

KKR Income Opportunities Fund  
Form N-CSRS  
June 26, 2018

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

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number (811-22543)

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

555 California Street, 50th Floor  
San Francisco, CA  
(Address of principal executive offices)

94104  
(Zip code)

Nicole J. Macarchuk, Esq.  
KKR Asset Management LLC  
555 California Street, 50th Floor  
San Francisco, CA 94104  
(Name and address of agent for service)

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

Date of fiscal year October 31, 2018  
end:

Date of reporting period: April 30, 2018

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**Item 1. Reports to Stockholders.**

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**KKR Income Opportunities Fund**

Semi-Annual Report

April 30, 2018

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Income Opportunities Fund

April 30, 2018  
(Unaudited)

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The KKR Income Opportunities Fund (the Fund) files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the Commission) for the first and third quarters of each fiscal year on Form N-Q within sixty days after the end of the period. The Fund's Form N-Q is available on the Commission's website at <http://www.sec.gov>, and may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, as well as information relating to how a Fund voted proxies relating to portfolio securities during the most recent period ended June 30 will be available (i) without charge, upon request, by calling 855-862-6092; and (ii) on the Commission's website at <http://www.sec.gov>.

**INFORMATION ABOUT THE FUND'S TRUSTEES**

The proxy statements and annual reports include information about the Fund's Trustees and are available without charge, upon request, by calling 855-862-6092 and by visiting the Commission's website at [www.sec.gov](http://www.sec.gov) or the Fund's website at [www.kkrfunds.com](http://www.kkrfunds.com).

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### Management Discussion of Fund Performance

#### Looking Back on the Markets April 30, 2018

KKR Income Opportunities Fund ( KIO ) aims to dynamically allocate across credit instruments to capitalize on changes in relative value among corporate credit investments and manage against macroeconomic risks. Our portfolio seeks exposure to companies where the perception of risk may be high but our analysis leads us to believe that risk is lower. Like others, we understand that most asset classes are expensive today but we also have a view that does not mean all assets are expensive. We believe that despite high average valuations across equity and credit markets, there is enough dispersion in value to identify and select a portfolio of large corporates that offer a highly attractive credit spread in today's market. Our portfolio is focused on where risk or true value is misperceived by many market participants. Our predominant focus is on large companies in sectors where names are not typically over-valued.

We believe KIO is well suited to the current credit market conditions as we seek assets that we believe are dislocated or fundamentally mispriced. We believe we are well equipped to construct a robust portfolio in times of stress and provide value to institutional portfolios that have broad credit exposure.

#### *Leveraged Loan Commentary(1)*

New issuance activity gained momentum in Q1 2018 on the back of high volumes in March. Loan new-issue activity increased in March, with gross institutional loan volume totaling \$109 billion, contributing to \$242 billion total volume for the quarter. This was the third highest quarterly volume on record, according to J.P. Morgan research. Robust activity during the quarter was largely attributable to an increase in M&A issuances rather than refinancing activity. While the refinancing share of activity lessened, repricing remained constant. More specifically, repricing activity totaled to \$143 billion in the first three months of 2018 (compared to \$135 billion volume in Q4 2017).

In terms of performance, the S&P LSTA Leveraged Loan index returned 1.45% in Q1 2018 after returning 1.11% and 1.04% in Q4 2017 and Q3 2017, respectively. The default rate ended the quarter at a three-year high of 2.42% after four issuers filed for bankruptcy during the period. This compares to 2.05% and 1.49% at the end of Q4 2017 and Q1 2017, respectively. The current rate, although significantly higher than the 18-month low of 1.36%, remains well inside the historical average of 3.1%.

CLO issuances continued to support demand across the loan market. U.S. CLO issuances were roughly double compared to Q1 2017, with \$32.1 billion priced in the first quarter. Retail loan funds turned a corner in 2018, with a net \$3.0 billion inflow to mutual funds and ETFs through March. As it relates to M&A, loan volume in the first quarter was approximately \$78.5 billion, with private equity accounting for 59% of that amount. Corporate issuances accounted for the remainder. The European loan market registered the fourth-largest total quarterly volume on record of 28 billion. Combined, U.S. and European loan volume was \$211 billion, up quarter-over-quarter, but approximately \$35 billion less than Q1 2017 volumes.

#### *High Yield Bond Commentary(1)*

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New issuance activity in the bond space was low given the periodic bouts of equity and rate volatility. As such, U.S. high-yield issuances totaled \$65.5 billion for the quarter, down 20% compared to the start of Q1 2017 (\$82.2 billion). Deal volume was largely supported by refinancing activity while M&A issuance activity accounted for only approximately 17% of Q1 issuances. In March, high-yield bonds reported a sixth consecutive outflow, totaling a cumulative -\$19.2 billion outflow for the quarter, which continued to put pressure on the market. Additionally, the European high yield market also had a slower-than-expected start to 2018 given a bout of equity market volatility which muted issuances.

High yield bond funds reported a -\$4.6 billion outflow in January, followed by -\$12.4 billion and -\$2.3 billion of outflows in February and March, respectively. February's outflow was the second largest monthly outflow on

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(1) Source: S&P LCD Quarterly Review and J.P. Morgan as of March 31, 2018.

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record behind the -\$13.6 billion outflow in June 2013. Notably, outflows totaled \$29.0 billion over the last six-month period, which is the largest six-month outflow on record.

The ICE BAML High Yield Master index II returned -0.91% in Q1 2018, compared to positive returns in the prior four quarters. Specifically, while high yield bonds had a positive return of 0.64% in January, February and March had negative returns of -0.93% and -0.62%, respectively. Four US companies defaulted in March, totaling \$5.6 billion in bonds. Thus far in 2018, fourteen companies have defaulted with debt totaling \$28.3 billion (\$17.4 billion in bonds and \$10.9 billion in loans). For context, the total default volume of \$28.3 billion in Q1 2018 accounts for the sixth largest quarterly total on record. As such, the par-weighted U.S. high yield default rate increased to 2.21%, and is up 31bps from 1.90% a year ago.

### The Market in Numbers

*For the period of November 1, 2017 – April 30, 2018:*

- *Returns:* Over the six month period ending April 30, 2018, the high yield and leveraged loan markets returned -0.23%(2) and 2.39%(3) (as measured by the ICE Bank of America Merrill Lynch High Yield Index and the S&P LSTA Leveraged Loan Index), respectively.
- *Spreads:* The option adjusted spread on the ICE Bank of America Merrill Lynch High Yield Index averaged approximately 353bps(2) for the six month period ending April 30, 2018. The 3-year discounted spread on the S&P LSTA Leveraged Loan Index averaged approximately 387bps(3) for the six month period ending April 30, 2018.
- *Volatility:* As measured by the VIX index, over the last six months, the VIX decreased to as low as 9.1 in November 2017, before settling at 15.9(4) as of April 30, 2018.

### Fund Performance

KIO is a diversified closed-end fund that trades on the New York Stock Exchange under the symbol KIO . The Fund's primary investment objective is to seek a high level of current income with a secondary objective of capital appreciation. The Fund seeks to achieve its investment objectives by employing a dynamic strategy of investing in a targeted portfolio of loans and fixed-income instruments (including derivatives) of U.S. and non-U.S. issuers and implementing hedging strategies in order to seek to achieve attractive risk-adjusted returns. Under normal market conditions, KIO will invest at least 80% of its Managed Assets in loans and fixed-income instruments or other instruments, including derivative instruments, with similar economic characteristics. The Fund expects to invest primarily in first- and second lien secured loans, unsecured loans and high-yield corporate debt instruments of varying maturities.

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As of April 30, 2018, the Fund held 70.0% of its net assets in first and second-lien leveraged loans, 60.6% of its net assets in high-yield corporate debt, 8.3% of its net assets in common stock, and 1.4% of its net assets in preferred stock. KIO's investments represented obligations and equity interests in 93 companies diversified across 36 distinct industries. The top ten issuers represented 42.9% of the Fund's net assets while the top five industry groups represented 60.8% of the Fund's net assets. The Fund's Securities and Exchange Commission 30-day yield was 2.97%.

For the period from July 25, 2013 (commencement of operations) to April 30, 2018, KIO outperformed the ICE Bank of America Merrill Lynch High Yield Master II Index on a gross net asset value (NAV) and net NAV basis and underperformed it on a market price basis. Over that period, the Fund had returns of 9.71% on a gross NAV basis, 6.96% on a net NAV basis and 4.70% on a market price basis. Over the same period, the ICE Bank of America Merrill Lynch High Yield Master II Index returned 5.27%. For the six month period ended April 30, 2018, the Fund had returns of 0.84% on a gross NAV basis, -0.63% on a net NAV basis, and -0.84% on a market price

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(2) Source: ICE Bank of America Merrill Markets Online as of April 30, 2018.

(3) Source: S&P LCD Discounted Spreads as of April 30, 2018.

(4) Source: Bloomberg as of April 30, 2018.



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basis, and the ICE Bank of America Merrill Lynch High Yield Master II Index returned -0.23% over the same time period. Since inception through April 30, 2018, the Fund traded at an average discount to NAV of 9.30%.<sup>(5)</sup> The Fund employed leverage during the period covered by this report.<sup>(6)</sup>

### Business Updates

We thank you for your partnership and continued investment in KIO. We look forward to continued communications and will keep you apprised of the progress of KIO specifically and the leveraged finance market place generally. Fund information is available on our website at [kkrfunds.com/kio](http://kkrfunds.com/kio).

### *Disclosures*

*The ICE Bank of America Merrill Lynch US Corporate Index is an unmanaged index comprised of U.S. dollar denomination investment grade corporate debt securities publicly issued in the U.S. domestic market with at least one year remaining term to final maturity.*

*The ICE Bank of America Merrill Lynch High Yield Master II Index is a market-value weighted index of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Yankee bonds (debt of foreign issuers issued in the U.S. domestic market) are included in the ICE Bank of America Merrill Lynch High Yield Master II Index provided that the issuer is domiciled in a country having investment grade foreign currency long-term debt rating. Qualifying bonds must have maturities of one year or more, a fixed coupon schedule and minimum outstanding of US\$100 million. In addition, issues having a credit rating lower than BBB3, but not in default, are also included.*

*The Chicago Board Options Exchange (CBOE) Volatility Index (VIX) reflects the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. The VIX reflects the market's estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes. The first and second month expirations are used until 8 days from expiration, then the second and third are used.*

*It is not possible to invest directly in an index.*

*Past performance is not an indication of future results. Returns represent past performance and reflect changes in share prices, the reinvestment of all dividends and capital gains, expense limitations and the effects of compounding. The prospectus contains more complete information on the investment objectives, risks, charges and expenses of the investment company, which investors should read and consider carefully before investing. The returns shown do not reflect taxes a shareholder would pay on distributions or redemptions. Total investment return and principal value of your investment will fluctuate, and your shares, when sold, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. An investment in the Fund involves risk, including the risk of loss of principal. For a discussion of the Fund's risks, see Risk Considerations, Note 3 to the financial statements. Call 855-862-6092 or visit [www.kkrfunds.com/kio](http://www.kkrfunds.com/kio) for performance results current to the most recent calendar quarter-end.*

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*Must be preceded or accompanied by a prospectus.*

*An imbalance in supply and demand in the income market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non payment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. Borrowing to increase investments (leverage) will exaggerate the effect of any increase or decrease in the value of Fund investments. Investments rated below investment grade (typically referred to as junk ) are generally subject to greater price volatility and illiquidity than higher rated investments. As interest rates rise, the value of certain income*

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(5) Source: USBank Internal application as of April 30, 2018.

(6) For a discussion of the risks associated with the use of leverage and other risks, please see Risk Considerations, Note 3 to the financial statements.

*investments is likely to decline. Senior loans are subject to prepayment risk. Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market economic, political, regulatory, geopolitical or other conditions. Changes in the value of investments entered for hedging purposes may not match those of the position being hedged. The Fund may engage in other investment practices that may involve additional risks.*

**Performance Information**

**KKR Income Opportunities Fund**

**Value of \$10,000 vs. ICE BofA Merrill Lynch High Yield Master II Index ®**

<b>Average Annual Total Returns</b>						<b>Value of</b>
<b>Period Ended April 30, 2018</b>		<b>One Year</b>	<b>Three Year</b>	<b>Since Inception</b>		<b>\$10,000</b>
				<b>(7/25/2013)</b>		<b>4/30/2018</b>
KKR Income Opportunities Fund	Market Price Return	0.44%	9.00%	4.70%	\$	12,447
KKR Income Opportunities Fund	NAV Return	3.61%	8.15%	6.96%	\$	13,777
ICE BofA Merrill Lynch High Yield Master II Index®		3.21%	4.99%	5.27%	\$	12,774

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Schedule of Investments

	Par	Value
<b>LEVERAGED LOANS - 70.0%</b>		
Aerospace & Defense - 0.5%		
EaglePicher Technologies, LLC, TL 2L 02/18		
9.151% (1 Month US LIBOR + 7.250%), 03/08/2026 (a)	1,838,910	\$ 1,849,254
Auto Components - 0.6%		
American Tire Distributors, Inc., TL 1L 04/15		
6.244% (US LIBOR + 4.250%), 09/01/2021 (a)	2,428,850	2,129,664
Building Products - 1.1%		
SRS Distribution, Inc., TL 2L 06/16		
10.651% (1 Month US LIBOR + 8.750%), 02/24/2023 (a)	3,943,740	4,066,982
Chemicals - 1.5%		
Emerald Performance Materials, LLC, TL 2L 07/14		
9.651% (1 Month US LIBOR + 7.750%), 08/01/2022 (a)	1,401,160	1,408,747
Invictus, TL 2L 01/18		
8.651% (1 Month US LIBOR + 6.750%), 03/28/2026 (a)	1,082,100	1,094,273
New Arclin US Holding Corp., TL 2L 02/17		
11.052% (3 Month US LIBOR + 8.750%), 02/14/2025 (a)	282,363	286,246
Vantage Specialty Chemicals, Inc., TL 2L 10/17		
10.151% (1 Month US LIBOR + 8.250%), 10/26/2025 (a)	2,397,730	2,415,713
		5,204,979
Commercial Services & Supplies - 7.5%		
Acosta Holdco., Inc., TL 1L B 04/15		
5.151% (1 Month US LIBOR + 3.250%), 09/26/2021 (a)	11,784,482	9,671,230
Advantage Sales & Marketing, Inc., TL 1L B 06/14		
5.151% (1 Month US LIBOR + 3.250%), 07/23/2021 (a)	7,747,194	7,435,718
Koosharem LLC, TL 1L 03/18		
7.503% (3 Month US LIBOR + 5.000%), 04/10/2025 (a)	4,461,380	4,517,147
Monitronics International, Inc., TL 1L 03/12		
7.802% (3 Month US LIBOR + 5.500%), 09/30/2022 (a)	5,180,705	5,029,921
		26,654,016
Distributors - 2.5%		
Distribution International, Inc., TL 1L 12/14		
7.310% (3 Month US LIBOR + 5.000%), 12/15/2021 (a)	9,690,329	8,902,990
Diversified Telecommunication Services - 1.0%		
Onvoy, LLC, TL 1L 01/17		
6.802% (3 Month US LIBOR + 4.500%), 02/01/2024 (a)	3,511,555	3,401,819
Electronic Equipment, Instruments & Components - 2.9%		
Excelitas Technologies Corp., TL 2L 10/17		
9.161% (3 Month US LIBOR + 7.500%), 12/01/2025 (a)	9,985,960	10,198,162
Energy Equipment & Services - 0.3%		
Proserv Acquisition LLC, TL 1L B1 12/14 (US Tranche)		
9.125% (3 Month US Prime + 4.375%), 12/22/2021 (a) (b) (c) (d) (e) (f) (j)	1,157,735	582,769
Proserv Acquisition LLC, TL 1L B2 12/14 (UK Tranche)		
9.125% (3 Month US Prime + 4.375%), 12/22/2021 (a) (b) (c) (d) (e) (f) (j)	679,540	342,060

See notes to financial statements



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	Par	Value
<b>LEVERAGED LOANS - 70.0% (continued)</b>		
Energy Equipment & Services - 0.3% (continued)		
Proserv Acquisition LLC, Bridge Loan 1L 03/18		
10.895% (1 Month EURIBOR + 9.000%), 12/22/2021 (a) (b) (c) (e) (j)	60,263	\$ 58,455
		983,284
Food & Staples Retailing - 2.0%		
BJ's Wholesale Club, Inc., TL 2L 01/17		
9.391% (1 Month US LIBOR + 7.500%), 02/03/2025 (a)	6,481,857	6,570,982
Grocery Outlet, Inc., TL 2L 09/14		
10.552% (3 Month US LIBOR + 8.250%), 10/21/2022 (a)	591,309	597,222
		7,168,204
Food Products - 1.1%		
CSM Bakery Products, TL 2L 07/13		
10.060% (3 Month US LIBOR + 7.750%), 07/05/2021 (a)	991,568	951,910
CTI Foods Holding Co. LLC, TL 2L 06/13		
9.160% (1 Month US LIBOR + 7.250%), 06/28/2021 (a)	3,800,000	2,894,327
		3,846,237
Health Care Equipment & Supplies - 0.7%		
DeVilbiss Healthcare LLC, TL 1L B 11/16		
7.802% (3 Month US LIBOR + 5.500%), 01/03/2023 (a)	2,489,329	2,326,751
Health Care Providers & Services - 7.1%		
Amedes Holding AG, TL 1L B 8/15 EUR		
4.750% (6 Month EURIBOR + 4.750%), 08/19/2022 (a) (e)	EUR 3,703,840	4,459,333
Genoa (QoL), TL 2L 10/16		
9.901% (1 Month US LIBOR + 8.000%), 10/28/2024 (a)	5,063,890	5,146,178
Press Ganey Holdings, Inc., TL 2L 10/17		
8.401% (1 Month US LIBOR + 6.500%), 10/23/2025 (a)	3,044,038	3,082,088
Quorum Health Corp., TL 1L 04/16		
8.651% (1 Month US LIBOR + 6.750%), 04/29/2022 (a)	8,357,624	8,554,780
Team Health, Inc., TL 1L 01/17		
4.651% (1 Month US LIBOR + 2.750%), 02/06/2024 (a)	3,970,314	3,856,167
		25,098,546
Hotels, Restaurants & Leisure - 1.7%		
Sky Betting & Gaming, TL 1L 07/17		
5.052% (3 Month US LIBOR + 2.750%), 08/23/2024 (a) (e)	15,634	15,693
SMG/PA, TL 2L 12/17		
8.901% (1 Month US LIBOR + 7.000%), 01/23/2026 (a)	480,720	492,438
The Bay Club Co., TL 1L 08/16		
8.490% (3 Month US LIBOR + 6.500%), 08/31/2022 (a)	5,378,381	5,464,112
		5,972,243
Internet Software & Services - 0.2%		
Access CIG, LLC, TL 2L 02/18		
9.651% (1 Month US LIBOR + 7.750%), 02/27/2026 (a)	723,835	730,624
Access CIG, LLC, TL 2L DD 02/18		
9.648% (1 Month US LIBOR + 7.750%), 02/27/2026 (a) (h)	134,667	135,930
		866,554
IT Services - 1.5%		
NeuStar, Inc., TL 2L 02/17		
10.302% (3 Month US LIBOR + 8.000%), 08/08/2025 (a)	720,434	720,884

See notes to financial statements





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	Par	Value
<b>LEVERAGED LOANS - 70.0% (continued)</b>		
IT Services - 1.5% (continued)		
Sutherland Global Services, Inc., TL 1L 10/14_US Borrower		
7.677% (3 Month US LIBOR + 5.375%), 04/23/2021 (a)	3,870,648	\$ 3,720,660
Sutherland Global Services, Inc., TL 1L 10/14_Cayman Borrower		
7.677% (3 Month US LIBOR + 5.375%), 04/23/2021 (a)	900,999	866,086
		5,307,630
Life Sciences Tools & Services - 0.5%		
Albany Molecular Research, Inc., TL 2L 07/17		
8.901% (1 Month US LIBOR + 7.000%), 08/28/2025 (a)	1,670,930	1,695,994
Machinery - 8.3%		
Accuride Corp., TL 1L B 10/17		
7.552% (3 Month US LIBOR + 5.250%), 11/17/2023 (a)	4,590,378	4,642,019
BakerCorp International, Inc., TL 1L B 06/11		
5.359% (3 Month US LIBOR + 3.000%), 02/07/2020 (a)	6,341,718	6,325,864
Utility One Source LP, TL 1L 03/17		
7.401% (1 Month US LIBOR + 5.500%), 04/18/2023 (a)	6,434,090	6,611,028
WireCo WorldGroup, Inc., TL 1L 07/16		
7.484% (3 Month US LIBOR + 5.500%), 09/29/2023 (a) (e)	7,293,619	7,364,294
WireCo WorldGroup, Inc., TL 2L 07/16		
10.984% (3 Month US LIBOR + 9.000%), 09/30/2024 (a) (e)	4,543,961	4,612,120
		29,555,325
Media - 2.1%		
Intelsat Jackson Holdings SA, TL 1L B4 12/17		
6.456% (3 Month US LIBOR + 4.500%), 01/02/2024 (a) (e)	2,389,980	2,483,715
Intelsat Jackson Holdings SA, TL 1L B5 12/17		
6.625%, 01/02/2024 (e)	4,376,850	4,470,405
NEP Broadcasting, LLC, TL 2L 06/17		
9.339% (3 Month US LIBOR + 7.000%), 01/23/2023 (a)	591,910	597,459
		7,551,579
Metals & Mining - 7.0%		
Foresight Energy, LLC, TL 1L B 03/17		
8.109% (3 Month US LIBOR + 5.750%), 03/28/2022 (a)	4,574,524	4,488,043
Sequa Corp., TL 1L B 11/17		
7.071% (3 Month US LIBOR + 5.000%), 11/28/2021 (a)	5,767,931	5,852,056
Sequa Corp., TL 2L 04/17		
10.752% (3 Month US LIBOR + 9.000%), 04/28/2022 (a)	14,270,888	14,490,874
		24,830,973
Multiline Retail - 2.1%		
Belk, Inc., TL 1L B 08/15		
7.087% (3 Month US LIBOR + 4.750%), 12/12/2022 (a)	8,832,068	7,549,210
Professional Services - 1.4%		
SIRVA Worldwide, Inc., TL 1L 10/16		
8.534% (3 Month US LIBOR + 6.500%), 11/22/2022 (a)	5,058,302	5,108,885
Road & Rail - 1.3%		
Transplace, TL 2L 09/17		
10.645% (1 Month US LIBOR + 8.750%), 10/06/2025 (a)	4,532,039	4,608,517

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	Par	Value
<b>LEVERAGED LOANS - 70.0% (continued)</b>		
Software - 8.7%		
Applied Systems, Inc., TL 2L 09/17		
9.302% (3 Month US LIBOR + 7.000%), 09/19/2025 (a)	6,013,300	\$ 6,226,772
iParadigms Holdings, LLC, TL 2L 07/14		
9.552% (3 Month US LIBOR + 7.250%), 07/29/2022 (a)	5,133,360	5,056,360
Misys Ltd., TL 2L 04/17		
9.234% (3 Month US LIBOR + 7.250%), 06/13/2025 (a)	9,697,362	9,608,874
P2 Energy Solutions, Inc., TL 1L 10/13		
5.800% (3 Month US LIBOR + 4.000%), 10/30/2020 (a)	10,175,266	10,045,938
		30,937,944
Specialty Retail - 3.0%		
Charlotte Russe, Inc., TL 1L 12/17		
8.500%, 02/02/2023 (b) (c) (j)	1,531,496	1,531,496
David s Bridal, Inc., TL 1L B 10/12		
6.310% (3 Month US LIBOR + 4.000%), 10/11/2019 (a)	1,587,070	1,370,832
Jo-Ann Stores, Inc., TL 1L 09/16		
7.509% (3 Month US LIBOR + 5.000%), 10/20/2023 (a)	1,338,255	1,333,658
Savers, Inc., TL 1L C 07/12		
6.111% (3 Month US LIBOR + 3.750%), 07/09/2019 (a) (b) (c)	6,454,364	6,280,935
		10,516,921
Textiles, Apparel & Luxury Goods - 0.6%		
Nine West Holdings, TL 1L 04/18 DIP		
10.000%, 12/31/2018 (c) (h) (j)	173,477	160,033
Nine West Holdings, TL 1L B 03/14		
7.500% (3 Month US Prime + 4.750%), 10/08/2019 (a)	2,193,290	2,117,446
		2,277,479
Trading Companies & Distributors - 1.8%		
FleetPride Corporation, TL 1L B 03/18		
6.378% (1 Month US LIBOR + 4.500%), 11/18/2022 (a)	4,008,660	4,013,671
FleetPride Corporation, TL 2L 03/18		
10.878% (1 Month US LIBOR + 9.000%), 05/19/2023 (a)	2,604,310	2,561,990
		6,575,661
Transportation Infrastructure - 1.0%		
Commercial Barge Lines Co., TL 1L B 11/15		
10.651% (1 Month US LIBOR + 8.750%), 11/12/2020 (a)	1,762,938	1,034,298
Direct ChassisLink, Inc., TL 2L 11/17		
7.901% (1 Month US LIBOR + 6.000%), 06/15/2023 (a)	2,347,058	2,394,000
		3,428,298
<b>TOTAL LEVERAGED LOANS (amortized cost \$249,289,732)</b>		<b>248,614,101</b>
<b>HIGH YIELD SECURITIES - 60.6%</b>		
Aerospace & Defense - 1.8%		
Pattonair Holdings Ltd.		
9.000%, 11/01/2022 (e) (g)	2,863,000	2,948,890
Triumph Group, Inc.		
7.750%, 08/15/2025	3,377,000	3,461,425
		6,410,315

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	Par	Value
<b>HIGH YIELD SECURITIES - 60.6% (continued)</b>		
Building Products - 1.0%		
Ply Gem Holdings, Inc. 8.000%, 04/15/2026 (g)	3,358,000	\$ 3,359,007
Chemicals - 1.0%		
Cornerstone Chemical Co. 6.750%, 08/15/2024 (g)	1,042,000	1,031,580
OCI NV 6.625%, 04/15/2023 (e) (g)	2,603,000	2,639,442
		3,671,022
Commercial Services & Supplies - 1.3%		
Vivint, Inc. 8.750%, 12/01/2020	2,406,000	2,351,865
7.625%, 09/01/2023	2,506,000	2,349,375
		4,701,240
Communications Equipment - 2.8%		
Genesys Telecommunications Laboratories, Inc. 10.000%, 11/30/2024 (g)	9,062,000	10,013,510
Construction & Engineering - 1.5%		
Maxim Crane Works LP / Maxim Finance Corp. 10.125%, 08/01/2024 (g)	4,876,000	5,314,840
Construction Materials - 4.4%		
Cemex Materials LLC 7.700%, 07/21/2025 (g)	13,776,000	15,473,479
Containers & Packaging - 0.6%		
Reynolds Group Holdings, Inc. 7.950%, 12/15/2025	2,002,000	2,217,215
Diversified Telecommunication Services - 0.4%		
Frontier Communications Corp. 8.500%, 04/01/2026 (g)	1,500,000	1,458,750
Electronic Equipment, Instruments & Components - 7.3%		
Artesyn Technologies, Inc. 9.750%, 10/15/2020 (g)	9,594,000	9,258,210
Vertiv Group Corp. 9.250%, 10/15/2024 (g)	16,541,000	16,706,410
		25,964,620
Energy Equipment & Services - 0.3%		
USA Compression Partners LLC 6.875%, 04/01/2026 (g)	1,017,000	1,037,340
Health Care Equipment & Supplies - 4.5%		
DJO Finance LLC / DJO Finance Corp. 8.125%, 06/15/2021 (g)	15,837,000	15,856,796

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	Par	Value
<b>HIGH YIELD SECURITIES - 60.6% (continued)</b>		
Health Care Providers & Services - 5.9%		
Envision Healthcare Holdings		
5.125%, 07/01/2022 (g)	4,496,000	\$ 4,439,800
Quorum Health Corp.		
11.625%, 04/15/2023	109,000	115,813
Surgery Partners Holdings, LLC		
8.875%, 04/15/2021 (g)	8,070,000	8,291,925
6.750%, 07/01/2025 (g)	2,841,000	2,684,745
Team Health, Inc.		
6.375%, 02/01/2025 (g)	5,703,000	4,961,610
Tenet Healthcare Corp.		
7.000%, 08/01/2025 (g)	538,000	528,585
		21,022,478
Health Care Technology - 0.2%		
Change Healthcare Holdings LLC		
5.750%, 03/01/2025 (g)	649,000	634,398
Hotels, Restaurants & Leisure - 3.9%		
Boyne USA, Inc.		
7.250%, 05/01/2025 (g)	1,681,000	1,736,137
ClubCorp Club Operations, Inc.		
8.500%, 09/15/2025 (g)	12,520,000	12,207,000
		13,943,137
Household Products - 1.0%		
Steinhoff		
4.000%, 01/30/2021 (e) (g)	EUR 900,000	956,418
1.250%, 08/11/2022 (e) (g)	EUR 2,500,000	2,626,381
		3,582,799
Insurance - 0.7%		
Hub International Ltd.		
7.000%, 05/01/2026 (g)	2,519,000	2,525,298
Life Sciences Tools & Services - 4.6%		
Avantor, Inc.		
6.000%, 10/01/2024 (b) (c) (g)	14,962,594	15,037,407
PAREXEL International Corp.		
6.375%, 09/01/2025 (g)	1,370,000	1,346,025
		16,383,432
Machinery - 1.8%		
Clever-Brooks, Inc.		
7.875%, 03/01/2023 (g)	6,132,000	6,331,290
Media - 2.4%		
Clear Channel International BV		