

KKR Income Opportunities Fund  
Form N-Q  
March 27, 2018

**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, 2018

Date of reporting period: January 31, 2018

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**Item 1. Schedule of Investments.**

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Income Opportunities Fund

January 31, 2018  
(Unaudited)

Schedule of Investments

|  | Par        | Value        |
|--|------------|--------------|
| <b>LEVERAGED LOANS - 70.2%</b>                                     |            |              |
| Building Products - 1.1%   |            |              |
| SRS Distribution, Inc., TL 2L 06/16                                |            |              |
| 10.319% (1 Month US LIBOR + 8.750%), 02/24/2023 (a)                | 3,943,740  | \$ 4,071,912 |
| Chemicals - 1.2%   |            |              |
| Emerald Performance Materials LLC, TL 2L 07/14                     |            |              |
| 9.323% (1 Month US LIBOR + 7.750%), 08/01/2022 (a)                 | 1,401,160  | 1,404,228    |
| New Arclin US Holding Corp., TL 2L 02/17                           |            |              |
| 10.443% (3 Month US LIBOR + 8.750%), 02/14/2025 (a)                | 415,240    | 420,950      |
| Vantage Specialty Chemicals, Inc., TL 2L 10/17                     |            |              |
| 10.022% (3 Month US LIBOR + 8.250%), 10/26/2025 (a)                | 2,397,730  | 2,415,713    |
|  |            | 4,240,891    |
| Commercial Services & Supplies - 9.4%                              |            |              |
| Acosta Holdco., Inc., TL 1L B 04/15                                |            |              |
| 4.823% (1 Month US LIBOR + 3.250%), 09/26/2021 (a)                 | 10,706,044 | 9,358,902    |
| Advantage Sales & Marketing, Inc., TL 1L B 06/14                   |            |              |
| 5.017% (3 Month US LIBOR + 3.250%), 07/23/2021 (a) (b) (c)         | 7,767,264  | 7,690,563    |
| Koosharem LLC, TL 1L 05/14   |            |              |
| 8.193% (3 Month US LIBOR + 6.500%), 05/15/2020 (a)                 | 11,228,344 | 11,097,309   |
| Monitronics International, Inc., TL 1L 03/12                       |            |              |
| 7.193% (3 Month US LIBOR + 5.500%), 09/30/2022 (a)                 | 5,193,854  | 5,212,033    |
|  |            | 33,358,807   |
| Distributors - 2.3%  |            |              |
| Distribution International, Inc., TL 1L 12/14                      |            |              |
| 6.700% (3 Month US LIBOR + 5.000%), 12/15/2021 (a)                 | 9,715,369  | 8,330,929    |
| Diversified Financial Services - 0.2%                              |            |              |
| SquareTwo Financial Corp., TL 1.5L 05/16                           |            |              |
| PIK Rate: 13.052%; Cash Rate: 0.000%                               |            |              |
| 05/24/2019 (a) (b) (c) (d) (e) (f) (g)                             | 6,133,156  | 567,194      |
| Diversified Telecommunication Services - 0.9%                      |            |              |
| Onvoy LLC, TL 1L 01/17   |            |              |
| 6.193% (3 Month US LIBOR + 4.500%), 02/10/2024 (a)                 | 3,520,423  | 3,168,381    |
| Electronic Equipment, Instruments & Components - 1.7%              |            |              |
| Excelitas Technologies Corp., TL 2L 10/17                          |            |              |
| 9.161% (6 Month US LIBOR + 7.500%), 11/15/2025 (a)                 | 5,986,920  | 6,076,724    |
| Energy Equipment & Services - 0.3%                                 |            |              |
| Proserv Acquisition LLC, TL 1L B1 12/14 (US Tranche)               |            |              |
| 7.068% (3 Month US LIBOR + 5.375%), 12/22/2021 (a) (b) (c) (g) (h) | 1,157,735  | 590,005      |
| Proserv Acquisition LLC, TL 1L B2 12/14 (UK Tranche)               |            |              |
| 7.068% (3 Month US LIBOR + 5.375%), 12/22/2021 (a) (b) (c) (g) (h) | 679,540    | 346,308      |
|  |            | 936,313      |
| Food & Staples Retailing - 2.3%                                    |            |              |

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|  |           |           |
|--|-----------|-----------|
| BJ's Wholesale Club, Inc., TL 2L 01/17             |           |           |
| 8.953% (3 Month US LIBOR + 7.500%), 02/03/2025 (a) | 6,485,550 | 6,526,117 |
| Grocery Outlet, Inc., TL 2L 09/14                  |           |           |
| 9.943% (3 Month US LIBOR + 8.250%), 10/21/2022 (a) | 1,647,651 | 1,656,573 |
|  |           | 8,182,690 |

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|  | Par           | Value      |
|--|---------------|------------|
| <b>LEVERAGED LOANS - 70.2% (continued)</b>                     |               |            |
| Food Products - 1.1%   |               |            |
| CSM Bakery Products, TL 2L 07/13                               |               |            |
| 9.450% (3 Month US LIBOR + 7.750%), 07/05/2021 (a)             | 991,568       | \$ 979,173 |
| CTI Foods Holding Co. LLC, TL 2L 06/13                         |               |            |
| 8.820% (1 Month US LIBOR + 7.250%), 06/28/2021 (a)             | 3,800,000     | 2,932,327  |
|  |               | 3,911,500  |
| Health Care Equipment & Supplies - 0.7%                        |               |            |
| DeVilbiss Healthcare LLC, TL 1L B 11/16                        |               |            |
| 7.193% (3 Month US LIBOR + 5.500%), 01/03/2023 (a)             | 2,505,389     | 2,358,724  |
| Health Care Providers & Services - 7.3%                        |               |            |
| Amedes Holding AG, TL 1L B 8/15 EUR                            |               |            |
| 4.750% (3 Month EURIBOR + 4.750%), 08/19/2022 (a) (h)          | EUR 3,131,470 | 3,803,552  |
| Genoa (QoL), TL 2L 10/16                                       |               |            |
| 9.573% (1 Month US LIBOR + 8.000%), 10/28/2024 (a)             | 5,063,890     | 5,152,508  |
| Press Ganey Holdings, Inc., TL 2L 09/16                        |               |            |
| 8.073% (1 Month US LIBOR + 6.500%), 10/21/2024 (a)             | 4,560,370     | 4,645,877  |
| Quorum Health Corp., TL 1L 04/16                               |               |            |
| 8.323% (1 Month US LIBOR + 6.750%), 04/29/2022 (a)             | 8,462,003     | 8,655,064  |
| Team Health, Inc., TL 1L 01/17                                 |               |            |
| 4.323% (1 Month US LIBOR + 2.750%), 02/06/2024 (a)             | 3,980,340     | 3,915,659  |
|  |               | 26,172,660 |
| Health Care Technology - 0.9%                                  |               |            |
| ABILITY Network, Inc., TL 2L 11/17                             |               |            |
| 9.309% (1 Month US LIBOR + 7.750%), 12/12/2025 (a)             | 3,225,530     | 3,248,383  |
| Hotels, Restaurants & Leisure - 1.7%                           |               |            |
| SMG/PA, TL 2L 12/17  |               |            |
| 8.644% (3 Month US LIBOR + 7.000%), 01/23/2026 (a)             | 480,720       | 494,139    |
| The Bay Club Co., TL 1L 08/16                                  |               |            |
| 8.080% (1 Month US LIBOR + 6.500%), 08/31/2022 (a)             | 5,392,067     | 5,478,016  |
|  |               | 5,972,155  |
| IT Services - 1.9%   |               |            |
| NeuStar, Inc., TL 2L 02/17                                     |               |            |
| 9.397% (3 Month US LIBOR + 8.000%), 08/08/2025 (a)             | 2,380,090     | 2,393,478  |
| Sutherland Global Services, Inc., TL 1L 10/14 _US Borrower     |               |            |
| 7.068% (3 Month US LIBOR + 5.375%), 04/23/2021 (a)             | 3,880,676     | 3,696,344  |
| Sutherland Global Services, Inc., TL 1L 10/14 _Cayman Borrower |               |            |
| 7.068% (3 Month US LIBOR + 5.375%), 04/23/2021 (a)             | 903,334       | 860,425    |
|  |               | 6,950,247  |
| Life Sciences Tools & Services - 0.3%                          |               |            |
| Albany Molecular Research, Inc., TL 2L 07/17                   |               |            |
| 8.573% (1 Month US LIBOR + 7.000%), 08/28/2025 (a)             | 910,270       | 914,821    |
| Machinery - 8.4%   |               |            |
| Accuride Corp., TL 1L B 10/17                                  |               |            |
| 6.943% (3 Month US LIBOR + 5.250%), 11/17/2023 (a)             | 4,601,308     | 4,687,582  |
| BakerCorp International, Inc., TL 1L B 06/11                   |               |            |
| 4.772% (3 Month US LIBOR + 3.000%), 02/07/2020 (a)             | 6,469,515     | 6,453,342  |

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|  | Par        | Value        |
|--|------------|--------------|
| <b>LEVERAGED LOANS - 70.2% (continued)</b>                         |            |              |
| Machinery - 8.4% (continued)                                       |            |              |
| Utility One Source LP, TL 1L 03/17                                 |            |              |
| 7.073% (1 Month US LIBOR + 5.500%), 04/18/2023 (a)                 | 6,440,904  | \$ 6,609,977 |
| WireCo WorldGroup, Inc., TL 1L 07/16                               |            |              |
| 6.979% (3 Month US LIBOR + 5.500%), 09/29/2023 (a) (h)             | 7,312,131  | 7,379,804    |
| WireCo WorldGroup, Inc., TL 2L 07/16                               |            |              |
| 10.479% (3 Month US LIBOR + 9.000%), 09/30/2024 (a) (h)            | 4,543,961  | 4,634,840    |
|  |            | 29,765,545   |
| Media - 2.1%   |            |              |
| Intelsat Jackson Holdings SA, TL 1L B4 12/17                       |            |              |
| 6.195% (1 Month US LIBOR + 4.500%), 01/02/2024 (a) (h)             | 2,389,980  | 2,426,128    |
| Intelsat Jackson Holdings SA, TL 1L B5 12/17                       |            |              |
| 6.625%, 01/02/2024 (b) (h)   | 4,376,850  | 4,412,412    |
| NEP Broadcasting LLC, TL 2L 06/17                                  |            |              |
| 8.554% (1 Month US LIBOR + 7.000%), 01/23/2023 (a)                 | 591,910    | 596,719      |
|  |            | 7,435,259    |
| Metals & Mining - 6.6%   |            |              |
| Foresight Energy LLC, TL 1L B 03/17                                |            |              |
| 7.443% (3 Month US LIBOR + 5.750%), 03/28/2022 (a)                 | 4,921,513  | 4,774,483    |
| Sequa Corp., TL 1L 04/17   |            |              |
| 6.549% (3 Month US LIBOR + 5.000%), 11/28/2021 (a)                 | 5,782,459  | 5,876,424    |
| Sequa Corp., TL 2L 04/17   |            |              |
| 10.752% (3 Month US LIBOR + 9.000%), 04/28/2022 (a)                | 12,732,858 | 13,014,064   |
|  |            | 23,664,971   |
| Multiline Retail - 1.9%  |            |              |
| Belk, Inc., TL 1L B 08/15  |            |              |
| 6.458% (3 Month US LIBOR + 4.750%), 12/12/2022 (a)                 | 7,835,470  | 6,773,333    |
| Professional Services - 1.5%                                       |            |              |
| SIRVA Worldwide, Inc., TL 1L 10/16                                 |            |              |
| 8.017% (3 Month US LIBOR + 6.500%), 11/22/2022 (a)                 | 5,280,174  | 5,365,977    |
| Road & Rail - 1.4%   |            |              |
| Transplace, TL 2L 09/17  |            |              |
| 10.305% (1 Month US LIBOR + 8.750%), 10/06/2025 (a)                | 4,998,990  | 5,048,980    |
| Software - 8.8%  |            |              |
| Applied Systems, Inc., TL 2L 09/17                                 |            |              |
| 8.693% (3 Month US LIBOR + 7.000%), 09/19/2025 (a)                 | 6,013,300  | 6,242,587    |
| iParadigms Holdings LLC, TL 2L 07/14                               |            |              |
| 8.943% (3 Month US LIBOR + 7.250%), 07/29/2022 (a)                 | 5,133,360  | 5,043,527    |
| Misys Ltd., TL 2L 04/17  |            |              |
| 8.729% (3 Month US LIBOR + 7.250%), 06/13/2025 (a)                 | 9,697,362  | 9,791,911    |
| P2 Energy Solutions, Inc., TL 1L 10/13                             |            |              |
| 5.400% (3 Month US LIBOR + 4.000%), 10/30/2020 (a)                 | 10,249,381 | 10,099,894   |
|  |            | 31,177,919   |
| Specialty Retail - 2.9%  |            |              |
| Charlotte Russe, Inc., TL 1L Add On 02/14                          |            |              |
| 6.890% (3 Month US LIBOR + 5.500%), 05/22/2019 (a) (b) (c) (e) (f) | 390,875    | 158,062      |
| Charlotte Russe, Inc., TL 1L B 04/13                               |            |              |
| 6.890% (3 Month US LIBOR + 5.500%), 05/22/2019 (a) (b) (c) (e) (f) | 3,257,882  | 1,317,422    |

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|   | Par       | Value              |
|---|-----------|--------------------|
| <b>LEVERAGED LOANS - 70.2% (continued)</b>                  |           |                    |
| Specialty Retail - 2.9% (continued)                         |           |                    |
| David's Bridal, Inc., TL 1L B 10/12                         |           |                    |
| 5.700% (3 Month US LIBOR + 4.000%), 10/11/2019 (a)          | 1,620,077 | \$ 1,439,171       |
| Jo-Ann Stores, Inc., TL 1L 09/16                            |           |                    |
| 6.551% (6 Month US LIBOR + 5.000%), 10/20/2023 (a)          | 1,367,861 | 1,364,442          |
| Savers, Inc., TL 1L C 07/12                                 |           |                    |
| 5.494% (3 Month US LIBOR + 3.750%), 07/09/2019 (a) (b) (c)  | 6,471,439 | 6,234,164          |
|   |           | 10,513,261         |
| Textiles, Apparel & Luxury Goods - 0.6%                     |           |                    |
| Nine West Holdings, TL 1L B 03/14                           |           |                    |
| 5.454% (3 Month US LIBOR + 3.750%), 10/08/2019 (a) (b) (c)  | 2,193,290 | 2,094,592          |
| Trading Companies & Distributors - 1.6%                     |           |                    |
| FleetPride Corporation, TL 1L 11/12                         |           |                    |
| 5.693% (3 Month US LIBOR + 4.000%), 11/19/2019 (a)          | 1,516,224 | 1,518,127          |
| FleetPride Corporation, TL 2L 11/12                         |           |                    |
| 9.693% (3 Month US LIBOR + 8.000%), 05/19/2020 (a)          | 4,130,137 | 4,083,672          |
|   |           | 5,601,799          |
| Transportation Infrastructure - 1.1%                        |           |                    |
| Commercial Barge Lines Co., TL 1L B 11/15                   |           |                    |
| 10.323% (1 Month US LIBOR + 8.750%), 11/12/2020 (a)         | 2,776,340 | 1,674,050          |
| Direct ChassisLink, Inc., TL 2L 11/17                       |           |                    |
| 7.573% (1 Month US LIBOR + 6.000%), 06/15/2023 (a)          | 2,347,058 | 2,411,602          |
|   |           | 4,085,652          |
| <b>TOTAL LEVERAGED LOANS (amortized cost \$254,804,690)</b> |           | <b>249,989,619</b> |
| <b>HIGH YIELD SECURITIES - 63.0%</b>                        |           |                    |
| Aerospace & Defense - 1.8%                                  |           |                    |
| Pattonair Holdings Ltd.                                     |           |                    |
| 9.000%, 11/01/2022 (h) (i)                                  | 2,747,000 | 2,898,085          |
| Triumph Group, Inc.   |           |                    |
| 7.750%, 08/15/2025  | 3,377,000 | 3,579,620          |
|   |           | 6,477,705          |
| Chemicals - 0.3%  |           |                    |
| Cornerstone Chemical Co.                                    |           |                    |
| 6.750%, 08/15/2024 (i)                                      | 1,042,000 | 1,044,605          |
| Commercial Services & Supplies - 0.8%                       |           |                    |
| Vivint, Inc.  |           |                    |
| 7.625%, 09/01/2023  | 2,506,000 | 2,693,950          |
| Communications Equipment - 2.7%                             |           |                    |
| Genesys Telecommunications Laboratories, Inc.               |           |                    |
| 10.000%, 11/30/2024 (i)                                     | 8,774,000 | 9,695,270          |
| Construction & Engineering - 2.8%                           |           |                    |
| Maxim Crane Works LP / Maxim Finance Corp.                  |           |                    |
| 10.125%, 08/01/2024 (i)                                     | 8,824,000 | 9,971,120          |

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|   | Par        | Value         |
|---|------------|---------------|
| <b>HIGH YIELD SECURITIES - 63.0% (continued)</b>      |            |               |
| Construction Materials - 4.4%                         |            |               |
| Cemex Materials LLC                                   |            |               |
| 7.700%, 07/21/2025 (i)                                | 13,776,000 | \$ 15,635,760 |
| Containers & Packaging - 0.6%                         |            |               |
| Reynolds Group Holdings, Inc.                         |            |               |
| 7.950%, 12/15/2025                                    | 2,002,000  | 2,269,768     |
| Electronic Equipment, Instruments & Components - 7.7% |            |               |
| Artesyn Technologies, Inc.                            |            |               |
| 9.750%, 10/15/2020 (i)                                | 9,594,000  | 9,426,105     |
| Vertiv Group Corp.                                    |            |               |
| 9.250%, 10/15/2024 (i)                                | 16,541,000 | 17,854,025    |
|   |            | 27,280,130    |
| Health Care Equipment & Supplies - 4.3%               |            |               |
| DJO Finance LLC / DJO Finance Corp.                   |            |               |
| 8.125%, 06/15/2021 (i)                                | 15,855,000 | 15,300,075    |
| Health Care Providers & Services - 6.9%               |            |               |
| Envision Healthcare Holdings                          |            |               |
| 5.125%, 07/01/2022 (i)                                | 7,545,000  | 7,488,412     |
| Quorum Health Corp.                                   |            |               |
| 11.625%, 04/15/2023                                   | 121,000    | 125,084       |
| Surgery Partners Holdings LLC                         |            |               |
| 8.875%, 04/15/2021 (i)                                | 8,070,000  | 8,423,062     |
| 6.750%, 07/01/2025 (i)                                | 2,841,000  | 2,738,014     |
| Team Health, Inc.                                     |            |               |
| 6.375%, 02/01/2025 (i)                                | 5,682,000  | 5,298,465     |
| Tenet Healthcare Corp.                                |            |               |
| 7.000%, 08/01/2025 (i)                                | 538,000    | 525,895       |
|   |            | 24,598,932    |
| Health Care Technology - 0.2%                         |            |               |
| Change Healthcare Holdings LLC                        |            |               |
| 5.750%, 03/01/2025 (i)                                | 649,000    | 660,357       |
| Hotels, Restaurants & Leisure - 3.4%                  |            |               |
| ClubCorp Club Operations, Inc.                        |            |               |
| 8.500%, 09/15/2025 (i)                                | 12,520,000 | 12,207,000    |
| Life Sciences Tools & Services - 4.6%                 |            |               |
| Avantor, Inc.   |            |               |
| 6.000%, 10/01/2024 (i)                                | 14,962,594 | 15,093,517    |
| PAREXEL International Corp.                           |            |               |
| 6.375%, 09/01/2025 (i)                                | 1,370,000  | 1,387,125     |
|   |            | 16,480,642    |
| Machinery - 1.8%                                      |            |               |
| Cleaver Brooks, Inc.                                  |            |               |
| 7.875%, 03/01/2023 (i)                                | 6,132,000  | 6,438,600     |
| Media - 2.3%  |            |               |
| Clear Channel International BV                        |            |               |
| 8.750%, 12/15/2020 (i)                                | 3,651,000  | 3,828,986     |



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|   | Par           | Value              |
|---|---------------|--------------------|
| <b>HIGH YIELD SECURITIES - 63.0% (continued)</b>                  |               |                    |
| Media - 2.3% (continued)  |               |                    |
| Intelsat Jackson Holdings SA                                      |               |                    |
| 7.250%, 10/15/2020 (h)  | 4,947,000     | \$ 4,334,809       |
|   |               | 8,163,795          |
| Metals & Mining - 1.6%  |               |                    |
| Allegheny Technologies, Inc.                                      |               |                    |
| 7.875%, 08/15/2023  | 5,283,000     | 5,808,500          |
| Multiline Retail - 2.3%   |               |                    |
| J.C. Penney Corp., Inc.   |               |                    |
| 8.125%, 10/01/2019  | 734,000       | 767,030            |
| 5.650%, 06/01/2020  | 7,406,000     | 7,285,652          |
|   |               | 8,052,682          |
| Oil, Gas & Consumable Fuel - 0.6%                                 |               |                    |
| Sunoco LP   |               |                    |
| 4.875%, 01/15/2023 (i)  | 1,060,000     | 1,079,631          |
| 5.500%, 02/15/2026 (i)  | 733,000       | 748,356            |
| 5.875%, 03/15/2028 (i)  | 459,000       | 468,754            |
|   |               | 2,296,741          |
| Pharmaceuticals - 1.1%  |               |                    |
| Nidda Healthcare Holding AG                                       |               |                    |
| 5.000%, 09/30/2025 (h) (i)  | EUR 3,214,000 | 3,972,676          |
| Road & Rail - 4.3%  |               |                    |
| The Kenan Advantage Group, Inc.                                   |               |                    |
| 7.875%, 07/31/2023 (i)  | 14,664,000    | 15,213,900         |
| Software - 4.5%   |               |                    |
| CDK Global, Inc.  |               |                    |
| 4.875%, 06/01/2027 (b) (i)  | 4,302,000     | 4,308,883          |
| Datatel, Inc.   |               |                    |
| 9.000%, 09/30/2023 (i)  | 6,727,000     | 7,197,890          |
| TIBCO Software, Inc.  |               |                    |
| 11.375%, 12/01/2021 (i)   | 4,020,000     | 4,376,976          |
|   |               | 15,883,749         |
| Specialty Retail - 1.9%   |               |                    |
| Guitar Center, Inc.   |               |                    |
| 6.500%, 04/15/2019 (i)  | 6,858,000     | 6,686,550          |
| Transportation Infrastructure - 1.2%                              |               |                    |
| Direct ChassisLink, Inc.  |               |                    |
| 10.000%, 06/15/2023 (i)   | 3,870,000     | 4,257,000          |
| Wireless Telecommunication Services - 0.9%                        |               |                    |
| Sprint Corp.  |               |                    |
| 7.875%, 09/15/2023  | 2,274,000     | 2,401,913          |
| 6.875%, 11/15/2028  | 732,000       | 756,705            |
|   |               | 3,158,618          |
| <b>TOTAL HIGH YIELD SECURITIES (amortized cost \$216,663,132)</b> |               | <b>224,248,125</b> |

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|  | Shares        | Value                 |
|--|---------------|-----------------------|
| <b>COMMON STOCKS - 6.3%</b>  |               |                       |
| Health Care Providers & Services - 4.1%                              |               |                       |
| Amedisys, Inc. (b) (c) (e)   | 271,040       | \$ 14,533,165         |
| Hotels, Restaurants & Leisure - 2.0%                                 |               |                       |
| VICI Properties, Inc.  | 323,360       | 7,113,920             |
| Household Durables - 0.0%  |               |                       |
| Algeco Scotsman Global Sarl Common Stock B (b) (c) (e) (g) (h)       | 3             | 62,340                |
| Insurance - 0.2%   |               |                       |
| Towergate SUN NewCo Common Shares A (b) (c) (e) (g) (h)              | GBP 8,597     |                       |
| Towergate TopCo Common (b) (c) (e) (g) (h)                           | GBP 540,649   | 832,122               |
|  |               | 832,122               |
| <b>TOTAL COMMON STOCKS (cost \$10,687,365)</b>                       |               | <b>22,541,547</b>     |
| <b>PREFERRED STOCKS - 1.4%</b>                                       |               |                       |
| Diversified Financial Services - 0.0%                                |               |                       |
| SquareTwo Financial Corp.  |               |                       |
| N/A (b) (c) (e) (g)  | 14,720        |                       |
| Insurance - 1.4%   |               |                       |
| Towergate SUN NewCo Preference B                                     |               |                       |
| N/A (b) (c) (e) (g) (h)  | GBP 3,194,971 | 4,917,434             |
| <b>TOTAL PREFERRED STOCKS (cost \$10,420,281)</b>                    |               | <b>4,917,434</b>      |
| <b>TOTAL INVESTMENTS (amortized cost \$492,575,468) (j) - 140.9%</b> |               | <b>501,696,725</b>    |
| <b>LIABILITIES EXCEEDING OTHER ASSETS, NET - (40.9)%</b>             |               | <b>(145,610,979)</b>  |
| <b>NET ASSETS - 100.0%</b>   |               | <b>\$ 356,085,746</b> |

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, 2018.

(b) Security considered restricted due to the Adviser's knowledge of material non-public information. The total value of these securities as of January 31, 2018 was \$39,343,371 and represented 11.0% of net assets.

(c) Security considered illiquid, as defined by the Securities and Exchange Commission. The total value of these securities as of January 31, 2018 was \$39,343,371 and represented 11.0% of net assets.

(d) Represents a payment-in-kind (PIK) security which may pay interest/dividend in additional par/shares.

(e) Non-income producing security.

(f) Defaulted security.

(g) Fair valued security. Value determined using significant unobservable inputs.

(h) Non-U.S. security.

(i) 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, 2018 was \$194,225,094, which represent 54.5% of net assets.

(j) All investments are held as collateral for the Fund's credit facility.

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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 |
|--|------------|-----------------------|----------------|--------------|-----------------|
| Advantage Sales & Marketing, Inc., TL 1L B 06/14     | 7,767,264  | 07/12/2017-12/12/2017 | \$ 7,578,232   | \$ 7,690,563 | 2.2%            |
| Algeco Scotsman Global Sarl, Common Stock B          | 3          | 6/23/2017             | 29,857         | 62,340       | 0.0%            |
| Amedisys, Inc., Common Stock                         | 271,040    | 08/05/2013-08/08/2013 | 3,799,456      | 14,533,165   | 4.1%            |
| Charlotte Russe, Inc., TL 1L Add On 02/14            | 390,875    | 06/14/2016            | 235,803        | 158,062      | 0.0%            |
| Charlotte Russe, Inc., TL 1L B 04/13                 | 3,257,882  | 06/14/2016            | 1,965,382      | 1,317,422    | 0.4%            |
| Nine West Holdings, TL 1L B 03/14                    | 2,193,290  | 07/25/2017-01/24/2018 | 1,981,086      | 2,094,592    | 0.6%            |
| Proserv Acquisition LLC, TL 1L B1 12/14 (US Tranche) | 1,157,735  | 02/24/2015-09/14/2015 | 990,013        | 590,005      | 0.2%            |
| Proserv Acquisition LLC, TL 1L B2 12/14 (UK Tranche) | 679,540    | 02/24/2015-09/14/2015 | 581,146        | 346,308      | 0.1%            |
| Savers, Inc., TL 1L C 07/12                          | 6,471,439  | 12/02/2015-07/13/2017 | 6,091,901      | 6,234,164    | 1.8%            |
| SquareTwo Financial Corp., TL 1.5L 05/16             | 6,133,156  | 05/24/2016-02/27/2017 | 5,810,552      | 567,194      | 0.2%            |
| 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      | 4,917,434    | 1.4%            |
| Towergate TopCo Common                               | 540,649    | 04/02/2015            | 815,841        | 832,122      | 0.2%            |

(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, 2018:

| Country:                                | % of Net Assets |
|---|-----------------|
| United States                           | 129.5%          |
| Cayman Islands                          | 3.4%            |
| Luxembourg                              | 3.1%            |
| United Kingdom                          | 2.7%            |
| Germany                                 | 2.2%            |
|   | 140.9%          |
| Liabilities Exceeding Other Assets, Net | (40.9)%         |
|   | 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, 2018, and indicates the fair value hierarchy of the inputs utilized by the Fund to determine such fair value:

|  | Level 1       | Level 2        | Level 3      | Total          |
|--|---------------|----------------|--------------|----------------|
| Investments in securities                            |               |                |              |                |
| High Yield securities                                | \$            | \$ 224,248,125 | \$           | \$ 224,248,125 |
| Leveraged loans                                      |               | 248,486,112    | 1,503,507    | 249,989,619    |
| Common stocks  | 21,647,085    |                | 894,462      | 22,541,547     |
| Preferred stocks                                     |               |                | 4,917,434    | 4,917,434      |
| Cash equivalents                                     | 9,919,763     |                |              | 9,919,763      |
| Total investments in securities and cash equivalents | \$ 31,566,848 | \$ 472,734,237 | \$ 7,315,403 | \$ 511,616,488 |

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, 2017   | \$ 1,540,274    | \$ 875,730    | \$ 4,828,971     |
| Purchases   |                 |               |                  |
| Sales and Paydowns  | (4,735)         |               |                  |
| Transfer in and/or out of Level 3(1)  |                 |               |                  |
| Settlements   | 12,708          |               |                  |
| Net change in appreciation/(depreciation)   | (45,435)        | 18,732        | 88,463           |
| Net realized gain/(loss)  | 695             |               |                  |
| Balance as of January 31, 2018  | \$ 1,503,507    | \$ 894,462    | \$ 4,917,434     |
| Net change in appreciation/(depreciation) on investments held at January 31, 2018 | \$ (45,435)     | \$ 18,732     | \$ 88,463        |

(1) The Fund's policy is to recognize transfers into and out of Level 3 at the beginning of each period.

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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, 2018:

| Financial Asset    | Fair Value   | Valuation Technique(1) | Unobservable Inputs(2)   | Range (Weighted Average)(3)                      |
|--------------------|--------------|------------------------|--|--|
| Leveraged Loans(4) | \$ 1,503,507 | Liquidation Analysis   | EBITDA Multiple  | 10.4x (10.4x)                                    |
| Common Stocks      | \$ 894,462   | Market Comparables     | LTM EBITDA Multiple<br>Fwd EBITDA Multiple<br>Illiquidity Discount | 3.0x-9.3x (3.4x)<br>8.8x (8.8x)<br>10%-15% (10%) |
| Preferred Stocks   | \$ 4,917,434 | Market Comparables     | LTM EBITDA Multiple<br>Illiquidity Discount                        | 3.0x (3.0x)<br>5%-10% (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. Significant increases or decreases in any of these inputs in isolation could result in significantly lower or higher fair value measurements.

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

(4) Of the total, \$567,194 was valued based on the present value of the escrow account used to repay the term loan.

**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 3/26/18

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 3/26/18

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

Date 3/26/18

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