



Dividends and Distributions for 2016

The tax character of dividends and distributions from Apollo Investment Corporation (the “Company”) for calendar 2016 is set forth below. For tax purposes, the Company is a regulated investment company (“RIC”) and designates the tax character of dividends and distributions you received for calendar 2016 in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended.

- **Ordinary Income Dividends:** These dividends are from the Company’s ordinary net investment income and net short-term capital gains for the year. This type of dividend is to be reported on your tax return as ordinary income. Ordinary dividend distributions from a RIC generally do not qualify for the 15% or 20% tax rate on dividend income from domestic corporations and qualified foreign corporations except to the extent that the RIC received the income in the form of qualifying dividends from domestic corporations and qualified foreign corporations.

Total ordinary income distributions are reported on your Form 1099-DIV in Box 1a. The portion of the dividends reported in Box 1a that qualify for the 15% or 20% tax rate are reported on your Form 1099-DIV, Box 1b.

- **Non-dividend Distributions:** Sometimes due to tax timing differences, difference in tax vs accounting treatment of certain income or other circumstances, we may make a distribution that is not sourced from taxable income but represents a return of your investment or capital. This type of distribution is reported on your tax return as a return of capital to the extent of your basis in the stock. Any excess would be treated as a capital gain.

Total non-dividend distributions are reported on your Form 1099-DIV in Box 3.

Dividends and distributions that were reinvested through the Company’s Dividend Reinvestment Plan are treated, for tax purposes, as if they had been paid in cash. Therefore, stockholders who participated in the Dividend Reinvestment Plan should also refer to the below table.

Calendar year 2016 dividends and distributions were classified as follows:

<u>Record Date</u>	<u>Payable Date</u>	<u>Dividends Per Share</u>	<u>% Taxable (i)</u>	<u>% Non-Dividends (ii)</u>	<u>% Qualified Dividends (iii)</u>	<u>% Non-Qualified Dividends</u>	<u>% Long-Term Capital Gains</u>	<u>Interest-Related Dividends(iv)</u>
12/21/2015	01/05/2016	\$0.20	0.00%	100.00%	0.00%	0.00%	0%	-
03/21/2016	04/06/2016	\$0.20	100.00%	0.00%	0.00%	100.00%	0%	56.96%
06/21/2016	07/06/2016	\$0.20	100.00%	0.00%	0.00%	100.00%	0%	56.96%
09/21/2016	10/05/2016	\$0.15	100.00%	0.00%	0.00%	100.00%	0%	56.96%
12/21/2016	01/15/2017	\$0.15	*	*	*	*	*	*

* The dividend relates to calendar year 2017, and as such, the tax character of this portion will be reported on the Company's 2017 Form 1099.

(i) Taxable ordinary dividend income is reported on Form 1099-DIV in Box 1a

(ii) Return of capital/non dividend distributions are reported on Form 1099-DIV in Box 3

(iii) Qualified dividends are reported on Form 1099-DIV in Box 1b

(iv) The Company hereby designates the above percentages of each of the total dividends by payment date as Interest-Related dividends in accordance with IRC Section 871(k). This is an estimated amount as of 12/31/16 and will not be finalized until after the 3/31/17 tax year has been finalized.

Certain U.S. corporations may be eligible for the Dividends Received Deduction. Accordingly, 0.00% of the qualified dividends of 2016 are eligible for such deduction.

This notice is not intended to constitute tax, legal, investment, or other professional advice. This is general information and should not be relied upon without consulting your tax advisor.

If you have further questions about the tax character of your dividends and distributions, please contact American Stock Transfer and Trust Company at (888) 777-0324 or through their website www.amstock.com. You may also contact Apollo Investment Corporation's Investor Relations Department directly at (212) 822-0625.