

KKR Income Opportunities Fund
Form N-Q
March 21, 2019

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

FORM N-Q

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

Investment Company Act file number (811-22543)

KKR Income Opportunities Fund
(Exact name of registrant as specified in charter)

KKR Credit Advisors (US) LLC

555 California Street, 50th Floor

San Francisco, California
(Address of principal executive offices)

94104
(Zip code)

U.S. Bancorp Fund Services, LLC

615 East Michigan Street

Milwaukee, WI 53202
(Name and address of agent for service)

Registrant's telephone number, including area code: (415) 315-3620

Date of fiscal year end: October 31, 2019

Date of reporting period: January 31, 2019

Item 1. Schedule of Investments.

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Income Opportunities Fund

January 31, 2019
(Unaudited)

Schedule of Investments

| | Par | Value |
|---|------------|--------------|
| LEVERAGED LOANS - 72.1% | | |
| Aerospace & Defense - 0.5% | | |
| EaglePicher Technologies, LLC, TL 2L 02/18 | | |
| 9.749% (1 Month US LIBOR + 7.250%), 03/08/2026 (a) | 1,838,910 | \$ 1,742,367 |
| Chemicals - 1.8% | | |
| Emerald Performance Materials, LLC, TL 2L 07/14 | | |
| 10.249% (1 Month US LIBOR + 7.750%), 08/01/2022 (a) | 1,401,160 | 1,396,487 |
| Invictus, TL 2L 01/18 | | |
| 9.249% (1 Month US LIBOR + 6.750%), 03/30/2026 (a) | 1,082,100 | 1,076,690 |
| New Arclin US Holding Corp., TL 2L 02/17 | | |
| 11.249% (1 Month US LIBOR + 8.750%), 02/14/2025 (a) | 282,363 | 280,245 |
| SI Group, Inc., TL 1L 07/18 | | |
| 7.537% (3 Month US LIBOR + 4.750%), 10/15/2025 (a) | 950,317 | 943,190 |
| Vantage Specialty Chemicals, Inc., TL 2L 10/17 | | |
| 10.884% (3 Month US LIBOR + 8.250%), 10/26/2025 (a) | 2,397,730 | 2,322,801 |
| | | 6,019,413 |
| Commercial Services & Supplies - 10.2% | | |
| Acosta Holdco., Inc., TL 1L B 04/15 | | |
| 5.749% (1 Month US LIBOR + 3.250%), 09/26/2021 (a) | 13,710,515 | 6,543,343 |
| Advantage Sales & Marketing, Inc., TL 1L B 06/14 | | |
| 5.749% (1 Month US LIBOR + 3.250%), 07/23/2021 (a) | 8,638,840 | 7,636,734 |
| Advantage Sales & Marketing, Inc., TL 2L 06/14 | | |
| 8.999% (1 Month US LIBOR + 6.500%), 07/25/2022 (a) | 2,795,532 | 2,129,846 |
| Koosharem, LLC, TL 1L B 10/18 | | |
| 7.303% (3 Month US LIBOR + 4.500%), 04/18/2025 (a) | 5,694,015 | 5,670,898 |
| Monitronics International, Inc., TL 1L 03/12 | | |
| 8.303% (3 Month US LIBOR + 5.500%), 09/30/2022 (a) | 9,259,065 | 8,151,820 |
| Vivint, Inc., TL 1L B 06/18 | | |
| 7.501% (1 Month US LIBOR + 5.000%), 04/01/2024 (a) | 3,879,427 | 3,819,626 |
| | | 33,952,267 |
| Construction & Engineering - 1.3% | | |
| Yak Access, LLC, TL 1L B 05/18 | | |
| 7.499% (1 Month US LIBOR + 5.000%), 07/11/2025 (a) | 5,316,046 | 4,492,059 |
| Containers & Packaging - 0.0% | | |
| Greif, Inc. Bridge Loan Unsecured 01/19 | | |
| 7.488%, 03/21/2020 (i) | 1,259,000 | |
| Distributors - 2.6% | | |
| Distribution International, Inc., TL 1L 12/14 | | |
| 7.810% (3 Month US LIBOR + 5.000%), 12/15/2021 (a) | 9,615,210 | 8,701,765 |
| Diversified Consumer Services - 0.9% | | |
| Jostens, Inc., TL 1L 12/18 | | |

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| | | |
|--|-----------|-----------|
| 8.134% (3 Month US LIBOR + 5.500%), 12/19/2025 (a) | 3,142,549 | 3,134,693 |
| Diversified Telecommunicaiton Services - 0.9% | | |
| Onvoy LLC, TL 1L 01/17 | | |
| 7.303% (3 Month US LIBOR + 4.500%), 02/10/2024 (a) | 3,520,421 | 3,119,973 |

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| | Par | Value |
|---|------------|------------|
| LEVERAGED LOANS - 72.1% (continued) | | |
| Diversified Telecommunication Services - 0.9% (continued) | | |
| Peak 10 Holding Corp., TL 1L 07/17 | | |
| 6.303% (3 Month US LIBOR + 3.500%), 08/01/2024 (a) | 20,750 | \$ 18,822 |
| | | 3,138,795 |
| Electronic Equipment, Instruments & Components - 3.0% | | |
| Excelitas Technologies Corp., TL 2L 10/17 | | |
| 10.308% (3 Month US LIBOR + 7.500%), 12/01/2025 (a) | 10,169,900 | 10,042,776 |
| Laird PLC, TL 1L B 04/18 | | |
| 7.235% (3 Month US LIBOR + 4.500%), 07/09/2025 (a) (b) | 10,378 | 10,239 |
| | | 10,053,015 |
| Food & Staples Retailing - 0.5% | | |
| Grocery Outlet, Inc., TL 2L 10/18 | | |
| 10.053% (3 Month US LIBOR + 7.250%), 10/22/2026 (a) | 1,580,650 | 1,570,115 |
| Food Products - 0.4% | | |
| CSM Bakery Products, TL 2L 07/13 | | |
| 10.550% (3 Month US LIBOR + 7.750%), 07/05/2021 (a) | 991,568 | 902,327 |
| CTI Foods Holding Co. LLC, TL 2L 06/13 | | |
| 06/28/2021 (c) (d) (g) | 3,800,000 | 316,673 |
| | | 1,219,000 |
| Health Care Providers & Services - 5.6% | | |
| NaviHealth, Inc., TL 1L B 07/18 | | |
| 7.513%, (1 Month US Libor + 5.000%), 08/01/2025 (a) | 2,775,451 | 2,664,433 |
| Paradigm Acquisition Corp., TL 2L 10/18 LC | | |
| 10.277% (3 Month US LIBOR + 7.500%), 10/26/2026 (a) | 555,010 | 552,235 |
| Press Ganey Holdings, Inc., TL 2L 10/17 | | |
| 8.999% (1 Month US LIBOR + 6.500%), 10/21/2024 (a) | 3,044,038 | 3,040,233 |
| Quorum Health Corp., TL 1L 04/16 | | |
| 9.249% (1 Month US LIBOR + 6.750%), 04/29/2022 (a) | 8,326,036 | 8,323,954 |
| Team Health, Inc., TL 1L 01/17 | | |
| 5.249% (1 Month US LIBOR + 2.750%), 02/06/2024 (a) | 4,516,586 | 4,076,219 |
| | | 18,657,074 |
| Health Care Technology - 1.8% | | |
| Verscend Holding Corp., TL 1L B 07/18 | | |
| 6.999% (1 Month US LIBOR + 4.500%), 08/10/2025 (a) | 6,010,396 | 5,972,831 |
| Hotels, Restaurants & Leisure - 0.5% | | |
| Diamond Resorts International, Inc., TL 1L B 06/18 | | |
| 6.249% (1 Month US LIBOR + 3.750%), 09/02/2023 (a) | 618,537 | 584,001 |
| SMG/PA, TL 2L 12/17 | | |
| 9.499%, (1 Month US LIBOR + 7.000%), 01/23/2026 (a) | 1,110,960 | 1,097,073 |
| | | 1,681,074 |
| IT Services - 2.8% | | |
| Access CIG, LLC, TL 2L 02/18 | | |
| 10.457% (3 Month US LIBOR + 7.750%), 02/27/2026 (a) | 1,292,375 | 1,281,603 |
| Sutherland Global Services, Inc., TL 1L 10/14 _US Borrower | | |
| 8.178% (3 Month US LIBOR + 5.375%), 04/23/2021 (a) | 6,585,457 | 6,250,685 |
| Sutherland Global Services, Inc., TL 1L 10/14_Cayman Borrower | | |
| 8.178% (3 Month US LIBOR + 5.375%), 04/23/2021 (a) | 1,532,945 | 1,455,018 |
| Systems Maintenance Services Holdings, Inc., TL 1L B 10/16 | | |
| 7.499% (1 Month US LIBOR + 5.000%), 10/30/2023 (a) | 575,743 | 428,928 |
| | | 9,416,234 |

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| | Par | Value |
|---|------------|--------------|
| LEVERAGED LOANS - 72.1% (continued) | | |
| Life Sciences Tools & Services - 0.6% | | |
| Albany Molecular Research, Inc., TL 2L 07/17 | | |
| 9.499% (1 Month US LIBOR + 7.000%), 08/28/2025 (a) | 2,174,190 | \$ 2,127,988 |
| Machinery - 6.8% | | |
| Accuride Corp., TL 1L B 10/17 | | |
| 8.053% (3 Month US LIBOR + 5.250%), 11/17/2023 (a) | 1,009,463 | 933,753 |
| CPM Holdings, Inc., TL 2L 10/18 | | |
| 10.749% (1 Month US LIBOR + 8.250%), 11/16/2026 (a) | 1,655,830 | 1,645,481 |
| Utility One Source LP, TL 1L 03/17 | | |
| 8.001% (1 Month US LIBOR + 5.500%), 04/18/2023 (a) | 7,130,739 | 7,166,392 |
| WireCo WorldGroup, Inc., TL 1L 07/16 | | |
| 7.499% (1 Month US LIBOR + 5.000%), 09/29/2023 (a) (b) | 7,238,084 | 7,226,792 |
| WireCo WorldGroup, Inc., TL 2L 07/16 | | |
| 11.499% (1 Month US LIBOR + 9.000%), 09/30/2024 (a) (b) | 5,918,991 | 5,918,992 |
| | | 22,891,410 |
| Media - 1.5% | | |
| NEP Broadcasting, LLC, TL 2L 09/18 | | |
| 9.499% (1 Month US LIBOR + 7.000%), 10/19/2026 (a) | 5,063,000 | 4,974,398 |
| Metals & Mining - 10.0% | | |
| Foresight Energy, LLC, TL 1L B 03/17 | | |
| 8.249% (1 Month US LIBOR + 5.750%), 03/28/2022 (a) | 11,198,433 | 11,103,974 |
| Sequa Corp., TL 1L B 11/17 | | |
| 7.728% (3 Month US LIBOR + 5.000%), 11/28/2021 (a) | 5,946,268 | 5,857,074 |
| Sequa Corp., TL 2L 04/17 | | |
| 11.751% (3 Month US LIBOR + 9.000%), 04/28/2022 (a) | 17,149,877 | 16,399,570 |
| | | 33,360,618 |
| Multiline Retail - 2.4% | | |
| Belk, Inc., TL 1L B 08/15 | | |
| 7.365% (3 Month US LIBOR + 4.750%), 12/12/2022 (a) | 10,148,444 | 8,115,559 |
| Professional Services - 0.9% | | |
| SIRVA Worldwide, Inc., TL 1L 07/18 | | |
| 8.244% (3 Month US LIBOR + 5.500%), 08/02/2025 (a) | 1,939,470 | 1,900,681 |
| SIRVA Worldwide, Inc., TL 2L 07/18 | | |
| 12.244% (3 Month US LIBOR + 9.500%), 08/02/2026 (a) | 1,149,740 | 1,017,520 |
| | | 2,918,201 |
| Road & Rail - 1.3% | | |
| Transplace, TL 2L 09/17 | | |
| 11.258% (1 Month US LIBOR + 8.750%), 10/06/2025 (a) | 4,532,039 | 4,373,418 |
| Software - 9.4% | | |
| Applied Systems, Inc., TL 2L 09/17 | | |
| 9.499% (1 Month US LIBOR + 7.000%), 09/19/2025 (a) | 6,013,300 | 6,023,312 |
| iParadigms Holdings LLC, TL 2L 07/14 | | |
| 10.053% (3 Month US LIBOR + 7.250%), 07/29/2022 (a) | 5,133,360 | 5,107,694 |
| Misys Ltd., TL 1L 04/17 | | |
| 6.303% (3 Month US LIBOR + 3.500%), 06/13/2024 (a) | 2,908,356 | 2,797,489 |
| Misys Ltd., TL 2L 04/17 USD | | |
| 10.053% (3 Month US LIBOR + 7.250%), 06/13/2025 (a) | 6,793,176 | 6,441,358 |

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| | Par | Value |
|---|-----------|--------------------|
| LEVERAGED LOANS - 72.1% (continued) | | |
| Software - 9.4% (continued) | | |
| P2 Energy Solutions, Inc., TL 1L 10/13 | | |
| 6.600% (3 Month US LIBOR + 4.000%), 10/30/2020 (a) | 8,974,566 | \$ 8,772,638 |
| Refinitiv, TL 1L B 08/18 | | |
| 6.249% (1 Month US LIBOR + 3.750%), 10/01/2025 (a) | 2,559,256 | 2,462,286 |
| | | 31,604,777 |
| Specialty Retail - 5.1% | | |
| Charlotte Russe, Inc., TL 1L 12/17 | | |
| 8.500%, 02/02/2023 (c) (d) (e) | 1,520,010 | 571,464 |
| Jo-Ann Stores, Inc., TL 1L 09/16 | | |
| 7.761% (3 Month US LIBOR + 5.000%), 10/20/2023 (a) | 1,877,420 | 1,860,992 |
| Jo-Ann Stores, Inc., TL 2L 04/18 | | |
| 12.011% (3 Month US LIBOR + 9.250%), 05/21/2024 (a) | 1,713,450 | 1,672,756 |
| Savers, Inc., TL 1L C 07/12 | | |
| 6.526% (3 Month US LIBOR + 3.750%), 07/09/2019 (a) (c) (d) | 8,855,150 | 8,441,172 |
| Talbots, Inc., TL 1L B 11/18 | | |
| 9.502% (1 Month US LIBOR + 7.000%), 11/28/2022 (a) | 4,467,300 | 4,355,618 |
| | | 16,902,002 |
| Textiles, Apparel & Luxury Goods - 0.2% | | |
| Nine West Holdings, TL 1L 04/18 DIP | | |
| 10.000%, 03/31/2019 (d) (e) | 503,711 | 507,629 |
| Transportation Infrastructure - 1.1% | | |
| Commercial Barge Lines Co., TL 1L B 11/15 | | |
| 11.249% (1 Month US LIBOR + 8.750%), 11/12/2020 (a) | 1,689,482 | 1,207,980 |
| Direct ChassisLink, Inc., TL 2L 11/17 | | |
| 8.499% (1 Month US LIBOR + 6.000%), 06/15/2023 (a) | 2,347,058 | 2,300,117 |
| | | 3,508,097 |
| TOTAL LEVERAGED LOANS (amortized cost \$259,154,175) | | 241,034,799 |
| HIGH YIELD SECURITIES - 67.4% | | |
| Aerospace & Defense - 1.3% | | |
| Pattonair Holdings Ltd. | | |
| 9.000%, 11/01/2022 (b) (f) | 3,845,000 | 3,902,675 |
| Triumph Group, Inc. | | |
| 7.750%, 08/15/2025 | 538,000 | 459,990 |
| | | 4,362,665 |
| Building Products - 3.9% | | |
| Beacon Roofing Supply, Inc. | | |
| 4.875%, 11/01/2025 (f) | 1,753,000 | 1,639,055 |
| Builders FirstSource, Inc. | | |
| 5.625%, 09/01/2024 (f) | 683,000 | 653,972 |
| Ply Gem Holdings, Inc. | | |
| 8.000%, 04/15/2026 (f) | 5,232,000 | 4,970,400 |
| SRS Distribution, Inc. | | |
| 8.250%, 07/01/2026 (f) | 5,855,000 | 5,664,713 |
| | | 12,928,140 |
| Chemicals - 1.6% | | |
| Akzo Nobel Specialty Chemical | | |
| 8.000%, 10/01/2026 (b) (f) | 3,085,000 | 3,085,000 |

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| | Par | Value |
|---|------------|------------|
| HIGH YIELD SECURITIES - 67.4% (continued) | | |
| Chemicals - 1.6% (continued) | | |
| Consolidated Energy Finance SA | | |
| 6.500%, 05/15/2026 (b) (f) | 869,000 | \$ 853,792 |
| Cornerstone Chemical Co. | | |
| 6.750%, 08/15/2024 (f) | 1,356,000 | 1,284,810 |
| | | 5,223,602 |
| Commercial Services & Supplies - 3.7% | | |
| GFL Environmental, Inc. | | |
| 5.625%, 05/01/2022 (b) (f) | 520,000 | 502,288 |
| Vivint, Inc. | | |
| 8.750%, 12/01/2020 | 7,161,000 | 6,995,402 |
| 7.875%, 12/01/2022 | 2,601,000 | 2,529,472 |
| 7.625%, 09/01/2023 | 2,747,000 | 2,280,010 |
| | | 12,307,172 |
| Communications Equipment - 2.9% | | |
| Genesys Telecommunications Laboratories, Inc. | | |
| 10.000%, 11/30/2024 (f) | 9,135,000 | 9,820,125 |
| Construction & Engineering - 1.6% | | |
| Maxim Crane Works LP / Maxim Finance Corp. | | |
| 10.125%, 08/01/2024 (f) | 4,876,000 | 5,205,130 |
| Construction Materials - 4.2% | | |
| Cemex Materials LLC | | |
| 7.700%, 07/21/2025 (f) | 13,776,000 | 14,051,520 |
| Containers & Packaging - 0.6% | | |
| Reynolds Group Holdings, Inc. | | |
| 7.950%, 12/15/2025 | 2,002,000 | 1,991,990 |
| Diversified Consumer Services - 0.3% | | |
| Frontdoor, Inc. | | |
| 6.750%, 08/15/2026 (f) | 908,000 | 903,460 |
| Diversified Telecommunication Services - 0.4% | | |
| Frontier Communications Corp. | | |
| 8.500%, 04/01/2026 (f) | 1,500,000 | 1,364,625 |
| Electric Utilities - 0.2% | | |
| Pacific Gas & Electric Co. | | |
| 6.050%, 03/01/2034 (g) (j) | 648,000 | 567,000 |
| Electronic Equipment, Instruments & Components - 7.6% | | |
| Artesyn Embedded Technologies, Inc. | | |
| 9.750%, 10/15/2020 (f) | 9,594,000 | 8,970,390 |
| Vertiv Group Corp. | | |
| 9.250%, 10/15/2024 (f) | 17,650,000 | 16,502,750 |
| | | 25,473,140 |
| Food & Staples Retailing - 0.2% | | |
| Albertsons Cos, Inc. | | |
| 7.500%, 03/15/2026 (f) | 673,000 | 676,365 |

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| | Par | Value |
|--|---------------|---------------|
| HIGH YIELD SECURITIES - 67.4% (continued) | | |
| Health Care Equipment & Supplies - 3.2% | | |
| DJO Finance LLC / DJO Finance Corp. | | |
| 8.125%, 06/15/2021 (f) | 10,337,000 | \$ 10,768,053 |
| Health Care Providers & Services - 8.1% | | |
| LifePoint Hospitals, Inc. | | |
| 9.750%, 12/01/2026 (f) | 4,133,000 | 4,148,499 |
| Quorum Health Corp. | | |
| 11.625%, 04/15/2023 | 4,983,000 | 4,609,275 |
| Surgery Partners Holdings, LLC | | |
| 8.875%, 04/15/2021 (f) | 8,070,000 | 8,271,750 |
| 6.750%, 07/01/2025 (f) | 3,394,000 | 3,156,420 |
| Team Health, Inc. | | |
| 6.375%, 02/01/2025 (f) | 7,991,000 | 6,517,779 |
| Tenet Healthcare Corp. | | |
| 7.000%, 08/01/2025 | 538,000 | 520,859 |
| | | 27,224,582 |
| Hotels, Restaurants & Leisure - 3.6% | | |
| ClubCorp Club Operations, Inc. | | |
| 8.500%, 09/15/2025 (f) | 12,520,000 | 12,097,450 |
| Household Products - 2.9% | | |
| Steinhoff | | |
| 4.000%, 01/30/2021 (b) (c) (d) (f) | EUR 6,500,000 | 6,625,012 |
| 1.250%, 08/11/2022 (b) (c) (d) (f) | EUR 3,100,000 | 3,135,841 |
| | | 9,760,853 |
| Insurance - 1.1% | | |
| Hub International Ltd. | | |
| 7.000%, 05/01/2026 (f) | 3,785,000 | 3,680,913 |
| Life Sciences Tools & Services - 3.7% | | |
| Avantor, Inc. | | |
| 6.000%, 10/01/2024 (f) | 9,962,594 | 10,208,770 |
| PAREXEL International Corp. | | |
| 6.375%, 09/01/2025 (f) | 2,418,000 | 2,200,380 |
| | | 12,409,150 |
| Machinery - 0.0% | | |
| Cleaver-Brooks, Inc. | | |
| 7.875%, 03/01/2023 (f) | 162,000 | 160,785 |
| Media - 1.3% | | |
| Intelsat Jackson Holdings SA | | |
| 5.500%, 08/01/2023 (b) | 2,779,000 | 2,539,311 |
| Numericable-SFR | | |
| 8.125%, 02/01/2027 (b) (f) | 1,811,000 | 1,788,363 |
| | | 4,327,674 |
| Metals & Mining - 4.0% | | |
| Allegheny Technologies, Inc. | | |
| 7.875%, 08/15/2023 | 6,536,000 | 6,993,520 |
| Foresight Energy, LLC | | |
| 11.500%, 04/01/2023 (f) | 7,479,000 | 6,450,637 |
| | | 13,444,157 |

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| | Par | Value |
|---|---------------|--------------------|
| HIGH YIELD SECURITIES - 67.4% (continued) | | |
| Multiline Retail - 0.1% | | |
| J.C. Penney Corp., Inc. | | |
| 8.125%, 10/01/2019 | 153,000 | \$ 152,235 |
| 5.650%, 06/01/2020 | 60,000 | 53,100 |
| | | 205,335 |
| Personal Products - 0.1% | | |
| Coty, Inc. | | |
| 6.500%, 04/15/2026 (f) | 372,000 | 335,730 |
| Pharmaceuticals - 0.3% | | |
| Nidda Healthcare Holding AG | | |
| 7.250%, 09/30/2025 (b) (f) | EUR 940,000 | 1,096,618 |
| Road & Rail - 4.2% | | |
| The Kenan Advantage Group, Inc. | | |
| 7.875%, 07/31/2023 (f) | 14,441,000 | 13,917,514 |
| Software - 3.8% | | |
| CDK Global, Inc. | | |
| 4.875%, 06/01/2027 | 4,320,000 | 4,212,000 |
| Datatel, Inc. | | |
| 9.000%, 09/30/2023 (f) | 6,727,000 | 6,928,810 |
| RedPrairie Corp. | | |
| 7.375%, 10/15/2024 (f) | 383,000 | 390,660 |
| Refinitiv | | |
| 8.250%, 11/15/2026 (f) | 1,119,000 | 1,051,860 |
| | | 12,583,330 |
| Specialty Retail - 0.0% | | |
| Ken Garff Automotive LLC | | |
| 7.500%, 08/15/2023 (f) | 1,000 | 1,013 |
| Textiles, Apparel & Luxury Goods - 2.0% | | |
| Lycra | | |
| 7.500%, 05/01/2025 (b) (f) | 6,852,000 | 6,569,355 |
| Transportation Infrastructure - 0.3% | | |
| Direct ChassisLink, Inc. | | |
| 10.000%, 06/15/2023 (f) | 1,229,000 | 1,189,057 |
| Wireless Telecommunication Services - 0.2% | | |
| Sprint Corp. | | |
| 6.875%, 11/15/2028 | 732,000 | 729,255 |
| TOTAL HIGH YIELD SECURITIES (amortized cost \$231,307,053) | | 225,375,758 |
| | Shares | |
| COMMON STOCKS - 0.9% | | |
| Energy Equipment & Services - 0.1% | | |
| Proserv Acquisition LLC (b) (c) (d) (e) (g) | 114,010 | 494,845 |

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| | Shares | Value |
|---|---------------|----------------|
| COMMON STOCKS - 0.9% (continued) | | |
| Hotels, Restaurants & Leisure - 0.5% | | |
| Caesars Entertainment Corp. (g) | 21,240 | \$ 194,134 |
| VICI Properties, Inc. | 73,140 | 1,574,704 |
| | | 1,768,838 |
| Insurance - 0.3% | | |
| Towergate SUN NewCo Common Shares A (b) (c) (d) (e) (g) | GBP 8,597 | |
| Towergate TopCo Common (b) (c) (d) (e) (g) | GBP 540,649 | 834,060 |
| | | 834,060 |
| Specialty Retail - 0.0% | | |
| Charlotte Russe, Inc. (c) (d) (e) (g) | 3,649 | |
| | | |
| TOTAL COMMON STOCKS (cost \$4,102,618) | | 3,097,743 |
| PREFERRED STOCKS - 1.6% | | |
| Energy Equipment & Services - 0.1% | | |
| Proserv Acquisition LLC | | |
| N/A (b) (c) (d) (e) (g) | 36,249 | 409,050 |
| Insurance - 1.5% | | |
| Towergate SUN NewCo Preference B | | |
| N/A (b) (c) (d) (e) (g) | GBP 3,194,971 | 4,928,946 |
| | | |
| TOTAL PREFERRED STOCKS (cost \$4,970,177) | | 5,337,996 |
| CLOSED-END FUNDS - 0.8% | | |
| Diversified Financial Services - 0.8% | | |
| BlackRock Corporate High Yield Fund, Inc. | 86,399 | 864,854 |
| Nuveen Credit Strategies Income Fund | 8,200 | 63,304 |
| Nuveen Floating Rate Income Opportunity Fund | 81,090 | 778,464 |
| Prudential Global Short Duration High Yield Fund, Inc. | 76,277 | 1,056,436 |
| | | 2,763,058 |
| TOTAL CLOSED-END FUNDS (cost \$2,649,994) | | 2,763,058 |
| TOTAL INVESTMENTS (amortized cost \$502,184,017) (h) | 142.8% | 477,609,354 |
| LIABILITIES EXCEEDING OTHER ASSETS, NET - (42.8)% | | (143,094,557) |
| NET ASSETS - 100.0% | | \$ 334,514,797 |

In U.S. Dollars unless otherwise indicated.

EUR Euro.

GBP Great British Pound.

TL Term Loan.

(a) Variable rate security, the coupon rate shown is the effective rate as of January 31, 2019.

(b) Non-U.S. security.

(c) Security considered restricted due to the Adviser's knowledge of material non-public information. The total value of these securities as of January 31, 2019 was \$25,757,063 and represented 7.7% of net assets.

(d) Security considered illiquid, as defined by the Securities and Exchange Commission. The total value of these securities as of January 31, 2019 was \$26,264,692 and represented 7.9% of net assets.

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- (e) Value determined using significant unobservable inputs.
- (f) Securities exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may only be resold to qualified institutional buyers in transactions exempt from registration. The total value of these securities as of January 31, 2019 was \$190,742,339, which represent 57.0% of net assets.
- (g) Non-income producing security.
- (h) All investments are held as collateral for the Fund's credit facility.
- (i) Represents unfunded loan commitments.
- (j) Defaulted security.

The following are the details of the restricted securities held by the Fund:

| Issuer (1) | Par/Shares | Acquisition date(s) | Amortized Cost | Value | % of Net Assets |
|---|------------|-----------------------|----------------|-----------|-----------------|
| Charlotte Russe, Inc., Common Stock | 3,649 | 02/02/2018 | \$ | \$ | % |
| Charlotte Russe, Inc., TL 1L 12/17 | 1,520,010 | 02/02/2018 | 2,053,362 | 571,464 | 0.2% |
| CTI Foods Holding Co. LLC, TL 2L 06/13 | 3,800,000 | 07/30/2013 | 3,800,000 | 316,673 | 0.1% |
| Proserv Acquisition LLC, Common Stock | 114,010 | 05/08/2018 | 1,585,844 | 494,845 | 0.1% |
| Proserv Acquisition LLC, Preferred Stock | 36,249 | 05/08/2018 | 233,307 | 409,050 | 0.1% |
| Savers, Inc., TL 1L C 07/12 | 8,855,150 | 04/06/2016-07/13/2017 | 8,721,945 | 8,441,172 | 2.5% |
| Steinhoff, 01/30/2021 | 6,500,000 | 03/22/2018-10/08/2018 | 7,072,961 | 6,625,012 | 2.0% |
| Steinhoff, 08/11/2022 | 3,100,000 | 07/25/2018 | 3,410,034 | 3,135,841 | 0.9% |
| Towergate SUN NewCo Common Shares A | 8,597 | 04/02/2015 | 15 | | % |
| Towergate SUN NewCo Preference B | 3,194,971 | 04/02/2015 | 4,736,870 | 4,928,946 | 1.5% |
| Towergate TopCo Common | 540,649 | 04/02/2015 | 815,841 | 834,060 | 0.3% |

(1) Refer to the Schedule of Investments for more details on securities listed.

The following table represents the Fund's investments categorized by country of risk as of January 31, 2019:

| Country: | (% of Net Assets) |
|----------------|-------------------|
| United States | 127.8% |
| Cayman Islands | 3.9% |
| United Kingdom | 3.2% |
| Austria | 2.9% |
| Netherlands | 2.9% |
| Luxembourg | 0.8% |
| France | 0.5% |
| Germany | 0.3% |
| Switzerland | 0.3% |
| Canada | 0.2% |
| | 142.8% |

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| | |
|---|---------|
| Liabilities Exceeding Other Assets, Net | (42.8)% |
| | 100.0% |

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The following table presents information about the Fund's assets measured on a recurring basis as of January 31, 2019 and indicates the fair value hierarchy of the inputs utilized by the Fund to determine such fair value:

| Investments in Securities | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|----------------|--------------|----------------|
| Leveraged Loans | \$ | \$ 239,955,706 | \$ 1,079,093 | \$ 241,034,799 |
| High Yield Securities | | 225,375,758 | | 225,375,758 |
| Preferred Stocks | | | 5,337,996 | 5,337,996 |
| Common Stocks | 1,768,838 | | 1,328,905 | 3,097,743 |
| Closed-End Funds | 2,763,058 | | | 2,763,058 |
| Cash equivalents | 3,015,960 | | | 3,015,960 |
| Total Investments in securities and cash equivalents | \$ 7,547,856 | \$ 465,331,464 | \$ 7,745,994 | \$ 480,625,314 |

The following is a reconciliation of the investments in which significant unobservable inputs (level 3) were used in determining value.

| | Leveraged Loans | Common Stocks | Preferred Stocks |
|---|-----------------|---------------|------------------|
| Balance at October 31, 2018 | \$ 1,509,823 | \$ 1,307,926 | \$ 4,764,434 |
| Purchases | 152,054 | | |
| Sales and Paydowns | (3,829) | | |
| Settlements | (22,168) | | |
| Net change in appreciation/(depreciation) | (555,360) | 20,979 | 573,562 |
| Net realized gain/(loss) | (1,427) | | |
| Balance as of January 31, 2019 | \$ 1,079,093 | \$ 1,328,905 | \$ 5,337,996 |
| Net change in appreciation/(depreciation) on investments held at January 31, 2019 | \$ (555,360) | \$ 20,979 | \$ 573,562 |

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The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 as of January 31, 2019:

| Financial Asset | Fair Value As of January 31, 2019 | Valuation Technique(1) | Unobservable Inputs(2) | Range (Weighted Average)(3) |
|--------------------|---|---------------------------|---------------------------|-----------------------------------|
| Leveraged Loans(4) | \$ 1,079,093 | Liquidation Analysis | EBITDA Multiple | 6.3x |
| Common Stocks | \$ 1,328,905 | Market Comparables | LTM EBITDA Multiple | 1.1x - 2.9x (2.2x) |
| | | | Fwd EBITDA Multiple | 0.9x |
| | | | Illiquidity Discount | 10% - 15% (12%) |
| Preferred Stocks | \$ 5,337,996 | Market Comparables | LTM EBITDA Multiple | 1.1x 2.9x (2.8x) |
| | | | Fwd EBITDA Multiple | 0.9x |
| | | | Illiquidity Discount | 10% |

(1) For the assets that have more than one valuation technique, the Fund may rely on the techniques individually or in aggregate based on a weight ascribed to each one ranging from 0-100%. When determining the weighting ascribed to each valuation methodology, the Fund considers, among other factors, the availability of direct market comparables, the applicability of a discounted cash flow analysis and the expected hold period and manner of realization for the investment. These factors can result in different weightings among the investments and in certain instances, may result in up to a 100% weighting to a single methodology.

(2) The significant unobservable inputs used in the fair value measurement of the Fund's assets and liabilities may include the last twelve months (LTM) EBITDA multiple, weighted average cost of capital, discount margin, probability of default, loss severity and constant prepayment rate. In determining certain of these inputs, management evaluates a variety of factors including economic, industry and market trends and developments, market valuations of comparable companies, and company specific developments including potential exit strategies and realization opportunities.

(3) Weighted average amounts are based on the estimated fair values.

(4) Of the total \$1,079,093 leveraged loans, \$571,464 was valued solely using an asset recovery analysis technique.

Item 2. Controls and Procedures.

(a) The registrant's President and Principal Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) (17 CFR 270.30a-3(c)) are effective as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or Rule 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(d)).

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Separate certifications for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)). Filed herewith.

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SIGNATURES

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

(Registrant) KKR Income Opportunities Fund

By (Signature and Title) */s/Suzanne Donohoe*
Suzanne Donohoe, President

Date 3/19/2019

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

By (Signature and Title) */s/Suzanne Donohoe*
Suzanne Donohoe, President

Date 3/19/2019

By (Signature and Title) */s/Thomas Murphy*
Thomas Murphy, Treasurer, Chief Accounting Officer, and Chief Financial Officer

Date 3/19/2019
