

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Apollo Tactical Income Fund Inc.		90-0924821	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
MFIC Investor Relations		investorrelations@midcapfinancialic.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
9 West 57th Street, 41st Floor		New York, NY 10019	
8 Date of action		9 Classification and description	
07/22/2024		MidCap Financial Investment Corporation Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
037638103	N/A	AIF	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On July 22, 2024, The Apollo Tactical Income Fund Inc. merged into MidCap Financial Investment Corporation (#52-2439556) in a nontaxable reorganization under Section 368(a) of the Internal Revenue Code.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **See Attachment**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market value of Acquiror Common Stock received in the Transaction for purposes of calculating any gain recognized upon the receipt of a combination of the Stock Consideration and the Cash Consideration in the Transaction. One reasonable approach is to utilize the mean of the highest and lowest trading price of Acquiror Stock on July 22, 2024, which is \$15.47 (high of \$15.59 and low of \$15.34). Other approaches to determine the fair market value of Acquiror Common Stock may be appropriate. You should consult your tax advisor to determine what measure of fair market value is appropriate.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Sections 302, 354(a), 358(a), 368(a), 1001, and 1223(1).

18 Can any resulting loss be recognized? ▶ Generally, no loss should be recognized with this organizational action. However, gain or loss may be recognized in conjunction with the receipt of cash in lieu of fraction shares of MidCap Financial Investment Corporation.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Transaction was completed on July 22, 2024. For a holder of Target Common Stock whose taxable year is the calendar year, the reportable tax year is 2024.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ *Kenneth Seifert* Date ▶ 9/5/2024
Print your name ▶ Kenneth Seifert Title ▶ CFO & Treasurer

Paid Preparer Use Only	Print/Type preparer's name <u>Baruch J. Cohen</u>	Preparer's signature <u><i>Baruch J. Cohen</i></u>	Date <u>8/29/2024</u>	Check <input checked="" type="checkbox"/> if self-employed	PTIN <u>P01269048</u>
	Firm's name ▶ <u>Deloitte Tax LLP</u>	Firm's EIN ▶ <u>86-1065772</u>			
	Firm's address ▶ <u>30 Rockefeller Plaza, New York, NY 10112-0015</u>	Phone no. <u>212-492-4000</u>			

Apollo Tactical Income Fund Inc.
Organizational Action: Merger
Date of Action: 07/22/2024

Statement 1

Attachment for Form 8937, Report of Organizational Actions Affecting Basis of Securities

<u>Issuer's Name</u>	<u>Class</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>NAV</u>	<u>Acquiring Fund</u>	<u>Class</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>NAV</u>	<u>Merger Ratio</u>
Apollo Tactical Income Fund Inc.	TF	37638103	AIF	14.57	MidCap Financial Investment Corporation	TF	03761U502	MFIC	15.43	0.9441

Apollo Tactical Income Fund Inc.
Organizational Action: Merger
Date of Action: 07/22/2024

Line 15

The merger of Apollo Tactical Income Fund Inc. (Merging Fund) into MidCap Financial Investment Corporation (Surviving Fund) is intended to qualify as a "reorganization" within the meaning of section 368(a)(1)(C).

Each share of the Merging Fund stock (Merging Fund Stock) is being replaced with shares of Surviving Fund stock (Surviving Fund Stock) at a ratio noted in the attachment for each share class. Treasury Regulations generally provide that a shareholder who surrenders stock and receives both stock and cash in a section 368(a) reorganization is treated as having surrendered each share for a pro rata portion of the stock and cash received, based on the fair market value of such surrendered share, unless the terms of the exchange provide otherwise and are economically reasonable.

Generally, under sections 356(a) and 356(c), a holder of Merging Fund Stock who received a combination of Surviving Fund Stock and cash (other than cash in lieu of a fractional share of Acquiror Common Stock) pursuant to the Transaction generally will recognize gain (but not loss) for U.S. federal income tax purposes in an amount equal to the lesser of (1) the sum of the amount of the cash (other than cash in lieu of a fractional share of Acquiror Common Stock) and the fair market value of the Acquiror Common Stock received in exchange for the share of Target Common Stock surrendered, minus the holder's adjusted tax basis in the share of Target Common Stock surrendered in exchange therefor, and (2) the amount of cash received for such share of Target Common Stock. See Line 16 for additional information.

If a holder of Target Common Stock acquired different blocks of shares of Target Common Stock at different times or different prices, any gain or loss may be determined separately for each block of shares and such holder's basis and holding period in its shares of Acquiror Common Stock may be determined with reference to each block of shares of Target Common Stock.

In certain circumstances, if a holder of Target Common Stock actually or constructively owns Acquiror Common stock other than Acquiror Common stock received pursuant to the Transaction, the recognized gain could be treated for U.S. federal income tax purposes as having the effect of the distribution of a dividend under the tests set forth in section 302, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends upon the particular circumstances of a holder, including the application of certain constructive ownership rules, holders should consult their tax advisors regarding the potential application of the foregoing rules to their particular circumstances.

Under section 358(a), a holder of Target Common Stock who received Acquiror Common Stock generally will have an adjusted tax basis in the share (or portion thereof) of Acquiror Common Stock received (including a fractional share deemed received and redeemed as described in "Cash in Lieu of a Fractional Share") equal to the adjusted tax basis of the of the share of Target Common Stock surrendered, reduced by the amount of Cash Consideration received by the holder (excluding any cash in lieu of a fractional share) for the share of Target Common Stock surrendered, and increased by the amount of gain (regardless of whether such gain is classified as capital gain or dividend income, as discussed above, but excluding any gain recognized with respect to cash in lieu of a fractional share), if any, recognized by the holder on the exchange.

Cash in Lieu of a Fractional Share

A holder of Target Common Sock who received cash in lieu of a fractional share of Acquiror Common Stock generally will be treated as having received such fractional share and then as having received such cash in redemption of the fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the tax basis allocated to such fractional share.