insured and the employees of such attorneys while such attorneys or the employees of such attorneys are performing such services for the Insured, and
- (4) guest students pursuing their studies or duties in any of the Insured's offices, and
- (5) directors or trustees of the Insured, the investment advisor, underwriter (distributor), transfer agent, or shareholder accounting record keeper, or administrator authorized by written agreement to keep financial and/or other required records, but only while performing acts coming within the scope of the usual duties of an officer or employee or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the Property of the Insured, and
- (6)

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any individual or individuals assigned to perform the usual duties of an employee within the premises of the Insured, by contract, or by any agency furnishing temporary personnel on a contingent or part-time basis, and

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END 2

MNSCPT

ENDORSEMENT# 2 (Continued)

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
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by **National Union Fire Insurance Company of Pittsburgh, Pa.**

- (7) each natural person, partnership or corporation authorized by written agreement with the Insured to perform services as electronic data processor of checks or other accounting records of the Insured, but excluding any such processor who acts as transfer agent or in any other agency capacity in issuing checks, drafts or securities for the Insured, unless included under Sub-section (9) hereof, and
- (8) those persons so designated in Section 15, Central Handling of Securities, and
- (9) any officer, partner or Employee of
 - a) an investment advisor,
 - b) an underwriter (distributor),
 - c) a transfer agent or shareholder accounting record-keeper, or
 - d) an administrator authorized by written agreement to keep financial and/or other required records,

for an Investment Company named as Insured while performing acts coming within the scope of the usual duties of an officer or Employee of any Investment Company named as Insured herein, or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to the Property of any such Investment Company, provided that only Employees or partners of a transfer agent, shareholder accounting record-keeper or administrator which is an affiliated person as defined in the Investment Company Act of 1940, of an Investment Company named as Insured or is an affiliated person of the adviser, underwriter or administrator of such Investment Company, and which is not a bank, shall be included within the definition of Employee.

Each employer of temporary personnel or processors as set forth in Sub- Sections (6) and of Section 1(a) and their partners, officers and employees shall collectively be deemed to be one person for all the purposes of this bond, excepting, however, the last paragraph of Section 13.

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END 2

ENDORSEMENT# 2 **(Continued)**

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

Brokers, or other agents under contract or representatives of the same general character shall not be considered Employees.

2. Nothing contained here shall be held to vary, alter, waive or extend any of the terms, limitations, conditions, or agreements of the attached bond other than as above stated.

AUTHORIZED

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END 2

ENDORSEMENT# 3

This endorsement, effective **12:01 AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

CENTRAL HANDLING OF SECURITIES RIDER

It is agreed that:

1. Those premises of Depositories listed in the following Schedule shall be deemed to be premises of the insured but only as respects coverage on Certificated Securities:

SCHEDULE

DEPOSITORY

LOCATIONS COVERED

ALL DEPOSITORIES USED BY THE INSURED AND ALL LOCATIONS OF SAID DEPOSITORIES

2. Certificated Securities held by such Depository shall be deemed to be Property as defined in the attached bond to the extent of the Insured's interest as effected by the making of appropriate entries on the books and records of such Depository.
3. The attached bond does not afford coverage in favor of any Depository listed in the Schedule above. When the Underwriter indemnifies the Insured for a loss covered hereunder, the Insured will assign the rights and causes of action to the extent of the claim payment against the Depository, or any other entity or person against whom it has a cause of action, to the Underwriter.
4. If the rules of the Depository named in the Schedule above provide that the Insured shall be assessed for a portion of the judgment (or agreed settlement) taken by the Underwriter based upon the assignment set forth in part 3 above and the Insured actually pays such assessment, then the Underwriter will reimburse the Insured for the amount of the assessment but not exceeding the amount of the loss payment by the Underwriter.
5. Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions, or provisions of the attached bond other than as above stated.

AUTHORIZED

2-14057

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END 3

ENDORSEMENT# 4

This endorsement, effective *12:01AM April 5, 2016* forms a part of

policy number *01-277-06-87*

issued to *APOLLO SENIOR FLOATING RATE FUND INC.*

by *NationalUnionFireInsuranceCompanyofPittsburgh,Pa.*

NEW YORK AMENDATORY ENDORSEMENT - NY STATUTE 3420

Wherever used in this endorsement: 1) we , us , our and Insurer mean the insurance company which issued this pol
2) you , your , Insured and first Named Insured mean the Named Corporation, Named Entity, Named Organizat
Named Sponsor, Named Insured, or Insured stated in the declarations page; 3) other insured(s) means all other persons
or entities afforded coverage under the policy; 4) Discovery Period means Discovery Period or Extended Reporting
Period, as defined in the policy; and 5) Claim means Claim or Suit as defined in the policy.

It is hereby understood and agreed that the policy is amended as follows:

A. The following provisions are hereby added to the policy:

FAILURE TO GIVE NOTICE WITHIN PRESCRIBED TIME:

Failure to give any notice required to be given by this policy, or any policy of which this is a renewal, within the prescribed time shall not invalidate any Claim made against an Insured if:

(a) it shall be shown not to have been reasonably possible to give notice within the prescribed time and that notice was given as soon as was reasonably possible thereafter; or

(b) the failure to provide timely notice has not prejudiced the Insurer.

Any such Claim shall be deemed to have been first made against the Insured and noticed to the Insurer within the Policy Period or Discovery Period of the policy issued by the Insurer (the Noticed Policy) in which the Insurer received notice of the Claim; provided that the coverage afforded with respect to the Noticed Policy shall be in an amount not greater than the amount of coverage afforded with respect to the Policy Period of the policy issued by the Insurer (the Former Policy) in which the Claim was actually first made against the Insured. The foregoing sentence may result in (but not be limited to): (1) reducing the limit of liability available for such a Claim to the available limit of liability applicable to the Former Policy; (2) increasing the applicable retention amount to that retention amount applicable to the Former Policy; or

(3) reducing or eliminating coverage due to exclusions or other restrictions appearing in the Former Policy but eliminated, in part or in whole, in the Noticed Policy. No coverage shall be afforded under this endorsement if there was not in existence a Former Policy at the time the Claim was actually first made against the Insured.

With respect to subsection (b) above, any such Claim must be noticed during the Policy Period or Discovery Period of a Noticed Policy which is a renewal or extension of the Former Policy.

Nothing in this endorsement shall be construed to provide coverage for a Claim under more than one Policy Period or Discovery Period.

PREJUDICE:

2-14057

_END 004

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83231 (1/09)

Page 1 of 2

ENDORSEMENT# 4 (continued)

In the event that the Insurer alleges that it was prejudiced as a result of a failure to give notice within the time required under the policy, the burden of proof shall be on:

- (a) the Insurer to prove that it has been prejudiced, if the notice was provided within two years of the time required under the policy; or
- (b) the Insured to prove that the Insurer has not been prejudiced, if the notice was provided more than two years after the time required under the policy.

The Insurer's rights shall not be deemed prejudiced unless the failure to timely provide notice materially impairs the ability of the Insurer to investigate or defend the Claim.

Notwithstanding the above, an irrebuttable presumption of prejudice shall apply if, prior to the notice, the Insured's liability has been determined by a court of competent jurisdiction or by a binding arbitration; or if the Insured has resolved the Claim by settlement or other compromise.

NOTICE TO AGENT:

Notice given by or on behalf of the Insured, or written notice by or on behalf of the injured party or any other claimant, to any licensed agent of the Insurer in the state of New York, with particulars sufficient to identify the Insured, shall be deemed notice to the Insurer.

INSOLVENCY/ BANKRUPTCY OF INSURED:

The insolvency or bankruptcy of the Insured shall not relieve the Insurer of its obligations under this policy as long as all policy requirements are met by Insured, its trustee or receiver in bankruptcy. Should a covered judgment be rendered against an insolvent or bankrupt Insured, the Insurer shall be liable for the amount of such judgment not to exceed the applicable limit of liability under this policy.

B. The Clause entitled, **Action Against Us** or **Action Against Company** is deleted in its entirety and replaced with the following:

No one may bring an action against us unless there has been full compliance with all the terms of this policy and the amount of the Insured's obligation to pay has been finally determined either by:

- 1. judgment against the Insured which remains unsatisfied at the expiration of thirty (30) days from the service of notice of entry of the judgment upon the Insured and upon us; or
- 2. written agreement of the Insured, the claimant and us.

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Any person or organization or legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. We may not be impleaded by the Insured or its legal representative in any legal action brought against the Insured by any person or organization.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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2-14057

_END 004

83231 (1/09)

Page 2 of 2

ENDORSEMENT# 5

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of

policy number **01-277-06-87**

issued to **APOLLO SENIOR FLOATING RATE FUND INC.**

by **National Union Fire Insurance Company of Pittsburgh, Pa.**

STOP PAYMENT LEGAL LIABILITY - SUB- LIMITED TO \$100K

It is agreed that:

1. In consideration of the additional premium included herein, this policy is extended to indemnify the Insured against any and all sums which the Insured shall become obligated to pay by reason of the liability imposed upon the Insured by law for damages:
 - (a) for having either complied with or failed to comply with any written notice of any depositor of the Insured or any authorized Representative of such depositor to stop payment of any cheque or draft made or drawn by such depositor or any authorized representative of such depositor, or
 - (b) for having refused to pay any cheque or draft made or drawn by any depositor of the Insured or any authorized representative of such depositor.

Provided always that:

- (1) the Insured shall bear the first \$nil for each and every loss.
 - (2) the Underwriter's liability under this rider shall be limited to \$100,000 for any one loss and in all during each policy year, subject to a \$100,000 annual aggregate.
 - (3) the term **Policy Year** as used in this rider shall mean each period of twelve calendar months commencing the effective date of the attached bond.
2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached bond other than as above stated.

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2-14057

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END 5

ENDORSEMENT# 6

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

UNAUTHORIZED SIGNATURES - SUB- LIMITED TO \$100K; \$5K DED.

It is agreed that:

1. The attached bond is amended to include the following insuring agreement:

UNAUTHORIZED SIGNATURE

Loss resulting directly from the Insured having accepted, paid or cashed any original check or withdrawal order made or drawn on a customer's account which bears the signature or endorsement of one other than a person whose name and signature is on file with the Insured as a signatory on such account it shall be a condition precedent to the Insured's right of recovery under this Coverage that the Insured shall have on file signature of all persons who are signatories on such account.

2. The Limit of Liability on this Agreement is \$100,000 as part of, and not in addition to, the Aggregate Limit of Liability shown on the Declaration Page; a \$5,000 deductible shall apply to each and every loss.
3. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached policy other than as above stated.

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END 6

ENDORSEMENT# 7

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

TERMINATION OR CANCELLATION SECTION AMENDED TO 60 DAYS

It is agreed that:

1. Section 13. **TERMINATION** of the **CONDITIONS AND LIMITATIONS** Clause of the attached bond is deleted in its entirety and replaced with the following:

TERMINATION OR CANCELLATION

Section 13. The Underwriter may terminate this bond as an entirety by furnishing written notice specifying the termination date which cannot be prior to 60 days after the receipt of such written notice by each Investment Company named as Insured and the Securities and Exchange Commission, Washington, D.C. The Insured may terminate this bond as an entirety by furnishing written notice to the Underwriter. When the Insured cancels, the Insured shall furnish written notice to the Securities and Exchange Commission, Washington, D.C. prior to 60 days before the effective date of the termination. The Underwriter shall notify all other Investment Companies named as Insured of the receipt of such termination notice and the termination cannot be effective prior to 60 days after receipt of written notice by all other Investment Companies. Premiums are earned until the termination date as set forth herein.

The Underwriter shall refund the unearned premium computed at short rates in accordance with the standard short rate cancellation tables if terminated by the Insured or pro rata if terminated for any other reason.

This Bond shall terminate as to any Employee 60 days after receipt by each Insured and by the Securities and Exchange Commission of a written notice from the Underwriter of its desire to terminate this bond as to such Employee.

2. Nothing contained here shall be held to vary, alter, waive or extend any of the terms, limitations, conditions, or agreements of the attached bond other than as above stated.

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END 7

ENDORSEMENT# 8

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

COMPUTER SYSTEMS

It is agreed that:

1. The attached bond is amended by adding an additional Insuring Agreement as follows:
COMPUTER SYSTEMS

Loss resulting directly from a fraudulent

- (1) Entry of Electronic Data or Computer Program into, or
 - (2) Change of Electronic Data or Computer Program within any Computer Systems operated by the Insured, whether owned or leased; or any Computer System identified in the application for this bond; or a Computer System first used by the Insured during the Bond Period, as provided by General Agreement B of this bond;
provided that the entry or change causes
 - (i) property to be transferred, paid or delivered,
 - (ii) an account of the Insured, or of its customer, to be added, deleted, debited or credited, or
 - (iii) an unauthorized account or a fictitious account to be debited or credited.
- In this Insuring Agreement, fraudulent entry or change shall include such entry or change made by an Employee or the Insured acting in good faith
- (a) on an instruction from a software contractor who has a written agreement with the Insured to design, implement or service programs for a Computer System covered by this Insuring Agreement.

2.

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In addition to the Conditions and Limitations in the bond, the following, applicable to the Computer Systems Fraud Insuring Agreement, are added:

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END 8

ENDORSEMENT# 8 (Continued)

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

DEFINITIONS

- A. Computer Program means a set of related electronic instructions which direct the operations and functions of a computer or devices connected to it which enable the computer or devices to receive, process, store or send Electronic Data;
- B. Computer Systems means
- 1) computers with related peripheral components, including storage components wherever located,
 - 2) systems and applications software,
 - 3) terminal devices, and
 - 4) related communication networks
- by which Electronic Data are electronically collected, transmitted, processed, stored and retrieved;
- C. Electronic Data means facts or information converted to a form usable in a Computer System by Computer Programs, and which is stored on magnetic tapes or disks, or optical storage disks or other bulk media.
- D. Telefacsimile Device means a machine capable of sending or receiving a duplicate image of a document by means of electronic impulses transmitted through a telephone line and which reproduces the duplicate image on paper;
- E. Tested means a method of authenticating the contents of a communication by placing a valid test key on it which has been agreed upon between the Insured and a customer, automated clearing house, or another financial institution for the purpose of protecting the integrity of the communication in the ordinary course of business.

EXCLUSIONS

- A. loss resulting directly or indirectly from the assumption of liability by the Insured by contract unless the liability arises from a loss covered by the Computer Systems Fraud Insuring Agreement and would be imposed on the Insured regardless of the existence of the contract;

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END 8

ENDORSEMENT# 8 **(Continued)**

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

- B. loss resulting directly or indirectly from negotiable instruments, securities, documents or other written instruments which bear a forged signature, or are counterfeit, altered or otherwise fraudulent and which are used as source documentation in the preparation of Electronic Data or manually keyed into a data terminal;

 - C. loss resulting directly or indirectly from
 - 1) mechanical failure, faulty construction, error in design, latent defect, fire, wear or tear, gradual deterioration, electrical disturbance or electrical surge which affects a Computer System, or

 - 2) failure or breakdown of electronic data processing media, or

 - 3) error or omission in programming or processing;

 - D. loss resulting directly or indirectly from the input of Electronic Data into a Computer System terminal device either on the premises of a customer of the Insured or under the control of such a customer by a person who had authorized access to the customer's authentication mechanism;

 - E. loss resulting directly from the theft to confidential information
- SERIES OF LOSSES**

All loss or series of losses involving the fraudulent acts of one individual, or involving fraudulent acts in which one individual is implicated, whether or not that individual is specifically identified, shall be treated as a Single Loss and subject to the Single Loss Limit of Liability. A series of losses involving unidentified individuals but arising from the same method of operation shall be deemed to involve the same individual and in that event shall be treated as a Single Loss and subject to the Single Loss Limit of Liability.

3. The exclusion below, as found in financial institution bonds forms 14 and 25, does not apply to the Computer Systems Fraud Insuring Agreement.

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END 8

ENDORSEMENT# 8 **(Continued)**

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

loss involving any Uncertificated Security except an Uncertificated Security of any Federal Reserve Bank of the United States or when covered under Insuring Agreement (A);

4. Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions or agreements or the attached bond other than as above stated.

AUTHORIZED

2-14057

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END 8

ENDORSEMENT# 9

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

AUDIT EXPENSE COVERAGE

It is agreed that:

1. An additional paragraph, as follows, is inserted as the fifth paragraph of the Fidelity Insuring Agreement.
Audit Expense Coverage \$50,000 (for coverage, an amount must be inserted)

This Insuring Agreement shall be subject to a deductible of \$ 5,000

Expense incurred by the Insured for that part of the cost of audits or examinations required by State or Federal supervisory authorities to be conducted either by such authorities or by independent accountants by reason of the discovery of loss sustained by the Insured through dishonest or fraudulent acts of any of the Employees. The total liability of the Underwriter for such expense by reason of such acts of any Employee or in which such Employee is concerned or implicated or with respect to any one audit or examination is limited to the amount stated opposite Audit Expense Coverage ; it being understood, however, that such expense shall be deemed to be loss sustained by the Insured through dishonest or fraudulent act of one or more of the Employees and the liability of the Underwriter under this paragraph of Insuring Agreement (A) shall be part of and not in addition to the Single Loss Limit of Liability stated in Item 4 of the Declarations.

2. The following paragraph is substituted for Section 2 (d):

(d) loss resulting directly or indirectly from any acts of any director or trustee of the Insured other than one employed as a salaried, pensioned or elected official or an Employee of the Insured, except when performing acts coming within the scope of the usual duties of an Employee, or while acting as a member of any committee duly elected or appointed by resolution of the board of directors or trustees of the Insured to perform specific, as distinguished from general, directorial acts on behalf of the Insured;

3. The following paragraph is substituted for Section 2 (u):

(u) all fees, costs and expenses incurred by the Insured

(1) in establishing the existence of or amount of loss covered under this bond, except to the extent covered under the portion of Insuring Agreement (A) entitled Audit Expense, or

- (2) as a party to any legal proceeding whether or not such legal proceeding exposes the Insured to loss covered by this bond;

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2-14057

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END 9

ENDORSEMENT# 10

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

NEW YORK STATUTORY RIDER/ ENDORSEMENT

It is agreed that:

1. Part (a) of the Section entitled **Termination or Cancellation** of this bond/policy is deleted.

2. Cancellation of this bond/policy by the Underwriter/Company is subject to the following provisions:
If the bond/policy has been in effect for 60 days or less, it may be cancelled by the Underwriter/Company for any reason. Such cancellation shall be effective 20 days after the Underwriter/Company mails a notice of cancellation to the first-named insured at the mailing address shown in the bond/policy. However, if the bond/policy has been in effect for more than 60 days or is a renewal, then cancellation must be based on one of the following grounds:
 - (A) non-payment of premium;
 - (B) conviction of a crime arising out of acts increasing the hazard insured against;
 - (C) discovery of fraud or material misrepresentation in the obtaining of the bond/policy or in the presentation of claim thereunder;
 - (D) after issuance of the bond/policy or after the last renewal date, discovery of an act or omission, or a violation of any bond/policy condition that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current bond/policy period;
 - (E) material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the bond/policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the bond/policy was issued or last renewed;
 - (F) the cancellation is required pursuant to a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of the insureds, the insurer's creditors or the public;

- (G) a determination by the superintendent that the continuation of the bond/policy would violate, or would place the insurer in violation of, any provision of the New York State insurance laws.

2-14057

SR6180b (12/93)

END 10

ENDORSEMENT# 10 (Continued)

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

(H) where the insurer has reason to believe, in good faith and with sufficient cause, that there is a possible risk or danger that the insured property will be destroyed by the insured for the purpose of collecting the insurance proceeds, provided, however, that:

- (i) a notice of cancelation on this ground shall inform the insured in plain language that the insured must act within ten days if review by the Insurance Department of the State of New York of the ground for cancelation is desired, and
- (ii) notice of cancelation on this ground shall be provided simultaneously by the insurer to the Insurance Department of the State of New York. Cancelation based on one of the above grounds shall be effective 15 days after the notice of cancellation is mailed or delivered to the named insured, at the address shown on the bond/policy, and to its authorized agent or broker.

- 3. If the Underwriter/Company elects not to replace a bond/policy at the termination of the bond/policy period, it shall notify the insured not more than 120 days nor less than 60 days before termination. If such notice is given late, the bond/policy shall continue in effect for 60 days after such notice is given. The Aggregate Limit of Liability shall not be increased or reinstated. The notice not to replace shall be mailed to the insured and its broker or agent.
- 4. If the Underwriter/Company elects to replace the bond/policy, but with a change of limits, reduced coverage, increased deductible, additional exclusion, or upon increased premiums in excess of ten percent (exclusive of any premium increase as a result of experience rating), the Underwriter must mail written notice to the insured and its agent or broker not more than 120 days nor less than 60 days before replacement. If such notice is given late, the replacement bond/policy shall be in effect with the same terms, conditions and rates as the terminated bond/policy for 60 days after such notice is given.

2-14057

SR6180b (12/93)

END 10

ENDORSEMENT# 10 (Continued)

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

5. The Underwriter/Company may elect to simply notify the insured that the bond/policy will either be not renewed or renewed with different terms, conditions or rates. In this event, the Underwriter/Company will inform the insured that a second notice will be sent at a later date specifying the Underwriter's/Company's exact intention. The Underwriter shall inform the insured that, in the meantime, coverage shall continue on the same terms, conditions and rates as the expiring bond/policy until the expiration date of the bond/policy or 60 days after the second notice is mailed or delivered, whichever is later.

FOR USE WITH FINANCIAL INSTITUTION BONDS,
STANDARD FORMS NOS. 14, 15, 24, AND 25 AND
EXCESS BANK EMPLOYEE DISHONESTY BONDS,
STANDARD FORM NO. 28, AND COMPUTER CRIME
POLICY FOR FINANCIAL INSTITUTIONS TO COMPLY
WITH STATUTORY REQUIREMENTS.

AUTHORIZED

2-14057

SR6180b (12/93)

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END 10

ENDORSEMENT# 11

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

ADDITIONAL INSUREDS RIDER

It is agreed that:

1. Item 1 of the Declarations, Name of Insured (herein called Insured), is amended to include the following listed entities as additional Insureds under the attached bond:
Apollo Tactical Income Fund Inc.
Apollo Credit Management, LLC
2. Nothing contained here shall be held to vary, alter, waive or extend any of the terms, limitations, conditions, or agreements of the attached bond other than as above stated.

AUTHORIZED

2-14057

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END 11

ENDORSEMENT# 12

This endorsement, effective at **12:01AM** **April 5, 2016** forms a part of

Policy No. **01-277-06-87**

Issued to: **APOLLO SENIOR FLOATING RATE FUND INC.**

By: **National Union Fire Insurance Company of Pittsburgh, Pa.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

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2-14057
89644 (6/13)

END 012

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ENDORSEMENT# 13

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION

This rider modifies insurance provided under the following:

BROKER-DEALER GUARD BOND

CREDIT UNION FINANCIAL INSTITUTION FIDELITY BOND

FOLLOW FORM BOND (EXCESS OVER A FIDELITY BOND)

INVESTMENT COMPANY BLANKET BOND

It is agreed that:

1. This bond shall not cover any indirect or any consequential loss of any nature including, but not limited to fines, penalties, multiple or punitive damages.
2. Nothing contained here shall be held to vary, alter, waive or extend any of the terms, limitations, conditions, or agreements of the attached bond other than as above stated.

AUTHORIZED

2-14057

113022 (10/12)

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END 13

ENDORSEMENT# 14

This endorsement, effective **12:01AM April 5, 2016** forms a part of
policy number **01-277-06-87**
issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
by **National Union Fire Insurance Company of Pittsburgh, Pa.**

PROTECTED INFORMATION EXCLUSION

This rider modifies insurance provided under the following:

- BROKER-DEALER GUARD BOND
- CREDIT UNION FINANCIAL INSTITUTION FIDELITY BOND
- FINANCIAL INSTITUTIONS BOND, STANDARD FORM 14
- FINANCIAL INSTITUTIONS BOND, STANDARD FORM 15
- FINANCIAL INSTITUTIONS BOND, STANDARD FORM 24
- FINANCIAL INSTITUTIONS BOND, STANDARD FORM 25
- FOLLOW FORM BOND (EXCESS OVER A FIDELITY BOND)
- INVESTMENT COMPANY BLANKET BOND

It is agreed that:

1. Coverage shall not apply to any loss resulting directly or indirectly from the: (a) theft, disappearance or destruction of; (b) unauthorized use or disclosure of; (c) unauthorized access to; or (d) failure to protect any:
 - (i) confidential or non-public; or
 - (ii) personal or personally identifiable;
information that any person or entity has a duty to protect under any law, rule or regulation, any agreement or any industry guideline or standard.

This exclusion shall not apply to the extent that any unauthorized use or disclosure of a password enables a theft by an Employee of the Insured of money, securities or tangible property of the Insured or that the Insured is holding for a third party; provided, however, this exception shall not apply to the extent that such unauthorized use or disclosure of a password enables a theft of or disclosure of information.

2. Nothing contained here shall be held to vary, alter, waive or extend any of the terms, limitations, conditions, or agreements of the attached bond other than as above stated.

AUTHORIZED

2-14057

113011 (10/12)

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END 14

ENDORSEMENT# 15

This endorsement, effective **12:01AM** **April 5, 2016** forms a part of
 policy number **01-277-06-87**
 issued to **APOLLO SENIOR FLOATING RATE FUND INC.**
 by **National Union Fire Insurance Company of Pittsburgh, Pa.**

FORMS INDEX

ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
41205	04/95	INVESTMENT COMPANY BLANKET BOND DEC
41206	09/84	INVESTMENT COMPANY BLANKET BOND GUTS
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
MNSCPT		EMPLOYEE DEFINITION AMENDED RIDER
MNSCPT		CENTRAL HANDLING OF SECURITIES RIDER
83231	01/09	NEWYORK LAW 3420 AMENDATORY ENDORSEMENT
MNSCPT		STOP PAYMENT LEGAL LIABILITY - SUB-LIMITED TO \$100K
MNSCPT		UNAUTHORIZED SIGNATURES - SUB-LIMITED TO \$100K; \$5K DED.
MNSCPT		TERMINATION OR CANCELLATION SECTION AMENDED TO 60 DAYS
MNSCPT		COMPUTER SYSTEMS
MNSCPT		AUDIT EXPENSE COVERAGE
SR6180b	12/93	NEW YORK STATUTORY RIDER/ENDORSEMENT
MNSCPT		ADDITIONAL INSUREDS RIDER
89644	06/13	ECONOMIC SANCTIONS ENDORSEMENT
113022	10/12	INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION
113011	10/12	PROTECTED INFORMATION EXCLUSION

78859 10/01 FORMS INDEX ENDORSEMENT
ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

2-14057 II © .

END 015

78859 (10/01)

Page 1 of 1

CERTIFICATE OF SECRETARY

The undersigned, Joseph D. Glatt, Secretary and Chief Legal Officer of Apollo Senior Floating Rate Fund Inc. and Apollo Tactical Income Fund Inc. (each, a Fund and collectively, the Funds), each an investment company registered under the Investment Company Act of 1940 (the 1940 Act), does hereby certify that the following resolutions were duly approved by each Fund's board of directors (the Board), consisting of a majority of the directors who are not interested persons (as defined by the 1940 Act) of the Funds, on March 17, 2016:

RESOLVED, that each Fund shall be named as an insured under a joint insured fidelity bond (the Bond) having an aggregate coverage of \$5 million, issued by National Union Fire Insurance Company of Pittsburgh, Pa. (AIG), against larceny and embezzlement and such other types of losses as are included in standard fidelity bonds, covering the officers and the other employees of the Funds, and containing such provisions as may be required by the rules promulgated under the 1940 Act; and be it

FURTHER RESOLVED, that the proposed form and amount of the Bond be, and the same hereby are, approved by the Board based on such factors including, but not limited to, the amount of the Bond, the value of the assets of each Fund to which any person covered under the Bond may have access, the estimated amount of the premium for such Bond, the types and terms of the arrangements made for the custody and safekeeping of each Fund's assets, and the nature of the securities in each Fund's portfolio; and be it

FURTHER RESOLVED, that the share of the premium to be allocated to each Fund and Apollo Credit Management, LLC (the Adviser) for the Bond, which is based upon their proportionate share of the sum of the premiums that would have been paid if such bond had been purchased separately, be, and the same hereby is, approved by the Board, after having given due consideration to, among other things, the number of other parties insured under the Bond, the nature of the business activities of such other parties, the amount of the joint insured bond and its premium, the ratable allocation of the premium among the parties insured under the Bond, and the extent to which the share of the premium allocated to each Fund under the Bond is less than the premium that a Fund would have had to pay had it maintained a single insured bond; and be it

FURTHER RESOLVED, that the officers of each Fund be, and each of them hereby is, authorized to obtain the Bond and pay the premium therefore; and be it

FURTHER RESOLVED, that each Fund participate in the Bond under which benefits as well as costs of the Bond be allocated to the Adviser and each Fund on the terms discussed at this Meeting; and be it

FURTHER RESOLVED, that the agreement among each Fund and the Adviser providing that in the event that any recovery is received under the Bond as a result of a loss sustained by a Fund and also by any named insured, the Fund shall receive an equitable and proportionate share of the recovery, but in no event less than the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required by paragraph (d)(1) of Rule 17g-1, is approved with such further changes therein as the officers of the Funds may determine to be necessary or desirable and proper with the advice of the Fund counsel, the execution of said joint fidelity bond agreement by such officers to be conclusive evidence of such determination; and be it

FURTHER RESOLVED, that the Secretary of the Funds be, and hereby is, designated as the party responsible for making the necessary filings and giving notices with respect to the Bond required by paragraph (g) of Rule 17g-1 under the 1940 Act.

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IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed this 15th day of April, 2016.

Joseph D. Glatt
Secretary and Chief Legal Officer

Apollo Funds Complex

Rule 17g-1 Fidelity Bond Filing

Amount of Single Insured Bond for Joint Insureds

Period of Coverage: April 5, 2016 to April 5, 2017

<u>Fund</u>	<u>Single Insured Bond Coverage</u>	
Apollo Senior Floating Rate Fund Inc.	\$	750,000
Apollo Tactical Income Fund Inc.	\$	750,000

JOINT FIDELITY BOND AGREEMENT

This JOINT FIDELITY BOND AGREEMENT is effective for the period of April 5, 2016 through April 5, 2017 by and among Apollo Senior Floating Rate Fund Inc. (AFT), a Maryland corporation, Apollo Tactical Income Fund Inc. (AIF and together with AFT, the Funds), a Maryland corporation, and Apollo Credit Management, LLC (the Adviser) a Delaware limited liability company.

W I T N E S S E T H:

WHEREAS, the Funds and the Adviser are joint named insureds (each, an Insured and collectively, the Insureds) under a fidelity bond from time to time in effect (the Bond);

WHEREAS, the Funds are required to provide and maintain a fidelity bond pursuant to Rule 17g-1 under the Investment Company Act of 1940, as amended (the 1940 Act);

WHEREAS, Rule 17g-1 under the 1940 Act requires that the Insureds enter into an agreement with each other, containing certain provisions regarding the respective amounts to be received by them in the event recovery is received under the Bond as a result of a loss sustained by them; and

WHEREAS, this Agreement has been approved by the directors of each Fund, including a majority of the directors who are not interested persons of each Fund (as defined in the 1940 Act).

NOW THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants contained herein, hereby agree as follows:

1. Each Insured agrees to maintain in effect, and will pay a portion of the premiums for, the Bond, which premium will be allocated pro rata in accordance with the allocation approved by each Fund's board of directors and agreed to by the Adviser. In no event will a Fund's allocated portion of the total premium paid for the Bond exceed the premium such Fund would have had to pay if it had provided and maintained a single insured bond.
2. In the event recovery is received under the Bond as a result of a loss sustained by each Insured, each Insured shall receive an equitable and proportionate share of the recovery, but each Insured shall receive an amount at least equal to the amount it would have received had it provided and maintained a single insured bond with the minimum coverage required by paragraph (d)(1) of Rule 17g-1 under the 1940 Act.
3. Each party shall, within five days after making any claim under the Bond, provide the other party with written notice of the amount and nature of such claim. Each party shall, within five days after the receipt thereof, provide the other party with written notice of the terms of settlement of any claim made under the Bond by such party.
4. This Agreement and the rights and duties hereunder shall not be assignable by any party hereto without the written consent of the other party.
5. This Agreement may be amended by the parties hereto only if such amendment is approved by the Board of Directors of each Fund and such amendment is set forth in a written instrument executed by each of the parties hereto.
6. This Agreement shall be construed in accordance with the laws of the State of New York.

Exhibit D

This agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the parties and is effective as of the date of the commencement of coverage under the Bond.

APOLLO SENIOR FLOATING RATE FUND
INC.

By:

Name: Joseph D. Glatt

Title: Secretary and Chief Legal Officer

APOLLO TACTICAL INCOME FUND INC.

By:

Name: Joseph D. Glatt

Title: Secretary and Chief Legal Officer

APOLLO CREDIT MANAGEMENT, LLC

By:

Name: Joseph D. Glatt

Title: Vice President and Secretary