

KKR Income Opportunities Fund
Form N-Q
March 20, 2015

**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, 2015

Date of reporting period: January 31, 2015

Item 1. Schedule of Investments.

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January 31, 2015

Income Opportunities Fund

(Unaudited)

Schedule of Investments

	Par	Value
HIGH YIELD SECURITIES - 79.8%		
Aerospace & Defense - 1.5%		
Bombardier, Inc.		
6.125%, 01/15/2023 (a) (g)	4,327,000	\$ 4,089,015
Banks - 8.8%		
Ally Financial, Inc.		
8.000%, 12/31/2018	6,916,000	7,832,370
Novo Banco SA		
N/A, 02/19/2049 (a) (g) (i)	EUR 8,635,000	1,805,138
N/A, 04/09/2052 (g) (i)	EUR 213,000	39,714
SquareTwo Financial Corp.		
11.625%, 04/01/2017	15,009,000	14,258,550
		23,935,772
Building Products - 0.1%		
Calcipar SA		
6.875%, 05/01/2018 (a) (g)	400,000	405,000
Chemicals - 1.7%		
Kleopatra Acquisition Corp.		
11.000%, 08/15/2017 (a) (c) (e) (g)	EUR 2,061,470	2,399,333
Pinnacle Agriculture Holdings LLC		
9.000%, 11/15/2020 (a)	2,259,000	2,304,180
		4,703,513
Construction Materials - 9.3%		
Cemex Materials LLC		
7.700%, 07/21/2025 (a)	13,760,000	15,177,280
Summit Materials Holdings LP		
10.500%, 01/31/2020	9,031,000	9,979,255
		25,156,535
Containers & Packaging - 0.1%		
Multi-Color Corp.		
6.125%, 12/01/2022 (a)	366,000	370,118
Diversified Consumer Services - 0.6%		
24 Hour Fitness Worldwide, Inc.		
8.000%, 06/01/2022 (a)	1,843,000	1,502,045
Diversified Telecommunication Services - 1.8%		
Windstream Corp.		
7.750%, 10/15/2020	4,637,000	4,810,888
Electric Utilities - 1.6%		
Dynergy, Inc.		
7.625%, 11/01/2024 (a)	1,835,000	1,896,931
7.375%, 11/01/2022 (a)	1,501,000	1,549,782
6.750%, 11/01/2019 (a)	789,000	811,684
		4,258,397

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Electronic Equipment, Instruments & Components - 4.2%

Artesyn Technologies, Inc.

9.750%, 10/15/2020 (a)

9,594,000

8,994,375

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	Par	Value
HIGH YIELD SECURITIES - 79.8% (continued)		
Electronic Equipment, Instruments & Components - 4.2% (continued)		
Flextronics International Ltd.		
5.000%, 02/15/2023 (g)	2,250,000	\$ 2,340,000
		11,334,375
Food & Staples Retailing - 1.1%		
Brake Bros Ltd.		
7.125%, 12/15/2018 (a) (g)	GBP 1,903,000	2,905,721
Hotels, Restaurants & Leisure - 4.0%		
Boyd Gaming Corp.		
9.000%, 07/01/2020	3,583,000	3,726,320
Isle Of Capri Casinos, Inc.		
5.875%, 03/15/2021	6,831,000	7,087,162
		10,813,482
Household Durables - 0.9%		
Algeco Scotsman Global Sarl		
10.750%, 10/15/2019 (a) (d) (e) (g)	352,000	269,280
Masonite International Corp.		
8.250%, 04/15/2021 (a) (g)	1,801,000	1,913,562
The Hillman Group, Inc.		
6.375%, 07/15/2022 (a)	364,000	353,080
		2,535,922
Household Products - 1.5%		
Harbinger Group, Inc.		
7.875%, 07/15/2019	3,479,000	3,670,345
7.750%, 01/15/2022	471,000	473,355
		4,143,700
Independent Power and Renewable Electricity Producers - 2.1%		
NRG Energy, Inc.		
6.625%, 03/15/2023	5,525,000	5,732,188
Insurance - 2.9%		
Towergate Finance PLC		
10.500%, 02/15/2019 (a) (d) (e) (f) (g)	GBP 7,634,000	1,379,805
8.500%, 02/15/2018 (a) (d) (e) (f) (g)	GBP 4,600,000	6,097,120
5.753%, 02/15/2018 (a) (b) (d) (e) (f) (g)	GBP 360,000	477,166
		7,954,091
Internet Software & Services - 0.9%		
Bankrate, Inc.		
6.125%, 08/15/2018 (a)	2,582,000	2,536,815
IT Services - 0.9%		
iPayment Investors LP		
9.500%, 12/15/2019 (a)	2,562,863	2,332,205
Life Sciences Tools & Services - 0.2%		
Pharmaceutical Products Developement, Inc.		
9.375%, 10/15/2017 (a) (c)	654,000	667,080
Media - 7.9%		
Cequel Communications Holdings LLC		
5.125%, 12/15/2021 (a)	2,147,000	2,098,692

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	Par	Value
HIGH YIELD SECURITIES - 79.8% (continued)		
Media - 7.9% (continued)		
Charter Communications, Inc.		
6.625%, 01/31/2022	1,842,000	\$ 1,947,915
Clear Channel Outdoor, Inc., Series B		
7.625%, 03/15/2020	5,597,000	5,904,835
Intelsat Jackson Holdings SA		
5.500%, 08/01/2023 (g)	1,435,000	1,417,063
Live Nation Entertainment, Inc.		
7.000%, 09/01/2020 (a)	1,821,000	1,943,918
Sirius XM Holdings, Inc.		
4.625%, 05/15/2023 (a)	4,260,000	3,993,750
Time Warner Entertainment Co. LP		
8.375%, 03/15/2023	1,497,000	2,065,315
Virgin Media, Inc.		
6.375%, 04/15/2023 (a) (g)	1,873,000	1,994,745
		21,366,233
Multiline Retail - 1.5%		
The Bon-Ton Department Stores, Inc.		
8.000%, 06/15/2021	5,170,000	4,213,550
Multi-Utilities - 1.3%		
Calpine Corp.		
7.875%, 01/15/2023 (a)	3,053,000	3,419,360
5.875%, 01/15/2024 (a)	215,000	228,975
		3,648,335
Oil, Gas & Consumable Fuels - 5.9%		
Bill Barrett Corp.		
7.000%, 10/15/2022	7,699,000	6,390,170
Hilcorp Energy I LP (Hilcorp Finance Co.)		
8.000%, 02/15/2020 (a)	1,950,000	1,989,000
7.625%, 04/15/2021 (a)	425,000	431,375
SandRidge Energy, Inc.		
7.500%, 02/15/2023	5,000,000	3,350,000
7.500%, 03/15/2021	5,761,000	4,003,895
		16,164,440
Semiconductors & Semiconductor Equipment - 0.7%		
Amkor Technology, Inc.		
7.375%, 05/01/2018	1,819,000	1,859,927
Software - 3.5%		
Datatel, Inc.		
9.625%, 12/01/2018 (a) (c)	1,433,000	1,433,000
Epicor Software Corp.		
9.000%, 06/15/2018 (a) (c)	6,045,000	6,165,900
TIBCO Software, Inc.		
11.375%, 12/01/2021 (a)	1,905,000	1,874,044
		9,472,944
Specialty Retail - 5.5%		
Guitar Center, Inc.		
6.500%, 04/15/2019 (a)	4,085,000	3,359,913

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	Par	Value
HIGH YIELD SECURITIES - 79.8% (continued)		
Specialty Retail - 5.5% (continued)		
J.C. Penney Corp., Inc.		
8.125%, 10/01/2019	6,302,000	\$ 5,797,840
7.950%, 04/01/2017	298,000	293,530
5.750%, 02/15/2018	1,589,000	1,438,045
5.650%, 06/01/2020	2,516,000	2,075,700
The Men's Wearhouse, Inc.		
7.000%, 07/01/2022 (a)	1,979,000	2,038,370
		15,003,398
Textiles, Apparel & Luxury Goods - 2.3%		
Hot Topic, Inc.		
12.000%, 05/15/2019 (a) (c)	294,000	304,290
9.250%, 06/15/2021 (a)	5,391,000	5,835,758
		6,140,048
Wireless Telecommunication Services - 7.0%		
GCI, Inc.		
8.625%, 11/15/2019	7,800,000	8,141,250
6.750%, 06/01/2021	6,100,000	6,084,750
Sprint Corp.		
7.875%, 09/15/2023	1,642,000	1,664,577
T-Mobile USA, Inc.		
6.625%, 11/15/2020	1,800,000	1,871,550
6.375%, 03/01/2025	648,000	665,010
6.000%, 03/01/2023	560,000	572,600
		18,999,737
TOTAL HIGH YIELD SECURITIES (amortized cost \$234,587,125)		217,055,474
LEVERAGED LOANS - 55.0%		
Building Products - 1.0%		
Gypsum Management & Supply, Inc., TL 2L 03/14		
7.750%, 04/01/2022 (b)	2,661,800	2,621,873
Chemicals - 0.1%		
Emerald Performance Materials LLC, TL 2L 07/14		
7.750%, 08/01/2022 (b)	268,490	262,407
Diversified Consumer Services - 0.9%		
24 Hour Fitness Worldwide, Inc., TL 1L B 05/14		
4.750%, 05/28/2021 (b)	2,660,572	2,580,755
Diversified Telecommunication Services - 0.9%		
Lightower Fiber LLC, TL 2L 04/13		
8.000%, 04/12/2021 (b)	2,143,669	2,109,370
The Telx Group, Inc., TL 2L 04/14		
7.500%, 04/09/2021 (b)	352,020	344,980
		2,454,350
Energy Equipment & Services - 0.5%		
Sabine Oil & Gas LLC, TL 2L 12/12		
8.750%, 12/31/2018 (b)	1,888,290	1,243,911

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	Par	Value
LEVERAGED LOANS - 55.0% (continued)		
Food & Staples Retailing - 8.2%		
Brake Bros Ltd., TL 2L D2 10/07		
6.419%, 03/13/2017 (b) (g)	GBP 10,339,988	\$ 14,970,650
California Pizza Kitchen, Inc., TL 1L 03/13		
5.250%, 03/29/2018 (b)	5,801,589	5,610,136
Grocery Outlet, Inc., TL 2L 09/14		
9.250%, 10/21/2022 (b)	1,754,710	1,728,389
		22,309,175
Food Products - 4.6%		
Arysta Lifescience SPC LLC, TL 2L 05/13		
8.250%, 11/30/2020 (b) (g)	3,800,000	3,800,000
CSM Bakery Products, TL 2L 07/13		
8.750%, 07/03/2021 (b)	5,300,000	5,074,750
CTI Foods Holding Co. LLC, TL 2L 06/13		
8.250%, 06/28/2021 (b)	3,800,000	3,752,500
		12,627,250
Health Care Providers & Services - 4.9%		
CHG Healthcare Services, Inc., TL 2L 11/12		
9.000%, 11/19/2020 (b)	1,738,942	1,751,984
CRC Health Group, Inc., TL 2L 03/14		
9.000%, 09/28/2021 (b)	11,327,530	11,620,177
		13,372,161
Health Care Technology - 0.6%		
ABILITY Network, Inc., TL 1L 05/14		
6.000%, 05/14/2021 (b)	1,056,421	1,051,139
Greenway Medical Technologies, TL 2L 10/13		
9.250%, 11/04/2021 (b)	545,410	531,775
		1,582,914
Hotels, Restaurants & Leisure - 5.4%		
American Casino & Entertainment Properties LLC, TL 2L 06/13		
11.250%, 01/03/2020 (b)	1,739,548	1,809,130
Caesars Entertainment Operating Co., Inc., TL 1L B6 01/08		
7.005%, 03/01/2017 (b) (d) (e) (j)	10,469,808	9,388,904
Caesars Entertainment Operating Co., Inc., TL 1L B7 05/14		
9.750%, 01/28/2018 (b) (d) (e) (j)	4,028,914	3,610,290
		14,808,324
Household Durables - 0.1%		
Algeco Scotsman Global Sarl, TL PIK 04/13		
15.750%, 05/01/2018 (c) (d) (e) (g) (k)	336,598	276,684
Household Products - 1.0%		
The Sun Products Corp., TL 1L B 03/13		
5.500%, 03/23/2020 (b)	2,810,670	2,707,041
Insurance - 0.3%		
AssuredPartners, Inc., TL 2L 03/14		
7.750%, 04/02/2022 (b)	17,217	16,657
Towergate Finance PLC, REV 1L 05/13		
N/A, 11/15/2017 (b) (d) (e) (g) (k)	GBP 609,801	824,341
		840,998

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	Par	Value
LEVERAGED LOANS - 55.0% (continued)		
IT Services - 3.4%		
iPayment Investors LP, TL 1L B 05/11		
6.750%, 05/08/2017 (b)	9,522,742	\$ 9,367,998
Leisure Products - 1.0%		
BRG Sports, TL 2L 04/14		
10.250%, 04/15/2022 (b)	2,809,440	2,837,534
Media - 3.0%		
Catalina Marketing Corp., TL 1L 04/14		
4.500%, 04/09/2021 (b)	2,834,660	2,701,785
Catalina Marketing Corp., TL 2L 04/14		
7.750%, 04/11/2022 (b)	1,155,960	1,046,144
Learfield Communications, Inc., TL 2L 10/13		
8.750%, 10/08/2021 (b)	128,930	127,963
Lee Enterprises, Inc., TL 1L 03/14		
7.250%, 03/31/2019 (b)	4,153,129	4,153,130
		8,029,022
Oil, Gas & Consumable Fuels - 1.1%		
MEG Energy Corp., TL 1L B New		
3.750%, 03/31/2020 (b) (g)	2,000,720	1,888,490
Sheridan Production Co. LLC, TL 1L B2 10/12		
4.250%, 10/01/2019 (b)	924,047	827,022
Sheridan Production Co. LLC, TL 1L B2 I-A 10/12		
4.250%, 10/01/2019 (b)	122,444	109,587
Sheridan Production Co. LLC, TL 1L B2 I-M 10/12		
4.250%, 10/01/2019 (b)	74,789	66,936
		2,892,035
Paper & Forest Products - 0.9%		
Wilton Brands, Inc., TL 1L B 08/12		
7.500%, 08/30/2018 (b)	2,543,127	2,390,539
Real Estate Management & Development - 0.5%		
Altisource Solutions Sarl, TL 1L B 11/13		
4.500%, 12/09/2020 (b) (g)	1,661,240	1,258,389
Software - 10.0%		
Applied Systems, Inc., TL 2L 01/14		
7.500%, 01/24/2022 (b)	786,990	778,136
iParadigms Holdings LLC, TL 2L 07/14		
8.250%, 07/29/2022 (b)	5,719,710	5,641,064
Misys Ltd., TL 2L 06/12		
12.000%, 06/12/2019	1,000,000	1,087,000
RedPrairie Corp., TL 1L 12/13		
6.000%, 12/21/2018 (b)	475,210	452,241
RedPrairie Corp., TL 2L 12/12		
11.250%, 12/21/2019 (b)	11,670,867	9,715,997
TIBCO Software, Inc., TL 1L 10/14		
6.500%, 10/31/2020 (b)	7,436,551	7,282,243
Triple Point Technology, Inc., TL 1L 07/13		
5.250%, 07/10/2020 (b)	2,419,898	2,226,306
		27,182,987

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	Par	Value
LEVERAGED LOANS - 55.0% (continued)		
Specialty Retail - 3.6%		
David s Bridal, Inc., Initial Term Loan		
5.250%, 10/11/2019 (b)	3,720,850	\$ 3,525,506
Gymboree Corp., TL 1L 02/11		
5.000%, 02/23/2018 (b)	8,959,408	6,224,190
		9,749,696
Technology Hardware, Storage & Peripherals - 0.6%		
Websense, Inc., TL 2L 05/13		
8.250%, 12/24/2020 (b)	1,902,351	1,731,139
Trading Companies & Distributors - 2.4%		
Maxim Crane Works LP (Maxim Finance Corp.), TL 2L B 11/13		
10.250%, 11/26/2018 (b)	6,411,140	6,491,279
TOTAL LEVERAGED LOANS (amortized cost \$156,304,783)		149,618,461

COMMON STOCKS - 3.6%

Banks - 0.6%