

A P O L L O

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*Bank of America Merrill Lynch Banking and Financial Services Conference:  
Josh Harris –Managing Partner*

**November 13, 2012**

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## Forward Looking Statements and Other Important Disclosures

*This presentation may contain forward looking statements that are within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, discussions related to Apollo Global Management, LLC's and its subsidiaries' (collectively "Apollo") expectations regarding the performance of its business, its liquidity and capital resources and the other non-historical statements. These forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. When used in this presentation, the words "believe," "anticipate," "estimate," "expect," "intend" and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These statements are subject to certain risks, uncertainties and assumptions. We believe these factors include but are not limited to those described under the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission ("SEC") on March 9, 2012, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation in other SEC filings. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.*

*"Gross IRR" of a fund represents the cumulative investment-related cash flows for all of the investors in the fund on the basis of the actual timing of investment inflows and outflows (for unrealized investment assuming disposition of the respective "as of" dates referenced) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, carried interest and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the fund's investments as a whole without regard to whether all of the returns would, if distributed, be payable to the fund's investors. "Net IRR" of a fund means the gross IRR applicable to all investors, including related parties which may not pay fees, net of management fees, organizational expenses, transaction costs, and certain other fund expenses (including interest incurred by the fund itself) and realized carried interest all offset to the extent of interest income, and measures returns based on amounts that, if distributed, would be paid to investors of the fund; to the extent that an Apollo private equity fund exceeds all requirements detailed within the applicable fund agreement, the estimated unrealized value is adjusted such that a percentage of up to 20.0% of the unrealized gain is allocated to the general partner, thereby reducing the balance attributable to fund investors.*

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## Apollo Global Management, LLC



*Apollo Global Management, LLC is a leading global alternative investment manager in private equity, credit and real estate*

<b>Ticker (NYSE):</b>	<b>APO</b>
<b>Market Capitalization<sup>(1)</sup></b>	<b>\$5.5 billion</b>
<b>Total Assets Under Management<sup>(2)</sup></b>	<b>\$110 billion</b>
<b>AUM CAGR (2004 – 9/30/12)</b>	<b>34%</b>
<b>L12M Dividend Yield<sup>(3)</sup></b>	<b>9.5%</b>
<b>2013E PE Multiple<sup>(4)</sup></b>	<b>4.9x</b>

1. As of November 12, 2012.

2. As of September 30, 2012.

3. Based on closing price on November 12, 2012 and LTM dividends as of and for the period ended September 30, 2012.

4. Based on mean First Call estimate as of November 9, 2012.

# Agenda

- 1. Overview of Apollo**
2. Market Overview
3. Selected Opportunities Across Apollo's Integrated Platform

# Apollo's Integrated Global Platform

A P O L L O

## Firm Profile <sup>(1)</sup>

<b>Founded:</b>	1990
<b>AUM:</b>	\$110 bn
<b>Employees:</b>	624
<b>Inv. Prof.:</b>	250

## Principal Investment Businesses<sup>(1)</sup>

### Private Equity

**\$39bn**

AUM

### Credit<sup>(2)</sup>

**\$60bn**

AUM

### Real Estate

**\$8bn**

AUM

## Investment Approach

- *Value-oriented*
- *Contrarian*
- *Opportunistic across market cycles and capital structures*
- *Integrated platform across asset classes and geographies*
- *Deep industry knowledge*

## Global Footprint



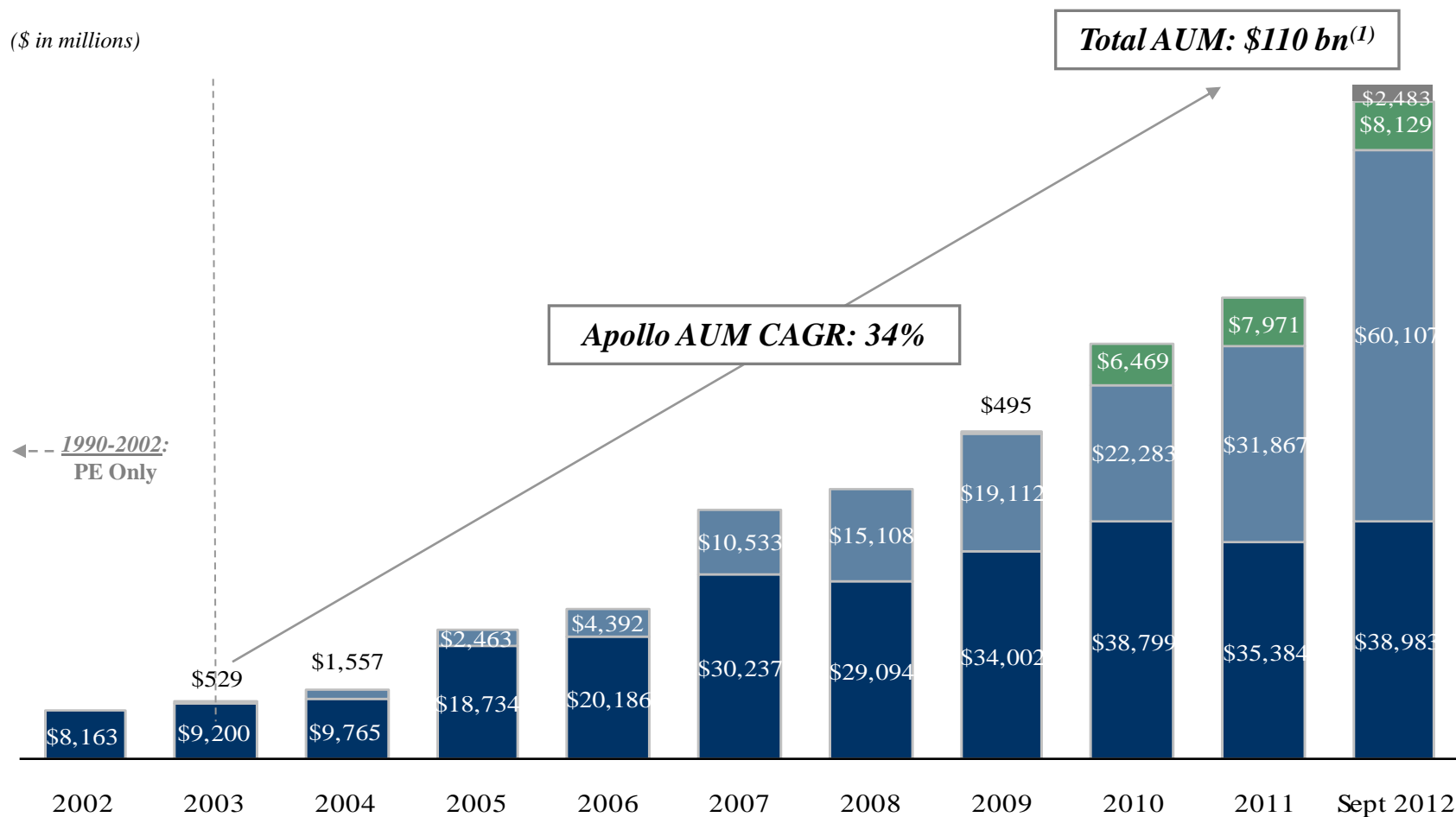
1. As of September 30, 2012.

2. Includes three funds that are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.29 as of September 30, 2012.

# Significant Growth and Diversification

## Apollo's Total AUM Has Grown By More Than 10x Over the Last Decade

(\$ in millions)



■ Unallocated Strategic Account AUM ■ Real Estate AUM ■ Capital Markets AUM ■ Private Equity AUM

1. AUM as of September 30, 2012 includes the acquisitions of Stone Tower Capital LLC and its related management companies (\$18bn of AUM) and Gulf Stream Asset Management, LLC (\$3bn of AUM).

# Secular Tailwinds Favor Alternatives

***“Cash-strapped US Pension Funds Ditch Stocks For Alternatives”***

— Reuters (8/18/12)

***“Alternatives Becoming Mainstream”***

— Asset Allocation News (7/27/12)

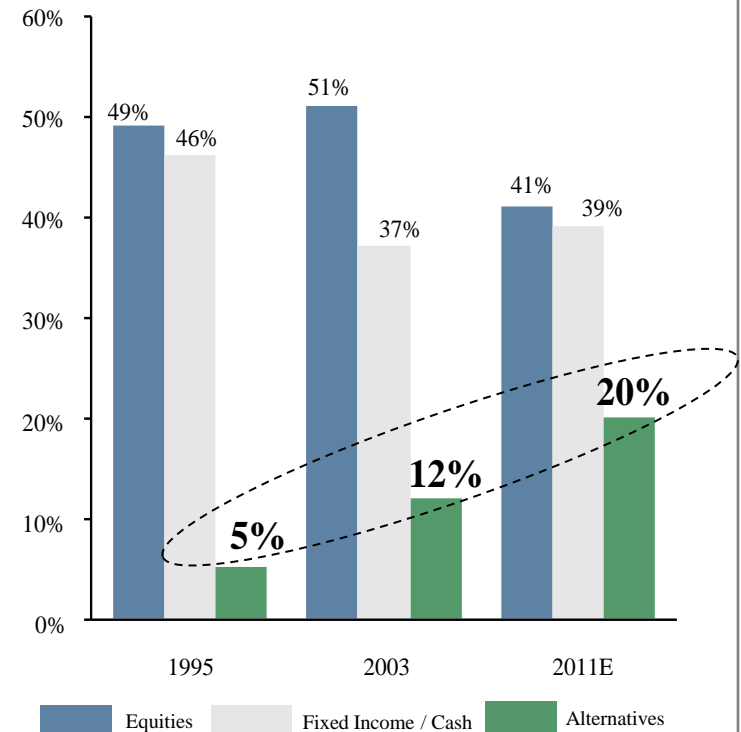
***“In Search of Diversification and Alpha, Investors Seek Alts...”***

— Asset International (6/19/12)

***“Alts Poised to Gain Significant Market Share...”***

— Fundfire (5/7/12)

## Portfolio Allocations to Alternatives Have Quadrupled Since 1995 <sup>(1)</sup>



## Consistent, Simple Strategy

*Every strategy across our platform  
is about one thing only:*



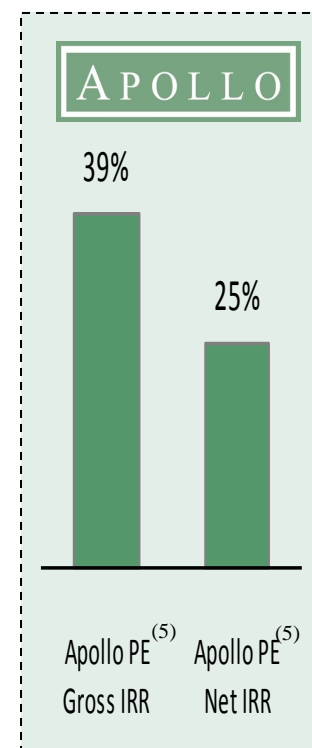
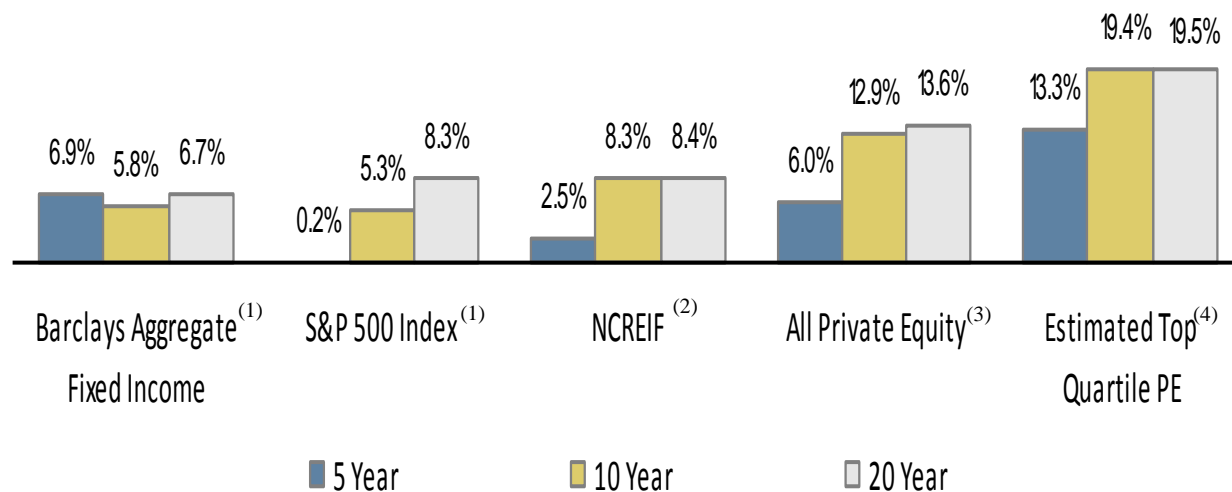
**“VALUE”**

Over the last decade we have created our investments at almost 2 turns below the industry average<sup>(1)</sup>



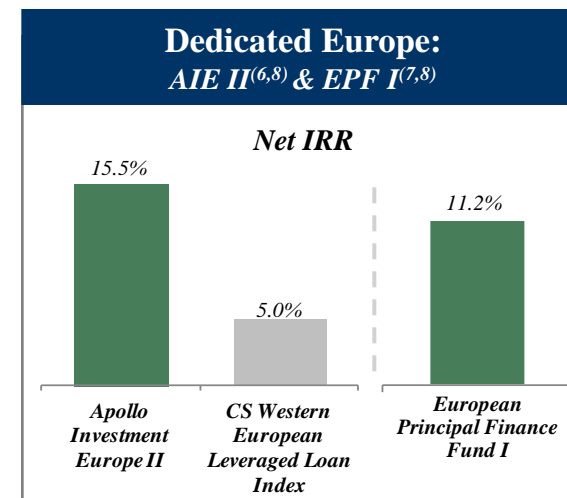
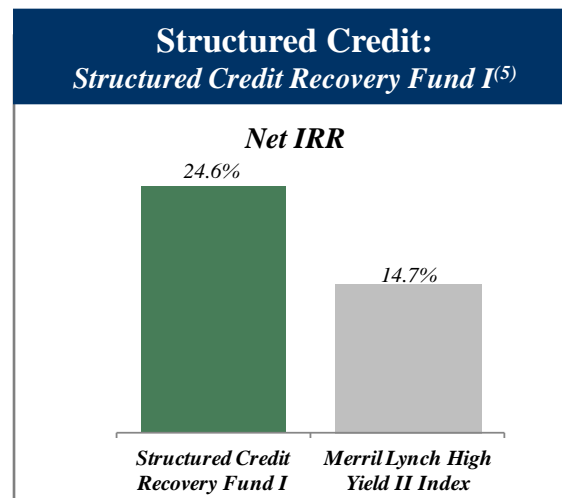
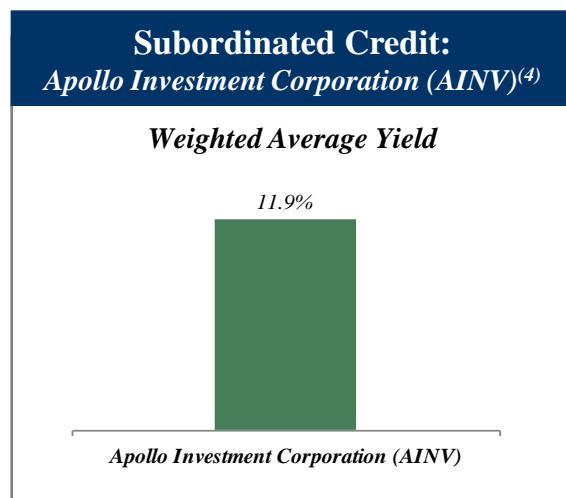
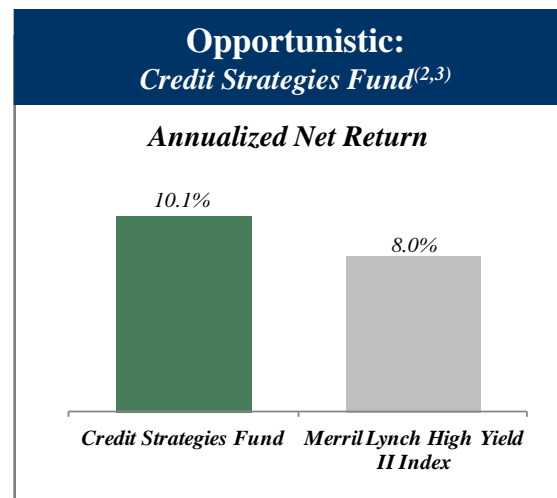
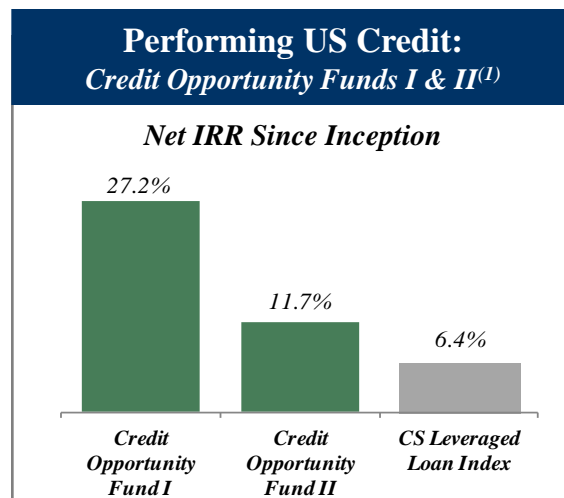
# Long Track Record of Success in Private Equity

## Apollo's Private Equity Funds: 39% Gross & 25% Net IRR Since Inception



*Note: Past performance is not indicative nor a guarantee of future results. See the last page for an "Important Note Regarding the Use of Index Comparisons." (1) Data as of June 30, 2012. (2) National Council of Real Estate Investment Fiduciaries ("NCREIF") as of June 30, 2012. (3) Cambridge Associates LLC U.S. Private Equity Index and Benchmark Statistics, June 30, 2012, the most recent data available. Returns represent End-to-End Pooled Mean Net to Limited Partners (net of fees, expenses and carried interest) for all U.S. Private Equity. (4) Cambridge Associates LLC U.S. Private Equity Index and Benchmark Statistics, June 30, 2012, the most recent data available. Estimated Top Quartile PE numbers are calculated by taking the 5 year, 10 year and 20 year return metrics as described above and adding the average of the delta between Top Quartile IRRs and the Pooled Mean Net to Limited Partners for each vintage year in the selected timeframe. (5) Represents returns of all Apollo Private Equity funds since inception in 1990 through September 30, 2012.*

# Strong Credit Performance Across Asset Classes



Note: Past performance is not indicative nor a guarantee of future results. See second to last slide for a full listing of Apollo's Credit Funds, which may have different or worse performance than the Funds illustrated on this slide. See last slide for an "Important Note Regarding the Use of Indices in this Presentation." (1) Since inception of COF I & II in April 2008 through September 30, 2012. (2) Since inception in February 2011 through September 30, 2012 (note February 2011 was a partial month of performance). (3) Track record was accumulated by the investment committee, of which two members are no longer at the firm as of June 30, 2012. (4) Weighted average yield as of September 30, 2012, excludes non-accrual and non-yielding equity investments. AINV annualized net NAV return of 4.83% since inception in 2004 through September 30, 2012. (5) Since inception in October 2008 through June 30, 2012. Fund is currently liquidating. (6) Net IRR for Apollo Investment Europe II ("AIE II") from inception in June 2008 through September 30, 2012. Prospective investors

should be aware that AP Investment Europe Limited ("AIE I"), which was managed from inception through April 2009 by a portfolio manager who is no longer associated or affiliated with Apollo or AIE I, experienced significant losses. AIE I was formed on July 2, 2006 and was designed to invest in subordinated credit, employing the use of leverage in these investments. (7) Net IRR for European Principal Finance Fund, L.P. (EPF) from inception in 2007 through June 30, 2012. (8) Fund is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.29 as of September 30, 2012.

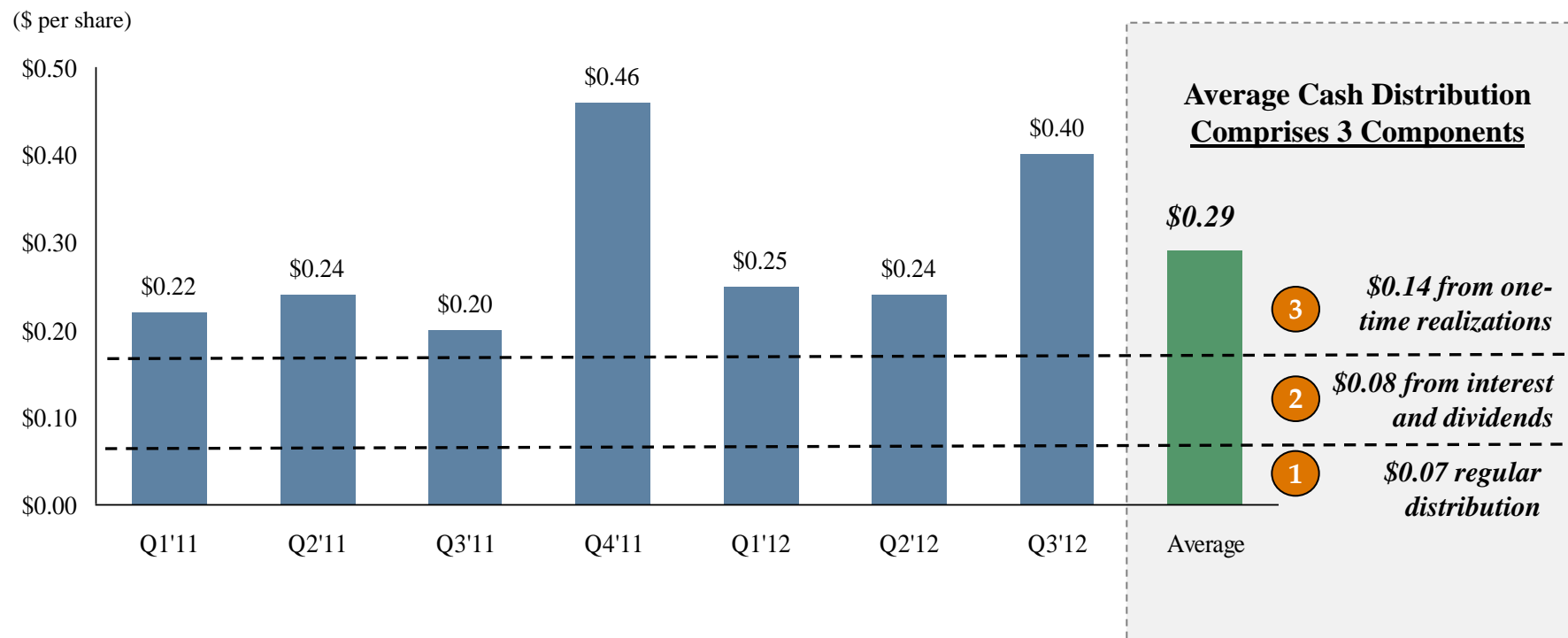
## Significant Progress Since Our IPO

Since its IPO in March, 2011, Apollo has continued to execute against its growth plan

- ***Increased total AUM by over 55%*** from \$70 billion to \$110 billion
- ***Raised \$11.1 billion*** of third party capital across the Apollo platform
- ***Deployed \$5.3 billion*** of private equity capital
- ***Distributed \$2.01 per share*** of cash to our shareholders
- ***Acquired two alternative credit managers*** (Stone Tower, Gulf Stream) with approximately \$21 billion of assets under management

# Delivering Cash Distributions to Shareholders

- Since the beginning of 2011, Apollo has distributed an average quarterly cash distribution of \$0.29 per share<sup>(1)</sup>
- Industry-leading dividend yield of 9.5% versus 4.4% peer average<sup>(2)</sup>



1. Past performance is not indicative of future results.

2. Based on LTM dividend yield for publicly traded alternative asset managers (BX, KKR, CG, OAK, OZM, FIG) whose yields range from 2.5% to 5.8% based on closing stock prices as of 11/9/12 and LTM dividends as of and for the quarter ended September 30, 2012.

## Attractive Growth Strategies

Apollo will continue to identify opportunities to leverage its existing platform and expand into areas with meaningful synergies with our core business

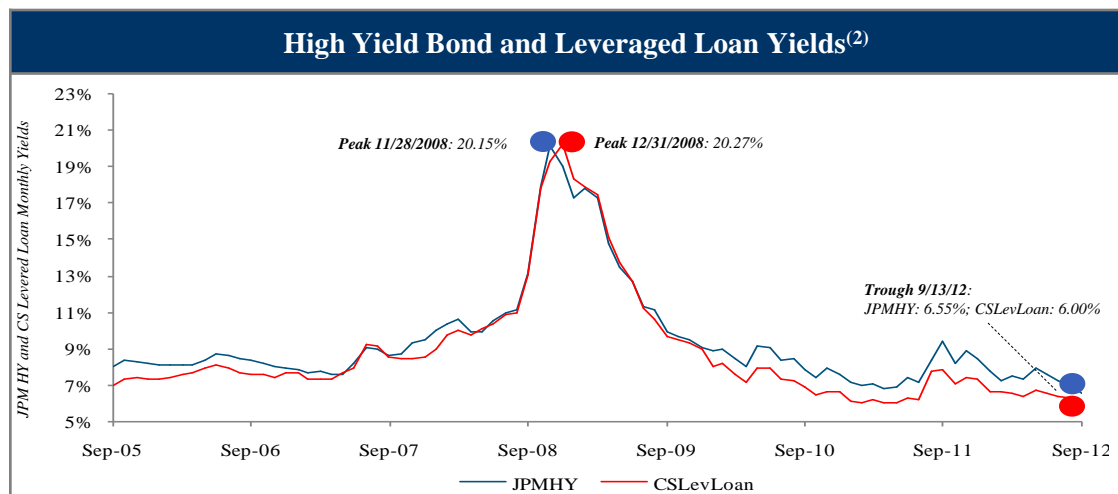
- *Scale Existing Businesses*
- *New Product Development*
- *Geographic Expansion*
- *Expand Distribution Channels*
- *Strategic Acquisitions and Alliances*

# Agenda

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# Stock Markets are Close to All-Time Highs; Levered Credit at All-Time Low Yields

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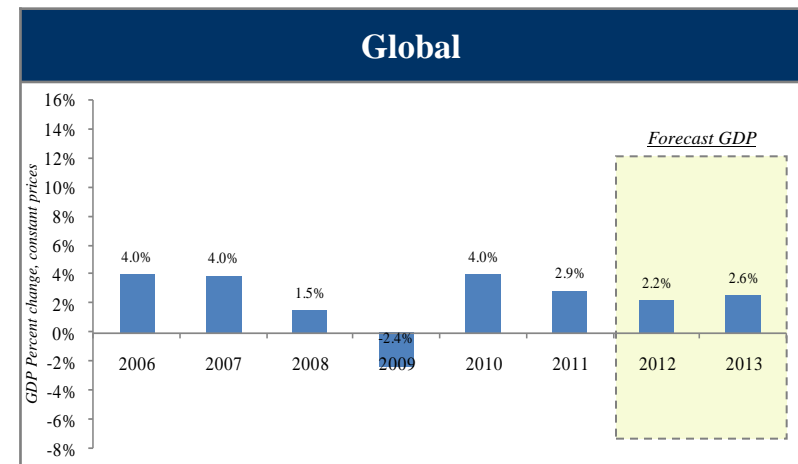
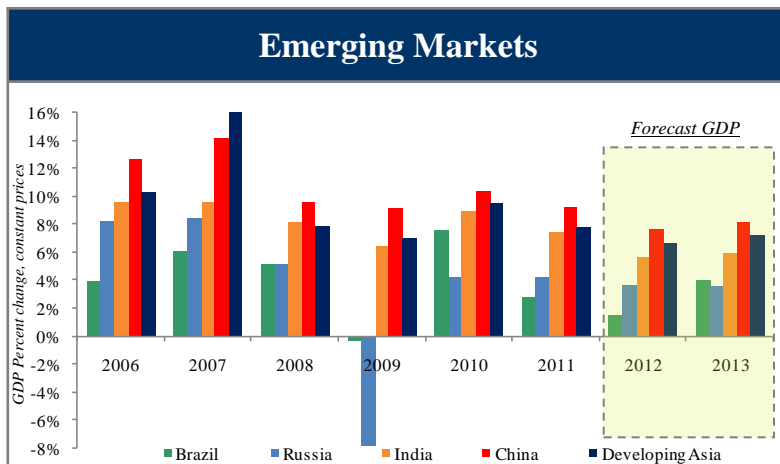
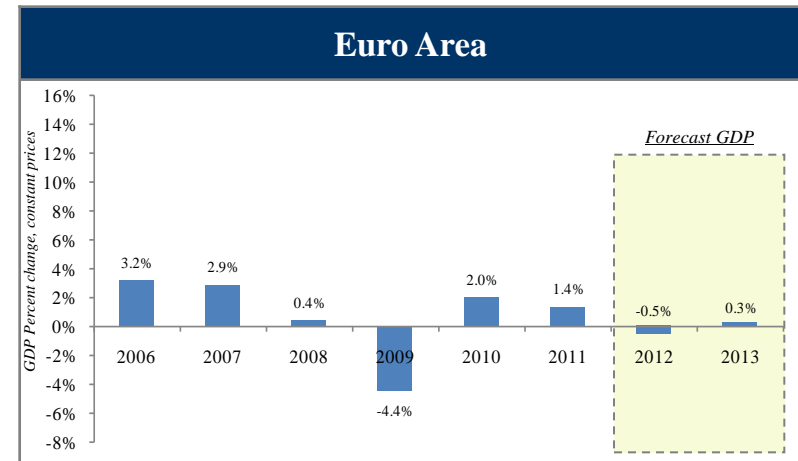
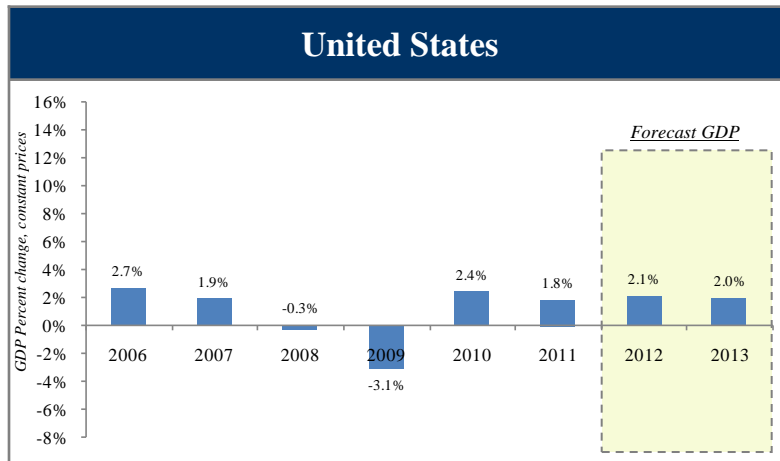


(1) Source: Yahoo Finance. As of September 17, 2012.

(2) Source: Bloomberg. As of September 13, 2012.

# General Consensus Is That Growth Will Be Muted

- Developed economies continue to experience low growth rates, while growth in the emerging markets has softened





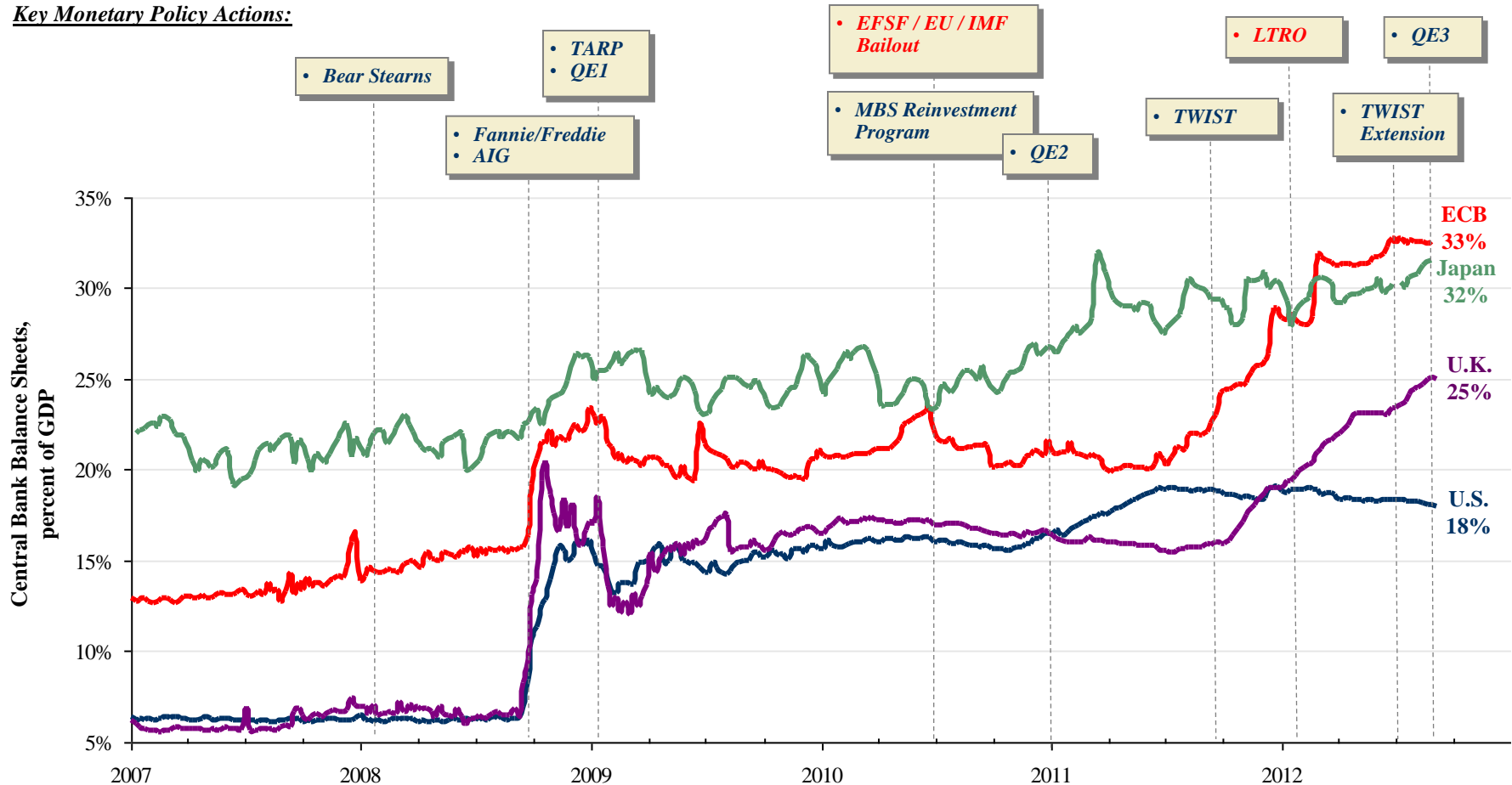
## Significant Tail Risk Remains

- *Bank deleveraging*
- *Fiscal cliff*
- *Geopolitical tension*
- *Europe in crisis*
- *Oil price volatility*
- *Slower growth in China*

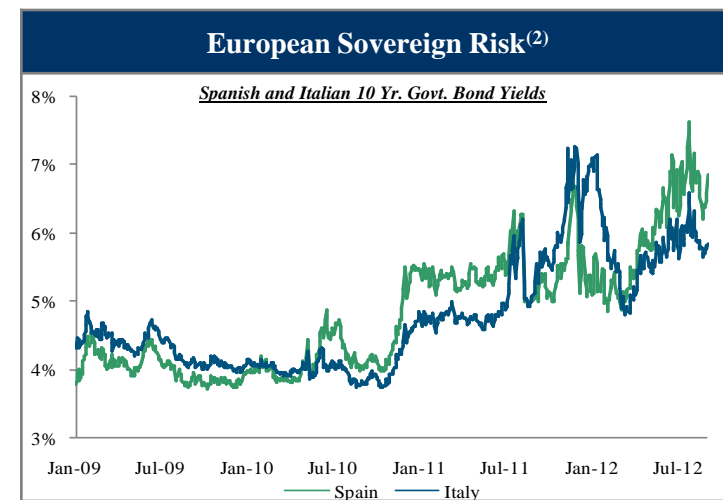
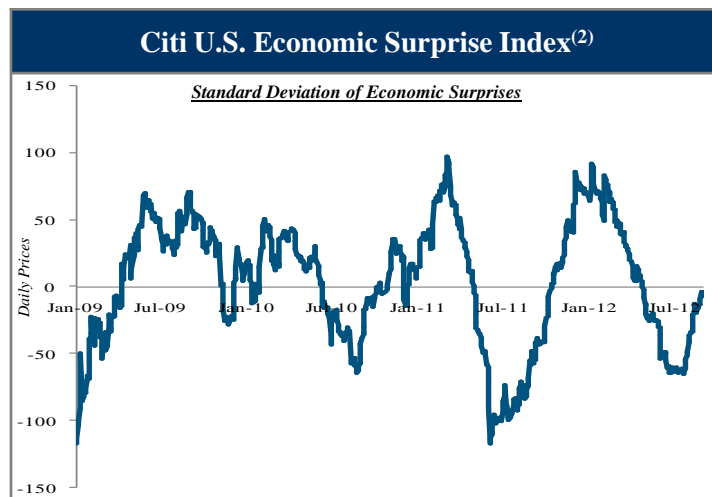
# Monetary Policy is Driving Global Recovery Efforts

## Global Governments Continue to Print Money to Stimulate Economies

### Key Monetary Policy Actions:



# Volatility Comes and Goes...



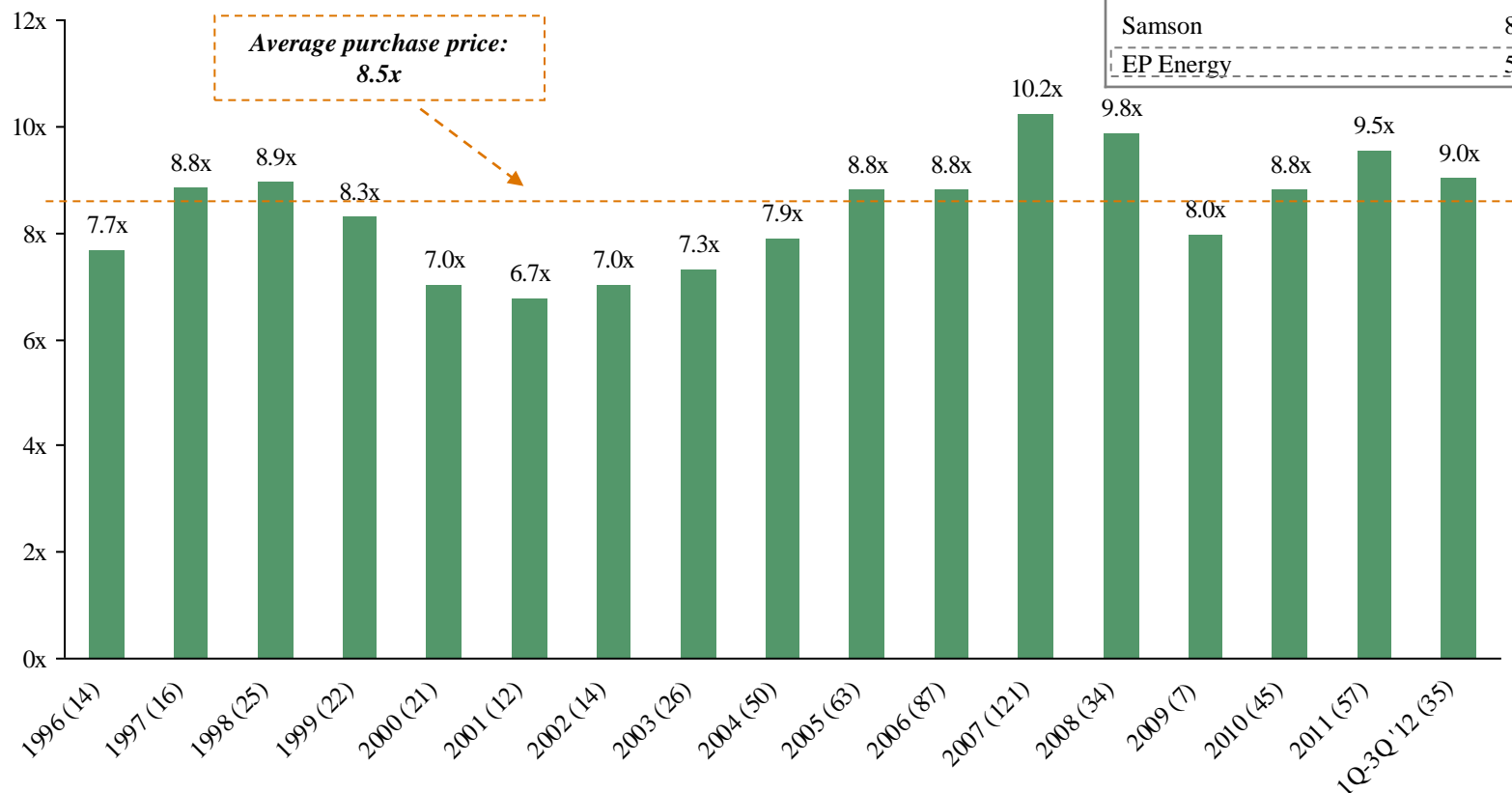
(1) Source: Yahoo Finance. As of September 14, 2012.

(2) Source: Bloomberg. As of August 31, 2012.

# Private Equity Valuations are Fully Priced

## Private Equity Valuations Remain High Despite Underlying Uncertainty

**LBO Purchase Price Multiples<sup>(1)</sup>**  
Transactions over \$500 million



Recent Transactions <sup>(2)</sup>	
JDA Software Group	10.5x
Ancestry.com	11.2x
Apex Tool Group	7.1x
Samson	8.0x
EP Energy	5.6x

(1) Source: Standard & Poor's LCD's Leveraged Buyout Review – 3Q 12.

(2) Source: Preqin. Most recent buyout deals announced or closed with publicly available transaction multiples as of November 1, 2012 as well as Apollo estimates for Samson, EP Energy's closest comparable transaction.

# Agenda

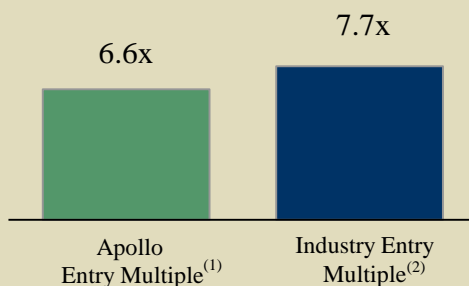
1. Overview of Apollo
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# Value-Oriented Philosophy

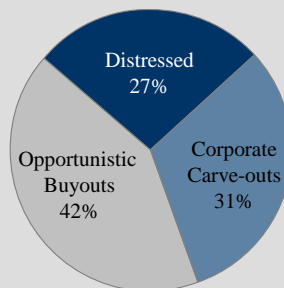
## Apollo PE Fund V

**Vintage:** 2001  
**Total Commitments:** \$3.7 bn

### Creation Multiple



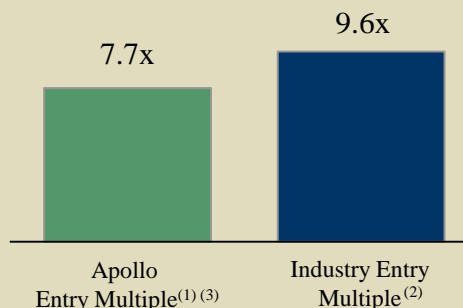
### Composition



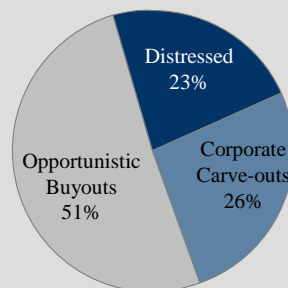
## Apollo PE Fund VI

**Vintage:** 2006  
**Total Commitments:** \$10.1 bn

### Creation Multiple



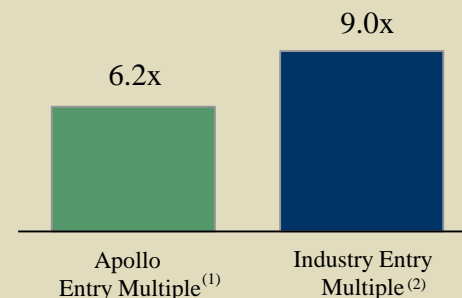
### Composition



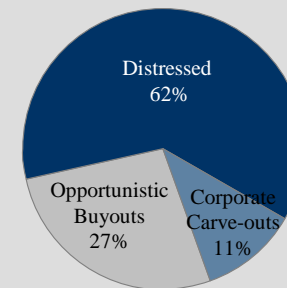
## Apollo PE Fund VII

**Vintage:** 2008  
**Total Commitments:** \$14.7 bn

### Creation Multiple



### Composition



Note: As of September 30, 2012, Composition of pie charts is based on Total Invested Capital as per Apollo's initial investment strategy at time of acquisition. Distressed investments include Credit and Distressed Buyouts. Past performance is not indicative of future results.


(1) Creation multiples may incorporate pro forma or other adjustments based on investment team's estimates and/or calculations.

(2) Source: S&P LCD database.

(3) Where Fund VI invested in the equity and debt of a portfolio company, a capital weighted average creation multiple was used.

# Longstanding Expertise in Distressed Investing










## Apollo's Distressed Investing Expertise<sup>(1)</sup>










As of 9/30/12 \$ in millions	# of Companies	Total Capital Invested	Total Value	MOIC <sup>(2)</sup>	Gross IRR <sup>(2)</sup>
<b><u>Apollo's Distressed Investments Since Inception</u></b>					
<i>Distressed Buyouts (obtained control)</i>	14	\$5,059	\$14,149	2.8x	28.9%
<i>Did Not Obtain Control</i>	233	\$5,954	\$7,936	1.3x	73.2%
<b><i>Total Distressed Investments</i></b>	<b>247</b>	<b>\$11,013</b>	<b>\$22,085</b>	<b>2.0x</b>	<b>49.1%</b>
<b><u>Distressed Investments Include<sup>(3)</sup>:</u></b>					
					

















(1) Private Equity investment examples selected based on non-performance criteria. Information for Apollo's distressed investment experience is provided to illustrate the Firm's experience making distressed investments since the Firm's inception. While Apollo believes the performance represents all such distressed investments, there can be no assurance as to the validity of such methodology or determination. (2) Gross IRRs and MOIC are computed prior to management fees, incentive compensation, certain expenses and taxes, which, if given effect to, would reduce such returns and, in the aggregate, are expected to be substantial. Gross IRRs are based on actual cash flows to and from the respective Apollo fund in accordance with the applicable provisions within the partnership agreement of the relevant Apollo fund, as well as the valuations for unrealized investments as of September 30, 2012. (3) Contains companies which are not currently held in any Apollo portfolio. (4) Based on dollars invested in non-control and control positions across all Apollo private equity funds where MOIC as of June 30, 2012 is <1.0x, exclusive of unrealized investments where we are actively accumulating positions.

# Apollo is a Market Leader in Corporate Carve-Outs

- Apollo has a history of completing complex carve-outs from leading global corporations, which are designed to achieve mutual objectives for both parties

Fund VII		
Parent Company	Apollo Portfolio Company	Creation Multiple
 → 		5.2x
 → 		2.9x
 → 		5.6x
		
 → 		7.5x

Fund VI		
Parent Company	Apollo Portfolio Company	Creation Multiple
 → 		6.7x
 → 		4.1x
 →  		8.4x
 → 		6.5x

Fund V		
Parent Company	Apollo Portfolio Company	Creation Multiple
 → 		7.1x
 →  		7.7x
 → 		5.0x
 → 		5.7x
  → 		6.7x
 → 		7.6x
 → 		4.8x

**Average Creation Multiple: 6.1x<sup>(1)</sup>**

Note: Investment examples selected based on non-performance criteria. Investment examples are included as they are the "Carve-Outs" that Apollo has previously completed within its private equity Funds VII, VI and V. Past performance is not indicative of future results. Listed companies are not representative of all companies recommended for advisory clients. It should not be assumed investment in such companies was or will be profitable. It

contains companies which are not currently held in any Apollo portfolio. There can be no guarantees that any similar investment opportunities will be available or pursued by Apollo in the future. Creation multiples may incorporate pro forma or other adjustments based on investment team's estimates and/or calculations.

(1) Average creation multiple for investment examples in Funds V, VI, VII represents arithmetic mean. (2) The acquisition of Borden Chemical was a part of the formation of Momentive but not specifically a carve-out.



# Opportunistic Buyouts: Physical Asset Acquisitions

## Benefits of Physical Asset Acquisitions

*Acquire physical assets at discounts to financial market prices*




*Lock-in value arbitrage through hedging programs*



*Upside through operational enhancements at asset level*



### *Examples of Apollo's Physical Asset Acquisitions:*

# of Companies	Average Purchase Multiple	Total Capital Invested	Average Life
5	5.4x	\$2,186.2	1.4 yrs
			

Note: Examples represent all past investments in natural resources-related companies made by Apollo within its private equity funds V, VI and VII that are of the respective transaction type (i.e., corporate carve-outs, distressed investments, build-up and asset acquisitions) and includes companies which are not currently held in any Apollo portfolio. Apollo believes the categorization of each investment example to be accurate, but there can be no assurance as to the accuracy of such classifications nor the methodology with which Apollo made such categorization determinations.

# Apollo's Broad Credit Capabilities

*Broad platform, adaptable to evolving market conditions and different risk tolerances*

Corporate Credit				Structured Credit
<ul style="list-style-type: none"> <li>•\$41.3 bn in AUM<sup>(1)</sup></li> <li>•90 Inv. Professionals</li> <li>•~900 credits</li> </ul>				<ul style="list-style-type: none"> <li>•\$18.8 bn in AUM<sup>(1)</sup></li> <li>•45 Inv. Professionals</li> <li>•~2,650 credits</li> </ul>
Performing US Credit	Private Credit	Opportunistic	Dedicated Europe	Structured Credit
Senior Loans	Private Market Debt	Long/Short Credit	Corporate Credit	CLOs
High Yield	Asia Private Credit	Event Driven	Sub- & Non-Performing Loans	RMBS, CMBS, ABS
		Distressed		Multi-Asset
				Longevity
Broad, Customized Managed Accounts				

(1) As of September 30, 2012.

# Case Study: European Non-Performing & Performing Loans

- Apollo leverages its integrated platform to pursue opportunities that may be less traditional and have less competition as a result
  - Select examples include:

## Residential Loans



- Portfolio of 11,000 loans secured by residential properties in the U.K.
- Average purchase price of 57% of par
- Attractive seller financing
- Target ~25% gross IRR

## NPLs



- €2.4 billion portfolio of European commercial real estate loans
- Purchase price of less than €1 billion
- Preferred return structure mitigates downside risk
- Target ~30% gross IRR

## Credit Card Receivables



- Irish credit card platform of major U.S. bank with 250+ employees
- Live portfolio with over 200,000 customer accounts and €650 million of receivables
- Target ~20% gross IRR

The target return is based upon estimates and assumptions that a potential investment will yield a return equal or greater than the target. There can be no assurance that Apollo's projections will be realized or that Apollo will be successful in finding investment opportunities that meet these anticipated return parameters. Apollo's estimate of potential return from a potential investment is not a guarantee as to the quality of the investment or a representation as to the adequacy of Apollo's methodology for estimating returns. The target return information is presented gross and does not reflect the effect of management fees, incentive compensation, certain expenses and taxes.

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# Appendix: Capital Markets' Fund Summary

Apollo Fund	Year of Inception
Apollo / Artus Investors 2007 – I	2007
Apollo Asia Opportunity Fund	2007
Apollo Asia Private Credit Fund	2012
Apollo Credit Liquidity Fund	2007
Apollo Credit Opportunity Fund I	2008
Apollo Credit Opportunity Fund II	2008
Apollo Senior Loan Fund	2010
Apollo European Principal Finance	2007
Apollo Investment Corporation (NASDAQ: AINV)	2004
AP Investment Europe Limited <sup>(1)</sup>	2006
Apollo Investment Europe II	2008
Apollo European Credit Fund	2011
Apollo Residential Mortgage, Inc. (NYSE: AMTG)	2011
Apollo Senior Floating Rate Fund Inc (NYSE: AFT)	2011
Apollo Strategic Value Fund	2006
Apollo Value Investment Fund	2003
Credit Fund <sup>(2)</sup>	2005
Credit Strategies Fund <sup>(2)</sup>	2011
Structured Credit Recovery Fund I	2008
Structured Credit Recovery Fund II	2012
Credit Solutions Fund	2011
ALM I	2010
ALM III	2010
ALM IV	2011
ALM V	2012
ALM VI	2012
Compass 2002	2002
Compass 2003 <sup>(1)</sup>	2003
Compass 2004	2004
Compass 2005-I	2005
Compass 2005-II	2006
Compass 2007	2007
Cornerstone CLO	2007
Granite Ventures I	2005
Granite Ventures II	2005
Granite Ventures III	2006
Neptune	2008
Rampart CLO 2006-I	2006
Rampart CLO 2007-I	2007
Rashinban	2006
Sextant 2006	2006
Sextant 2007	2007
Stone Tower CLO	2003
Stone Tower CLO II <sup>(1)</sup>	2004
Stone Tower CLO III	2005
Stone Tower CLO IV	2006
Stone Tower CLO V	2006
Stone Tower CLO VI	2007
Stone Tower CLO VII	2007

It should not be assumed that future Capital Markets funds or CLOs will equal the performance of the funds and CLOs on this list, nor should it be assumed that the past performance of the funds and CLOs on this list are indicative or a guarantee of future performance of such funds and CLOs. Note that performance information is not being provided due to potential issues relating to Regulation FD with respect to Apollo Global Management (NYSE:APO). (1) Fund is currently winding down. (2) Track record was accumulated by the investment committee, of which two members are no longer at the firm as of June 30, 2012.

# Risk Factors and Definitions

## Risk Factors

An investment in a Fund entails substantial risks, including, but not limited to, those listed below. Prospective investors should carefully consider the following summary of risk factors and carefully read the applicable Fund's PPM for additional risk factors in determining whether an investment in a Fund is suitable:

- **Potential loss of investment** – No guarantee or representation is made that a Fund's investment program will be successful. An investment in a Fund is speculative and involves a high degree of risk. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in a Fund. An investment in a Fund is not suitable for all investors. Investors could lose part or all of an investment and a Fund may incur losses in markets where major indices are rising and falling. Only qualified eligible investors may invest in a Fund. Results may be volatile. Accordingly, investors should understand that past performance is not indicative nor a guarantee of future results.
- **Use of leverage** – A Fund may utilize leverage and may also invest in forward contracts, options, swaps and over-the-counter derivative instruments, among others. Like other leveraged investments, trading in these securities may result in losses in excess of the amount invested.
- **Regulatory risk** – The Funds are not registered under the Investment Company Act of 1940. As a result, investors will not receive the protections of the Investment Company Act afforded to investors in registered investment companies (e.g., "mutual funds"). The Funds' offering documents are not reviewed or approved by federal or state regulators and the Funds' privately placed interests are not federally or state registered. In addition, the Funds may engage in trading on non-U.S. exchanges and markets. These markets and exchanges may exercise less regulatory oversight and supervision over transactions and participants in transactions.
- **Valuations** – The net asset value of a Fund may be determined by its manager, adviser or general partner, as applicable, or based on information reported from underlying portfolio companies. Certain portfolio assets may be illiquid and without a readily ascertainable market value. Valuations of portfolio companies may be difficult to verify.
- **Fees and expenses** – The Funds are subject to substantial charges for management, performance and other fees regardless of whether a Fund has a positive return. Please refer to the applicable Fund's PPM for a more complete description of risks and a comprehensive description of expenses to be charged to that Fund.
- **Lack of operating history** – The Funds have little or no operating history.
- **Reliance on key persons** – Apollo and/or its affiliates have total trading authority over the Funds and may be subject to various conflicts of interest. The death, disability or departure of certain individuals affiliated with Apollo may have a material effect on the Funds.
- **Concentration** – The Funds may hold only a limited number of investments, which could mean a lack of diversification and higher risk.
- **Counterparty and bankruptcy risk** – Although Apollo will attempt to limit its transactions to counterparties which are established, well-capitalized and creditworthy, the Funds may be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Funds to substantial losses.
- **Limited liquidity** – Investments in the Funds are illiquid and there are significant restrictions on transferring interests in the Funds. No secondary public market for the sale of the Funds' interests exists, nor is one likely or expected to develop. In addition, interests will not be freely transferable.
- **Tax risks** – Investors in the Funds are subject to pass-through tax treatment of their investment. Since profits generally will be reinvested in the Funds rather than distributed to investors, investors may incur tax liabilities during a year in which they have not received a distribution of any cash from the Funds.
- **Possible Delays in Reporting Tax Information** – Each Fund's investment strategy may cause delays in important tax information being sent to investors.
- **Volatile markets** – Market prices are difficult to predict and are influenced by many factors, including: changes in interest rates, weather conditions, government intervention and changes in national and international political and economic events.

**Assets Under Management ("AUM") Definition** – refers to the investments we manage or with respect to which we have control, including capital we have the right to call from our investors pursuant to their capital commitments to various funds. Our AUM equals the sum of: (i) the fair value of our private equity investments plus the capital that we are entitled to call from our investors pursuant to the terms of their capital commitments plus non-recallable capital to the extent a fund is within the commitment period in which management fees are calculated based on total commitments to the fund; (ii) the net asset value of our capital markets funds, other than certain senior credit funds, which are structured as collateralized loan obligations or certain collateralized loan obligation and collateralized debt obligation credit funds that have a fee generating basis other than mark-to-market asset values, plus used or available leverage and/or capital commitments; (iii) the gross asset values or net asset values of our real estate entities and the structured portfolio vehicle investments included within the funds we manage, which includes the leverage used by such structured portfolio vehicles; (iv) the incremental value associated with the reinsurance investments of the portfolio company assets that we manage; and (v) the fair value of any other investments that we manage plus unused credit facilities, including capital commitments for investments that may require pre-qualification before investment plus any other capital commitments available for investment that are not otherwise included in the clauses above. Our AUM measure includes AUM for which we charge either no or nominal fees. Our definition of AUM is not based on any definition of AUM contained in our operating agreement or in any of our Apollo fund management agreements. We consider multiple factors for determining what should be included in our definition of AUM. Such factors include but are not limited to (1) our ability to influence the investment decisions for existing and available assets; (2) our ability to generate income from the underlying assets in our funds; and (3) the AUM measures that we use internally or believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers.

## Index Definitions

➤ **S&P 500**: is a free floating capitalization-weighted index of the prices of 500 large-cap common stocks actively traded in the United States. **NCREIF Index**: is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the United States private market for investment purposes only. **Barclays Aggregate Fixed Income Index**: is a commonly used benchmark index for investment grade bonds being traded in the United States. **Credit Suisse Leveraged Loan Index**: index designed to mirror the investable universe of the U.S. leveraged loan market. **Merrill Lynch High Yield Master Index II**: composed of securities from the US high yield bond universe. **Credit Suisse Western European High Yield Index**: designed to mirror the investible universe of the Western European high yield debt market, with issues denominated in \$US, Euro and British Pounds.

## Important Notes Regarding the Use of Index Comparisons

There are significant differences between the Funds and the indices described above. For instance, the Funds may use leverage and invest in securities or financial instruments that have a greater degree of risk and volatility, as well as less liquidity than those securities or financial instruments contained in the indices. It should not be assumed the Funds will invest in any specific securities that comprise an index nor should it be understood to mean there is a correlation between the Funds' returns and any indices' performance.