

A P O L L O

*Citi Financial Services Conference*

*Marc Rowan – Senior Managing Director*  
*March 8, 2012*

## 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 prospectus filed in accordance with Rule 424(b) of the Securities Act with the Securities and Exchange Commission ("SEC") on March 30, 2011, 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.*

*This presentation includes non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is included within our most recent earnings release filed with the SEC on February 10, 2012 and included on our website at [www.agm.com](http://www.agm.com). These non-GAAP financial measures should be considered in addition to and not as a substitute for, or superior to, financial measures presented in accordance with GAAP.*

*This presentation is for informational purposes only and does not constitute an offer to sell, or the solicitation of an offer to buy, any security, product, service of Apollo as well as any Apollo sponsored investment fund, whether an existing or contemplated fund ("Apollo Fund"), for which an offer can be made only by such fund's Confidential Private Placement Memorandum and in compliance with applicable law.*

# Apollo Global Management, LLC



APOLLO

*Apollo is a leading global alternative investment manager in private equity, credit-oriented capital markets, real estate and natural resources*

<b>Ticker:</b>	<b>APO</b>
<b>Exchange:</b>	<b>New York Stock Exchange</b>
<b>Trading Price (March 7, 2012):</b>	<b>\$13.85</b>
<b>Market Capitalization</b>	<b>\$5.0 billion</b>
<b>2011 Distribution</b>	<b>\$1.12 per share</b>
<b>2011 Yield</b>	<b>8.1%</b>
<b>Total Shares / Public Float <sup>(1)</sup></b>	<b>384 million / 58 million</b>
<b>% Insider Ownership <sup>(1)</sup></b>	<b>~70%</b>

# Agenda

## **1. Apollo Opportunity**

2. Market Opportunity

3. Client Opportunity

4. Appendix

# Apollo Global Management Overview

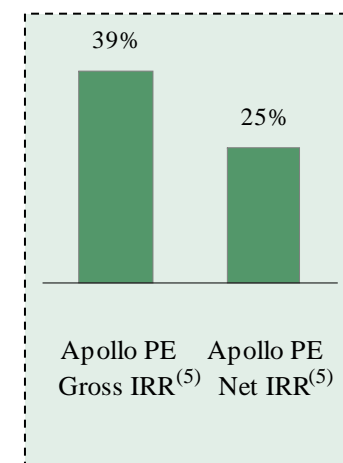
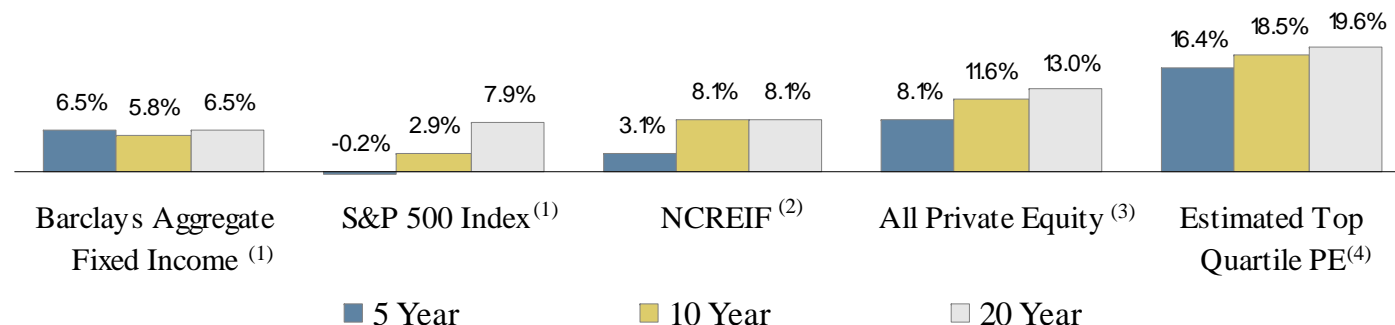
- Founded in 1990, Apollo is a contrarian, value-oriented investor with the ability to invest in all economic environments
- We have approximately \$75 billion of assets under management <sup>(1)</sup>
- Integrated private equity, capital markets, real estate and natural resources investment platform
- Longstanding credit expertise and ability to execute creative and complex transactions
- Our Managing Partners have worked together for more than 20 years
- 201 investment professionals and 548 total employees located in New York, Los Angeles, Houston, London, Singapore, Frankfurt, Luxembourg, Hong Kong and Mumbai <sup>(1)</sup>



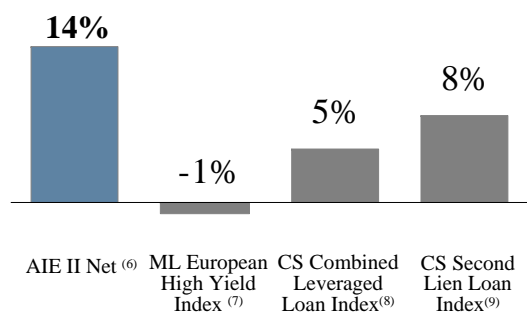
*(1) As of December 31, 2011. Includes offices of Apollo Global Management, LLC and its subsidiaries.*

# We Have Performed Well over a Long Period of Time

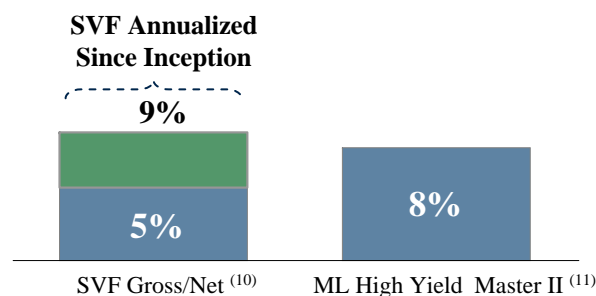
## Historical Returns for Selected Asset Classes



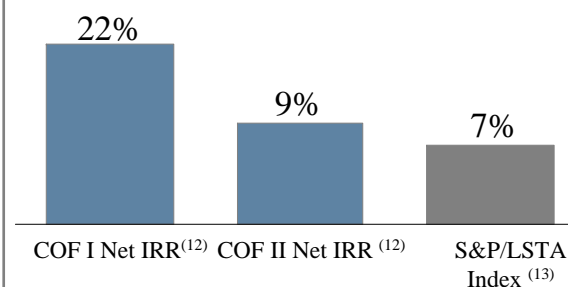
## European Credit



## Non-Control Distressed



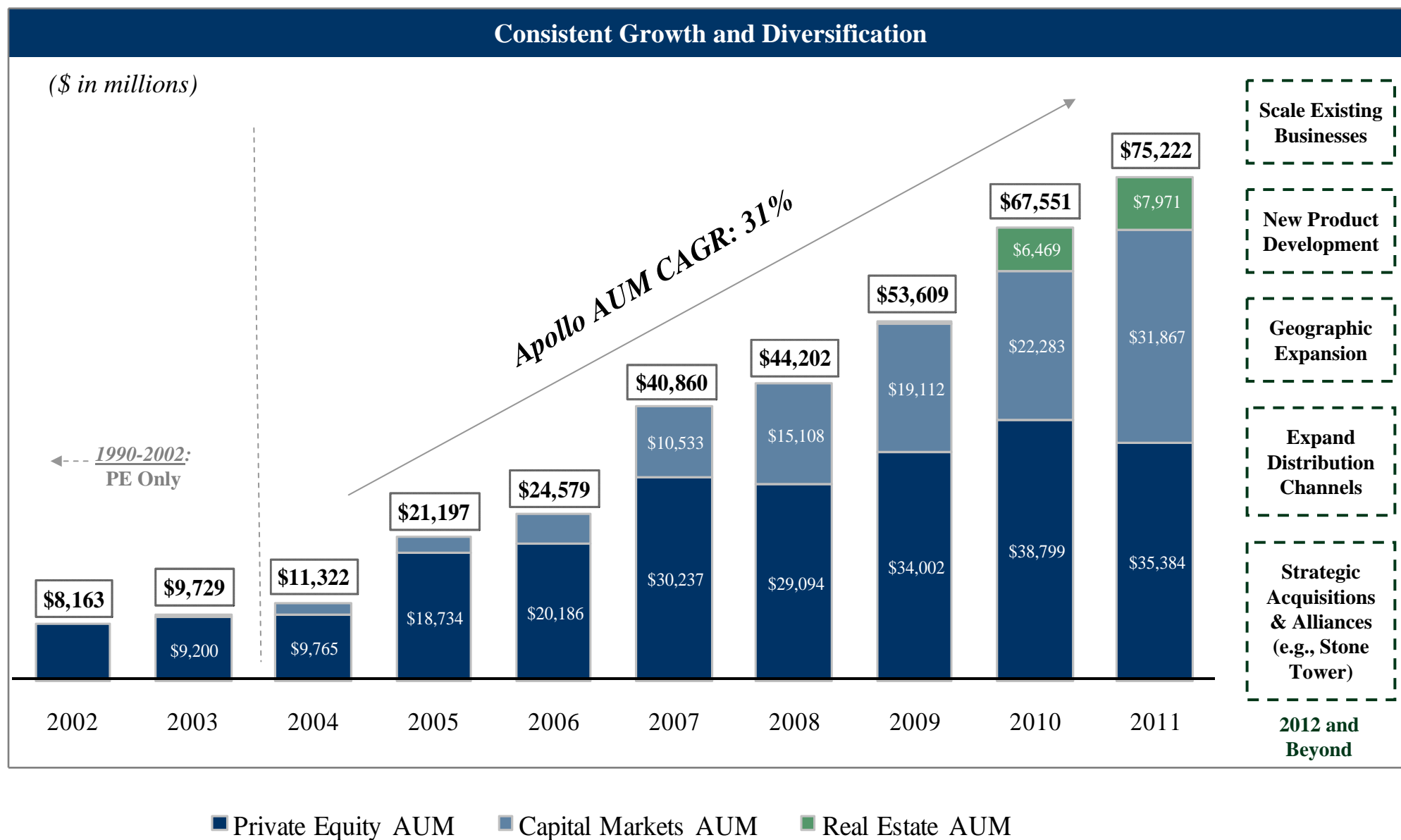
## Levered Loans



Note: Past performance is not indicative nor a guarantee of future results. (1) Data as of December 31, 2011, unless otherwise noted. (2) National Council of Real Estate Investment Fiduciaries ("NCREIF") as of December 31, 2011. (3) Cambridge Associates LLC U.S. Private Equity Index and Benchmark Statistics, September 30, 2011, 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, September 30, 2011, 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 December 31, 2011. (6) AP Investment Europe II ("AIE II") estimated inception to date net returns as of December 31, 2011. (7) Represents returns for most applicable benchmark to AIE II, Merrill Lynch High Yield Index, on an annualized basis from June 1, 2008 through December 31, 2011. (8) Represents returns for applicable benchmark to AIE II, Credit Suisse Leveraged Loan Index, on an annualized basis from June 1, 2008 through December 31, 2011. (9) Represents returns for applicable benchmark to AIE II, Credit Suisse Second Lien Loan Index, on an annualized basis from June 1, 2008 through December 31, 2011. (10) SVF returns are inclusive of Apollo Strategic Value Master Fund, L.P. (which is comprised of Apollo Strategic Value Fund, L.P. and Apollo Strategic Value Offshore Fund, Ltd.), but exclude memorandum account assets. Represents returns of SVF on an annualized basis since inception in June 1, 2006 through December 31, 2011.

(11) Represents returns for applicable benchmark to SVF, Merrill Lynch High Yield Master II, on an annualized basis from June 1, 2006 through December 31, 2011. (12) Represents COF I and COF II net IRRs from their respective inceptions through December 31, 2011. (13) Represents annualized returns for the S&P/LSTA Index from April 2008 through December 31, 2011.

# Significant Growth and Diversification



# Apollo's Global Platform Today

## Apollo Global Management, LLC

➤ *Since 1990 Apollo has operated an open platform investing across the capital structure*

### Private Equity Segment

- Traditional buyouts
- Distressed buyouts & debt investments
- Corporate partner buyouts

*Most Recent Fund VII: \$14.7 billion of committed capital*

**AUM: \$35.4 billion<sup>(1)</sup>**

### Capital Markets Segment

- Senior credit funds
- Mezzanine funds
- Distressed & event-driven hedge funds
- Non-performing loan funds
- Insurance Company Assets (e.g., Athene)

**AUM: \$31.9 billion<sup>(1)(2)</sup>**

### Strategic Partnership

#### Lighthouse Partners<sup>(3)</sup>

Fund of hedge funds that manages \$5.7 billion for institutional and private investors

### Natural Resources<sup>(4)</sup>

Global private equity in metals and mining, energy and select other natural resources sub-sectors

Dedicated Natural Resources Fund launched in 2011 with \$560 million in commitments at December 31, 2011

### Real Estate Segment

Private equity investments in distressed debt and equity recapitalization transactions

CMBS and commercial mortgage funds and separate accounts

**AUM: \$8.0 billion<sup>(1)</sup>**

### 2012 Events

*(not yet reflected in AUM)*

- \$3 billion strategic mandate from TRS
- Stone Tower merger with Capital Markets segment; more than \$18 billion of AUM and expected to close in April 2012

**AAA/Strategic Investment Accounts – Generally invests in or alongside certain Apollo funds and other Apollo-sponsored transactions**

(1) Data as of December 31, 2011. The chart does not reflect legal entities or assets managed by former affiliates.

(2) Includes three funds that are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.30 as of December 31, 2011.

(3) Apollo has an investment in HFA Holding Limited ("HFA"), the parent company of Lighthouse, and has entered into a strategic agreement to market Lighthouse products using Apollo's global distribution network. See Apollo Global Management's most recent U.S. GAAP financial statements for further disclosure on the HFA investment. Investments managed by Lighthouse are excluded from Apollo's total AUM. Lighthouse AUM presented as of January 31, 2011.

(4) Natural resources fund included in private equity segment.

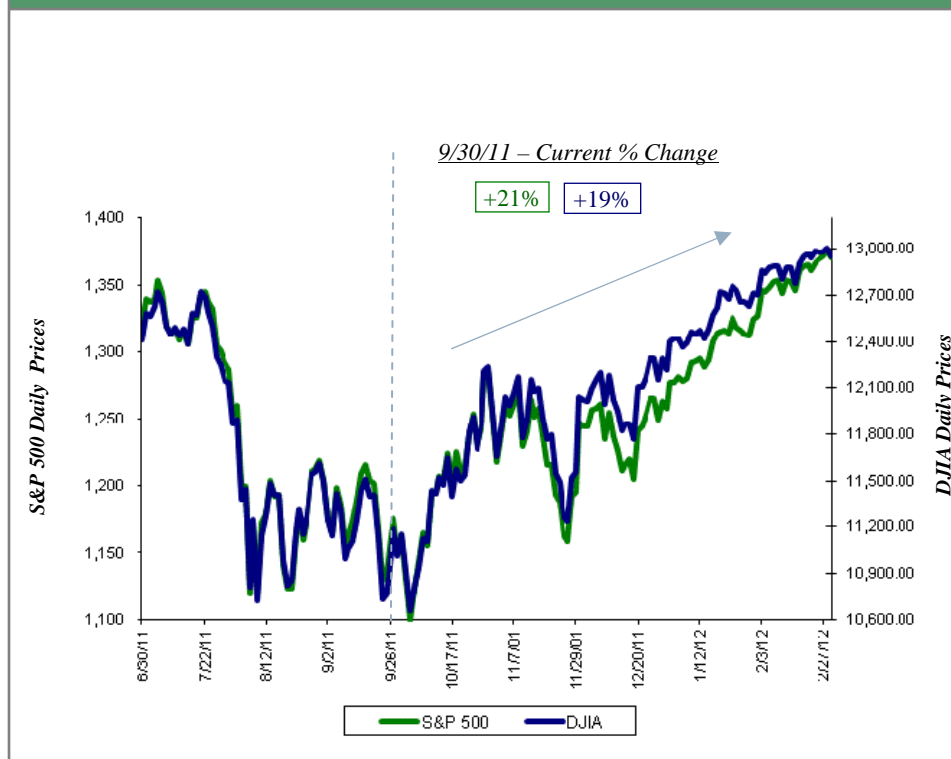


# Agenda

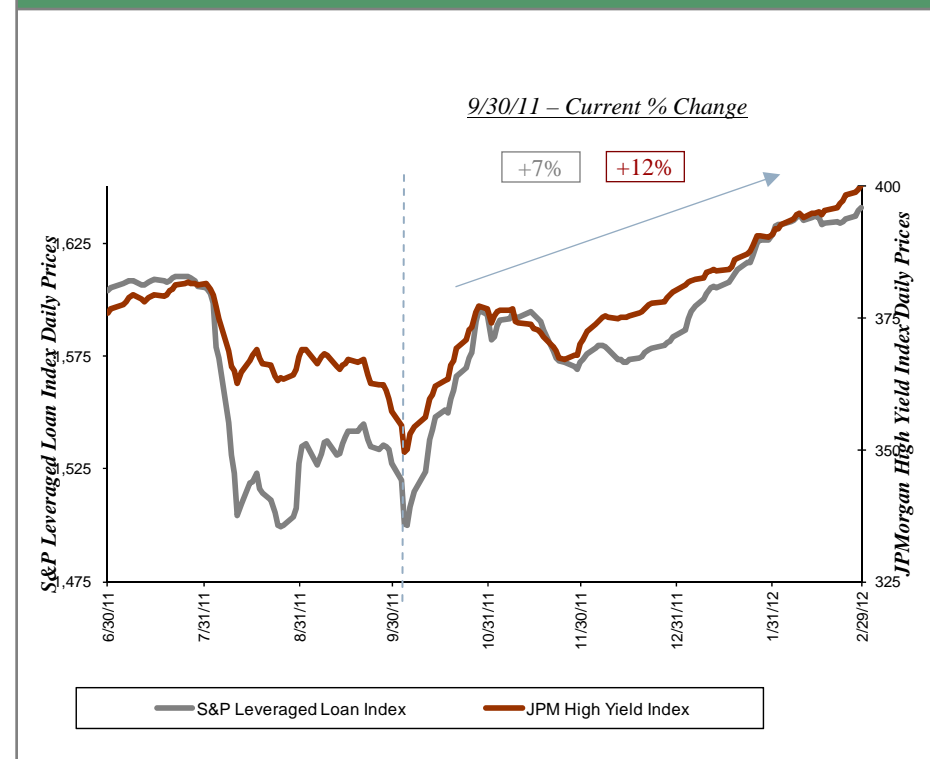
1. Apollo Opportunity
- 2. Market Opportunity**
3. Client Opportunity
4. Appendix

# Markets Have Improved...

S&P 500 & DJIA Prices<sup>(1)</sup>



Levered Loan and High Yield Performance<sup>(2)</sup>



(1) As of February 29, 2012.

(2) Source: S&P Leveraged Loan 100 Index (Total Return), JPMorgan Developed Market HY Summary Market Index Value.

## ...But Uncertainty Still Remains

### Impact of Sovereign Insolvencies



*“The economic and political costs of a breakdown of the Eurozone would be so large that one has to hope for better.”*

— Financial Times (1/18/12)

### Lagging European Recovery



*“Many of the countries that use the euro as their currency appear to be confronting a renewed recession, and pessimism about their growth prospects remains abundant.”*

— The New York Times (1/20/12)

### Outcome of U.S. Elections



*“With sluggish economic growth and millions of Americans still out of work, the candidates for the nomination have been trying to portray themselves as the best person to fix it.”*

— Financial Times (2/8/12)

### Continued Volatility



*“Volatility, to a certain extent, was a friend of Wall Street, but not like this. I haven’t seen volatility like this in a sustained way ever before.”*

—Bloomberg (12/15/11)

### Threat of Geopolitical Tension



*“Iran’s nuclear ambitions have once again sparked international rebuke...Kim Jong-Il’s death greatly increases the risk of a destabilized Korean peninsula...”*

— New York Times (2/5/12)

## Four Key Macro Trends That Inform Our Investing Strategy

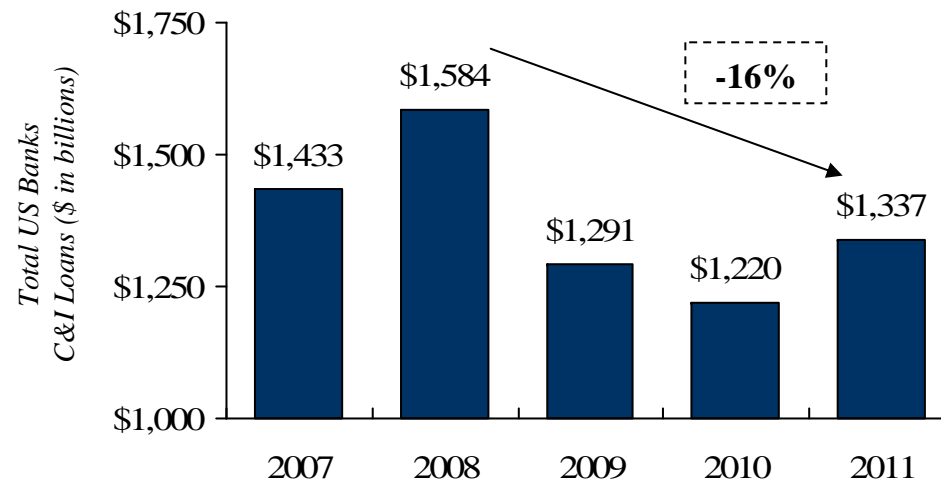
- Shrinking of global financial system
- Shortage of illiquid capital
- Return destruction in traditional (and traditional alternative) asset classes
- Above average uncertainty and volatility against backdrop of potential global recession

# Broad Deleveraging of the Global Banking System

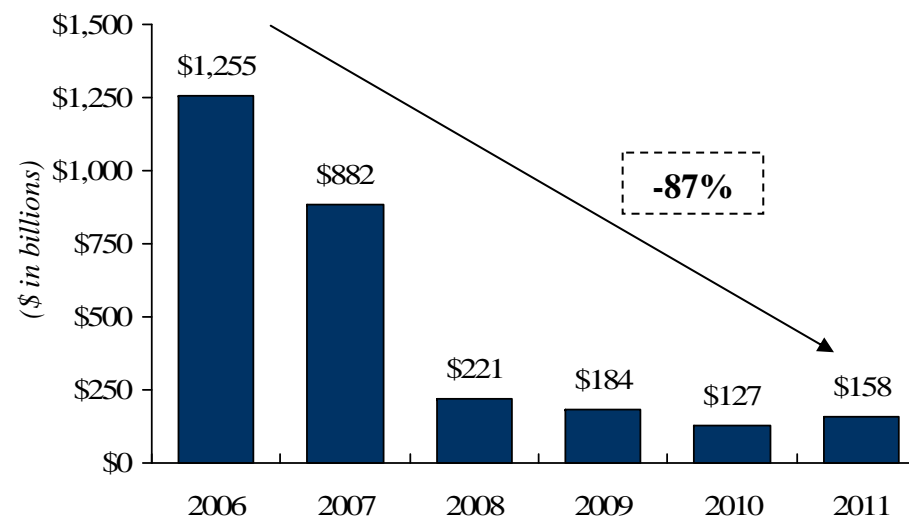
	<u>United States</u>	<u>Europe</u>
<b>GDP</b>	\$15 trillion	\$18 trillion
<b>2012 GDP Growth Forecast</b>	+2.1%	+1.0%
<b>Size of Banking System (Total Assets)</b>	\$12 trillion	\$65 trillion
<b>Size of Capital Markets for Corp. Lending</b>	\$5 trillion	\$1 trillion
<b>Banks % of Total Corporate Lending Market (Banks vs Capital Markets)</b>	~25%	~85%
<b>Size of Securitization Market</b>	\$9 trillion	\$3 trillion

# Financial Crisis Has Created Destruction in Market

**Bank C&I Lending Has Declined <sup>(1)</sup>**



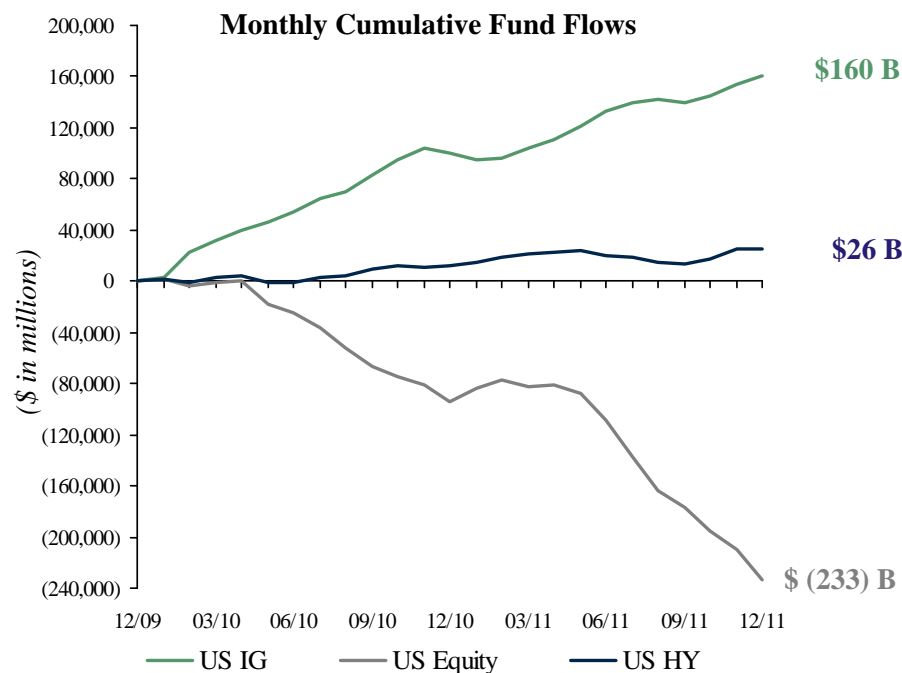
**Issuance of Asset Backed Securities <sup>(2)</sup>**



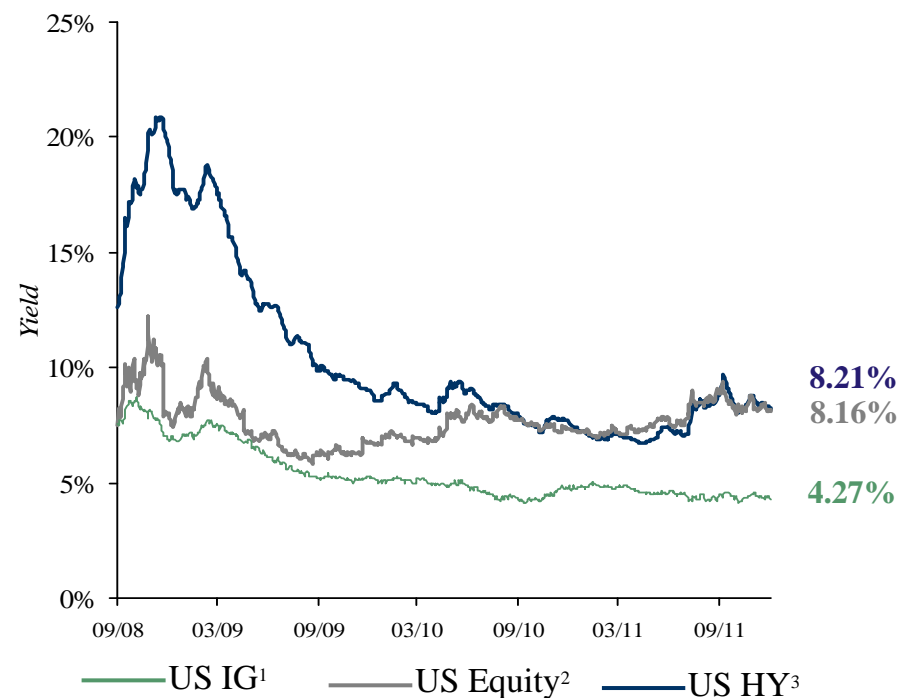
(1) Source: Federal Reserve. (2) Source: Bloomberg.

# The Herd has Moved

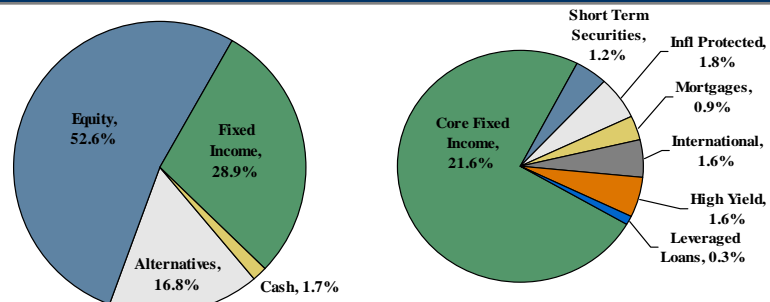
## Flight to Safety....



## ...Has Decimated Yields



## Top 100 Pension Allocations<sup>(4)</sup>

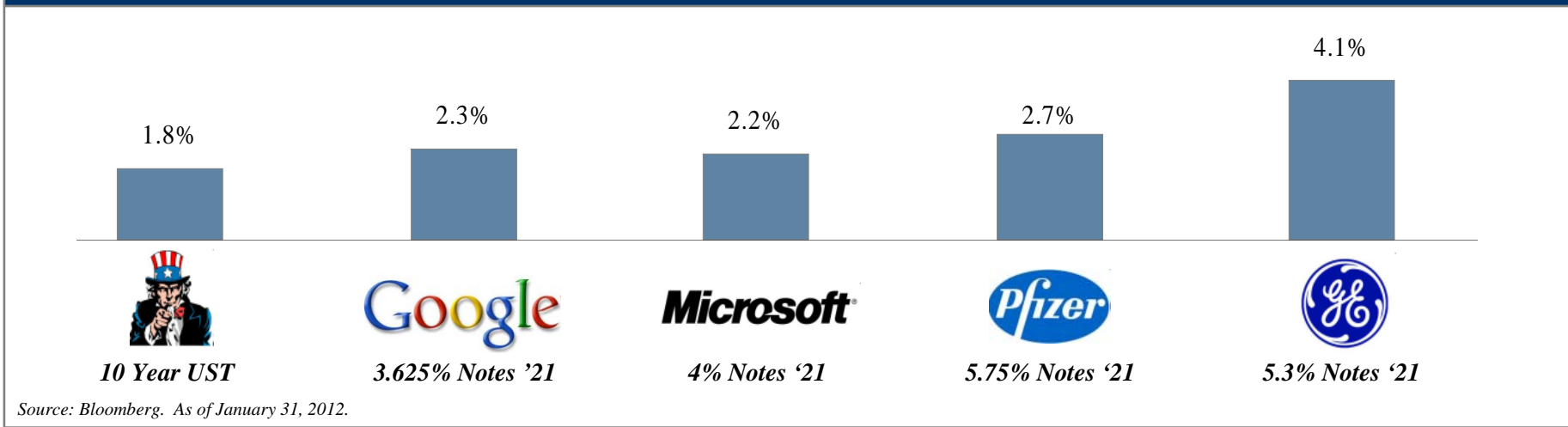


Note: As of December 31, 2011.

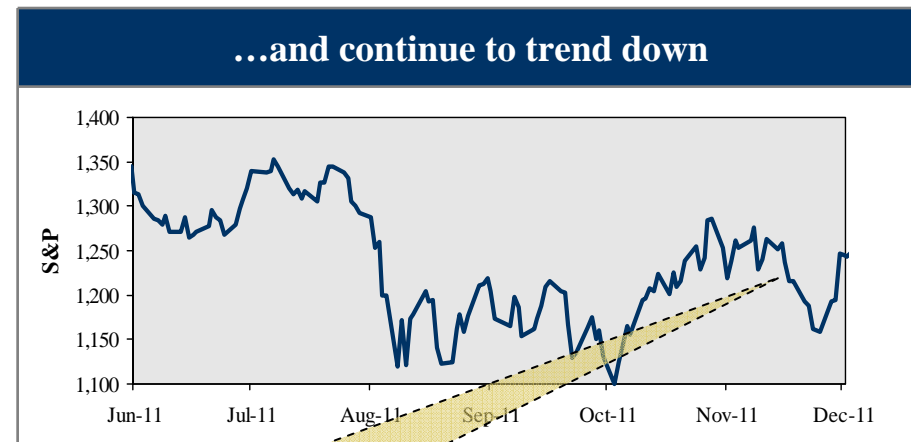
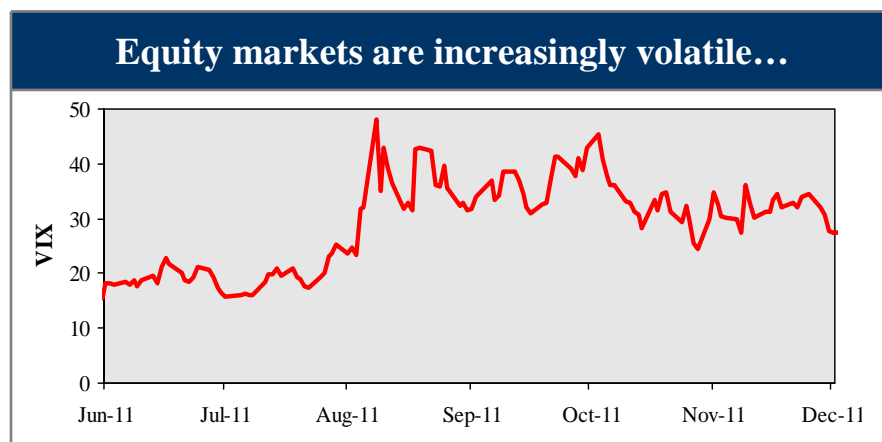
(1) JULI Index Yield. (2) S&P 500 Earnings Yield. (3) JP Morgan High Yield Index Yield to Worst. (4) As of December 31, 2011.

# Understanding Current Risk/Reward Dynamics

Spread is no longer about risk, but about simple, easy explanations...



## ➤ Equity Markets are Not Providing Returns Either



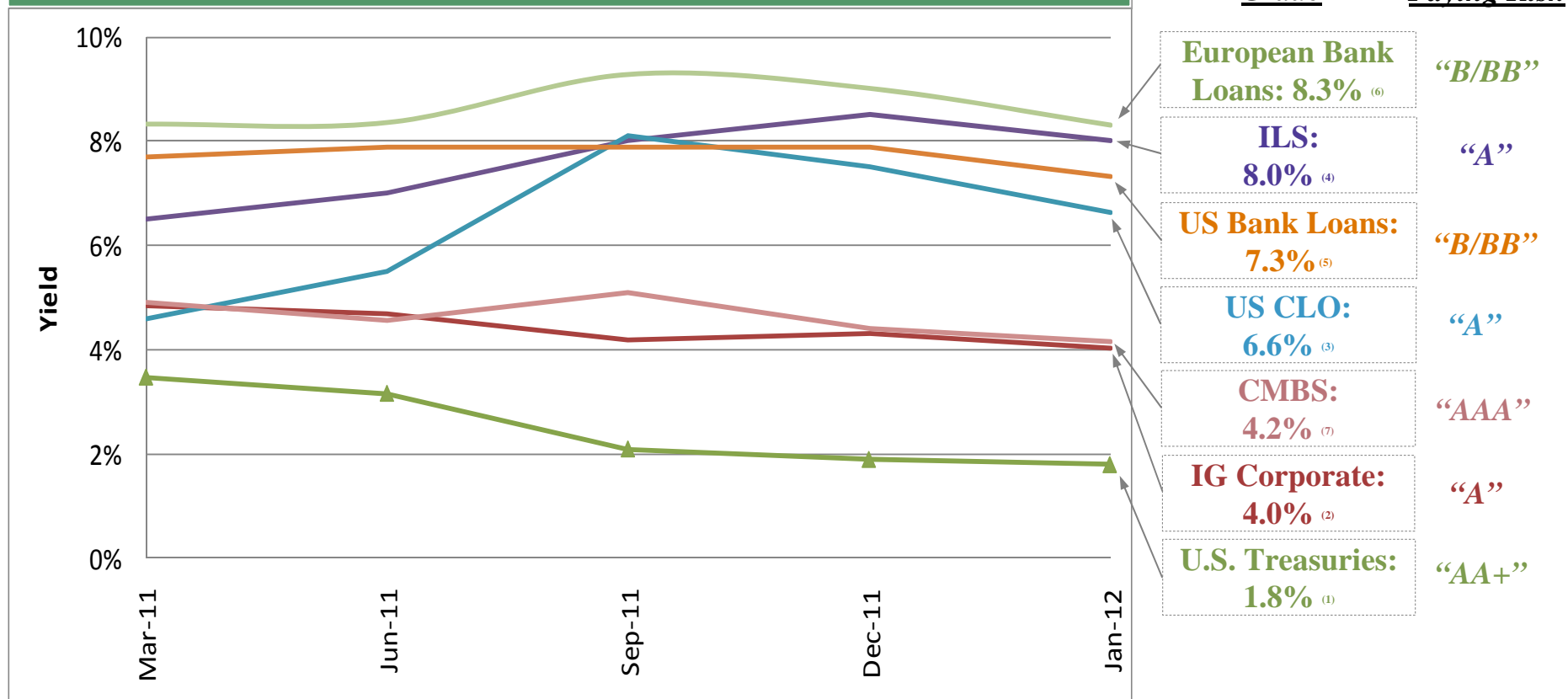
- Assume:**
- \$200 billion pension plan
  - 40% allocation to equities
  - Equity markets down 6.1% 2H of 2011

= ~2.5% drop in total portfolio  
= ~\$5 billion of losses



# Certain Segments of Investment Grade Have Been Left Behind

For Similar Amounts of Risk, Not All Yields are Created Equal



As of January 31, 2012.

(1) 10 year US Treasury Bond; Bloomberg

(2) JULI Index Yield; JP Morgan DataQuery

(3) U.S. CLO spreads for A tranche, added to 3-month LIBOR. J.P. Morgan.

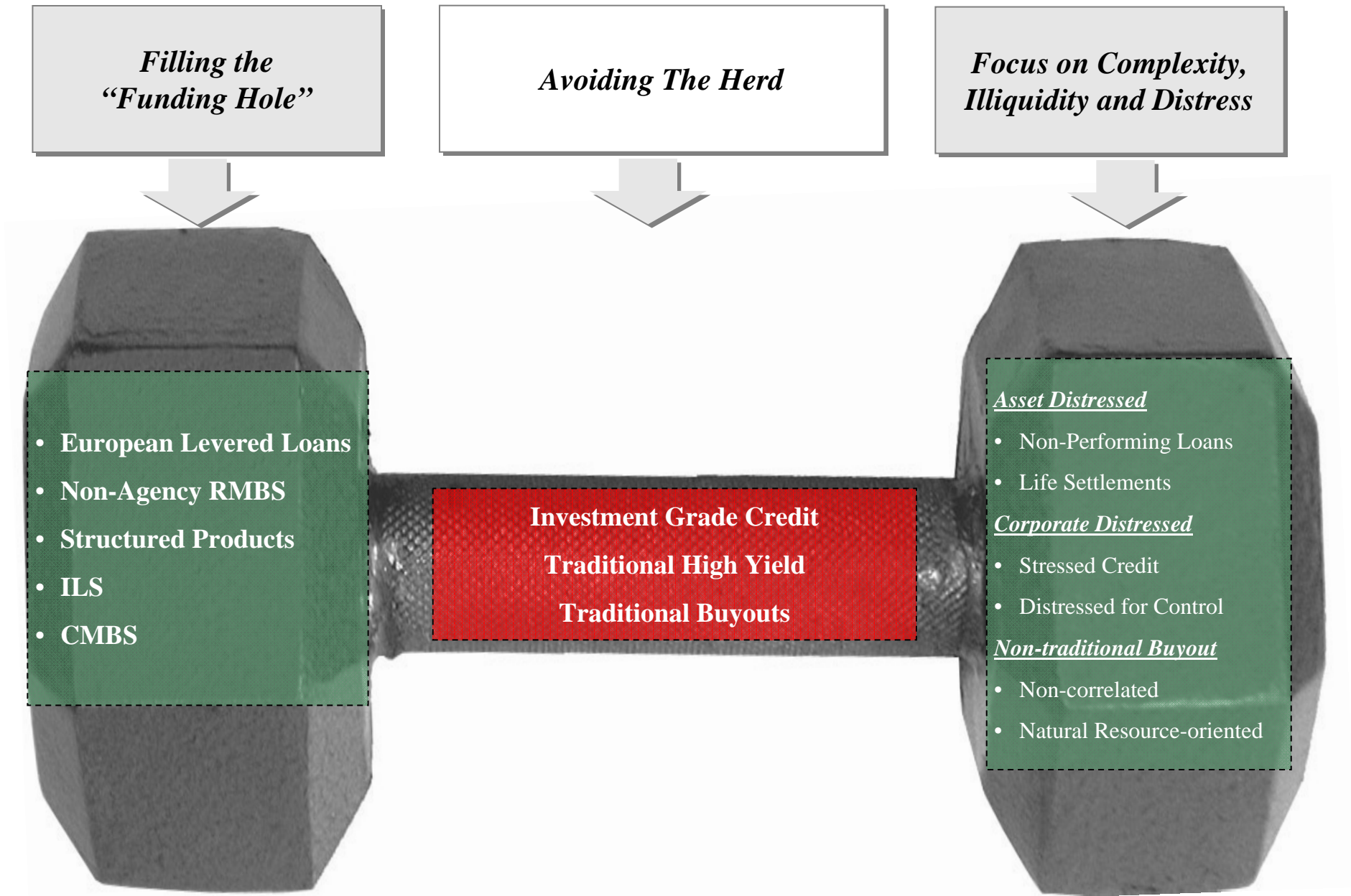
(4) Insurance-linked securities; based on Reg. XXX Securitization Bond Yield and Apollo's collection of related market quotes.

(5) Credit Suisse Leveraged Loan 4 year life Discount Margin and 3 year LIBOR Forward Rate

(6) Credit Suisse Leveraged Loan 4 year life Discount Margin and 3 year LIBOR Forward Rate









(7) JP Morgan CMBS AAA 10yr AAA Yield

## Actionable Opportunities Today



# Fixed Income → Credit

- We believe changes in the financial system have created compelling opportunities for other providers of long-dated capital
- Structural factors expected to continue to create excess returns in credit vs. traditional fixed income
  - Regulation (Basel III)
  - Exit of traditional players (CIT)
  - Reconstitution of the securitization market
  - Risk aversion of banks globally
  - Upcoming corporate maturities
  - Imbedded interest rate risk with fixed income

	United States				Europe			
Sample Credits								
Summary Loan Terms	L+450 TL '18	L+450 TL '17	L+425 TL '17	L+425 TL '17	<i>E+250 OpCo TLD '15</i>	<i>L+300 TLB '15</i>	<i>E+375 TLS '16</i>	<i>E+425 TLB '17</i>
Typical Unlevered Yield		6-8%		Typical Unlevered Yield		7-10%		
Typical TRS Levered Returns		12-17%		Typical TRS Levered Returns		15-20%		

Data as of December 2011. Typical unlevered yields and typical TRS levered returns are 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 targets 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 yield information is presented gross and does not reflect the effect of management fees, incentive compensation, certain expenses and taxes. Levered returns generally assume up to 2x leverage. Apollo makes no assurances that these assumptions will hold true.

# European Leveraged Loan Opportunity Then vs. Now

## “Then” (2007) Selected Senior Secured Loans and Bonds

Issuer				
Spread to Exit	222 bps	162 bps	222 bps	169 bps
Issuer				
Spread to Exit	197 bps	205 bps	219 bps	191 bps

## “Now” (2012) Selected Senior Secured Loans and Bonds

Issuer				
Spread to Exit	546 bps	576 bps	966 bps	566 bps
Issuer				
Spread to Exit	456 bps	535 bps	536 bps	866 bps

*Current opportunity to create portfolios of Senior Secured Loans and Bonds with attractive return profile on an unlevered or levered basis*

Targeted Unlevered Portfolio Yield <sup>(1)</sup> 7-9%








Targeted TRS Levered Portfolio Yield <sup>(2)</sup> 16-20%

Note: Data as of January 2012. Target returns are 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 targets will be realized or that Apollo will be successful in finding investment opportunities that meet these 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. (1) Libor: 1.44% (2) Generally assumes up to 2x leverage.

# Liquidation of European Bank Assets



## Yet, significant barriers to entry exist

Firm <sup>2</sup>	€billion	% of Balance Sheet	Firm <sup>2</sup>	€billion	% of Balance Sheet
 HypoVereinsbank <small>UniCredit Group</small>	€210	56.2%	 RBS <small>The Royal Bank of Scotland</small>	€201	10.4%
 WestLB	€78	30.3%	 Lloyds TSB	€69	5.6%
 DEXIA	€154	26.0%			

1. Source: Apollo Analysis

2. Source: PwC



# Diverse Spectrum of Opportunities

- 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



- *Spanish credit card platform of major U.S. bank with 300+ employees*
- *Live portfolio with €500 million of receivables*
- *Platform for future portfolio acquisitions*
- *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.

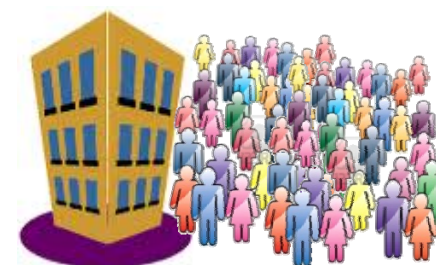
## Investment Example: Dali

- Global banks retreating from consumer lending businesses abroad
- Exclusive transaction with the selling institution

- ❖ €486 million of Spanish performing credit card loans



- ❖ Operating platform including approximately 300 employees



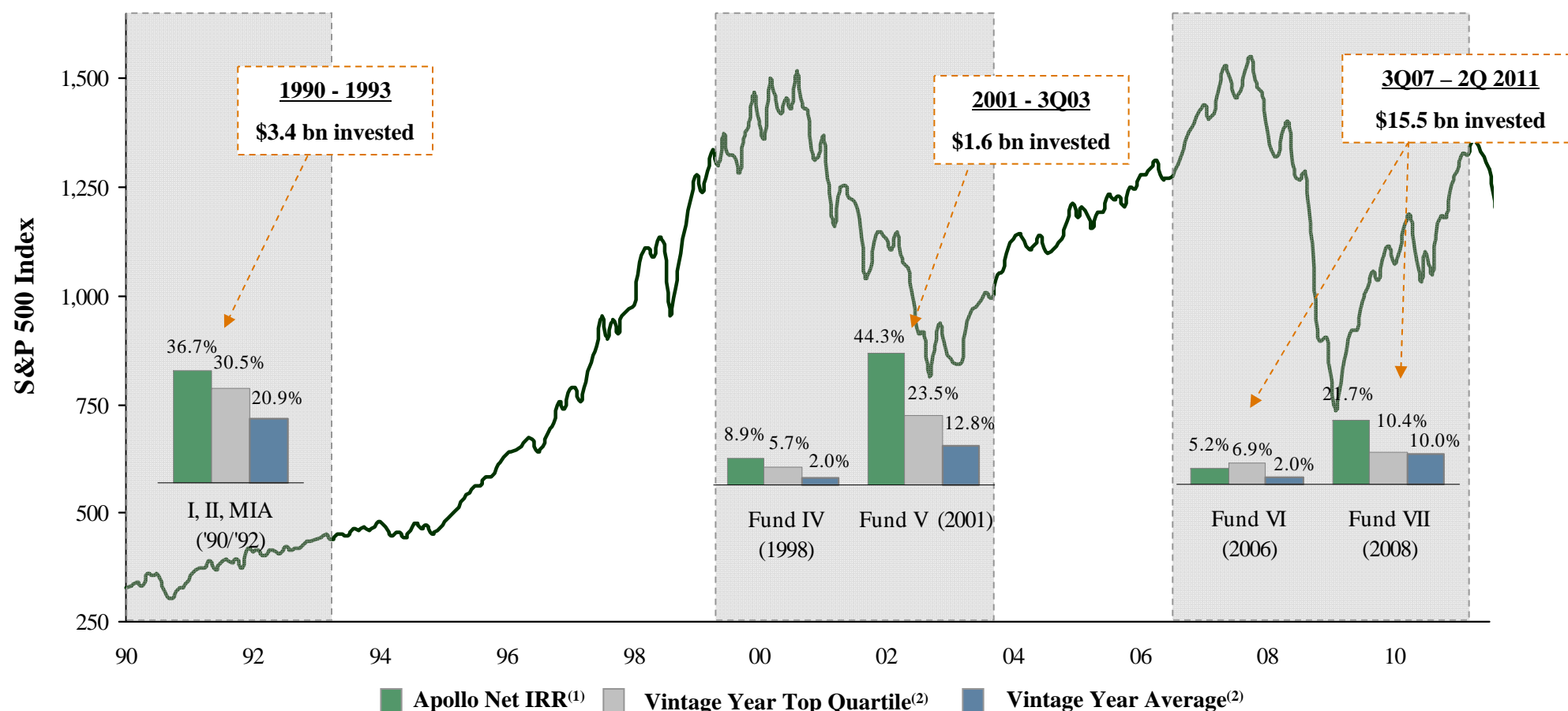
- ❖ €11 million of charged-off Spanish credit card debt



- ❖ €2 million of performing consumer loans in Ireland



# Contrarian Approach Has Led to Outperformance in Downturns



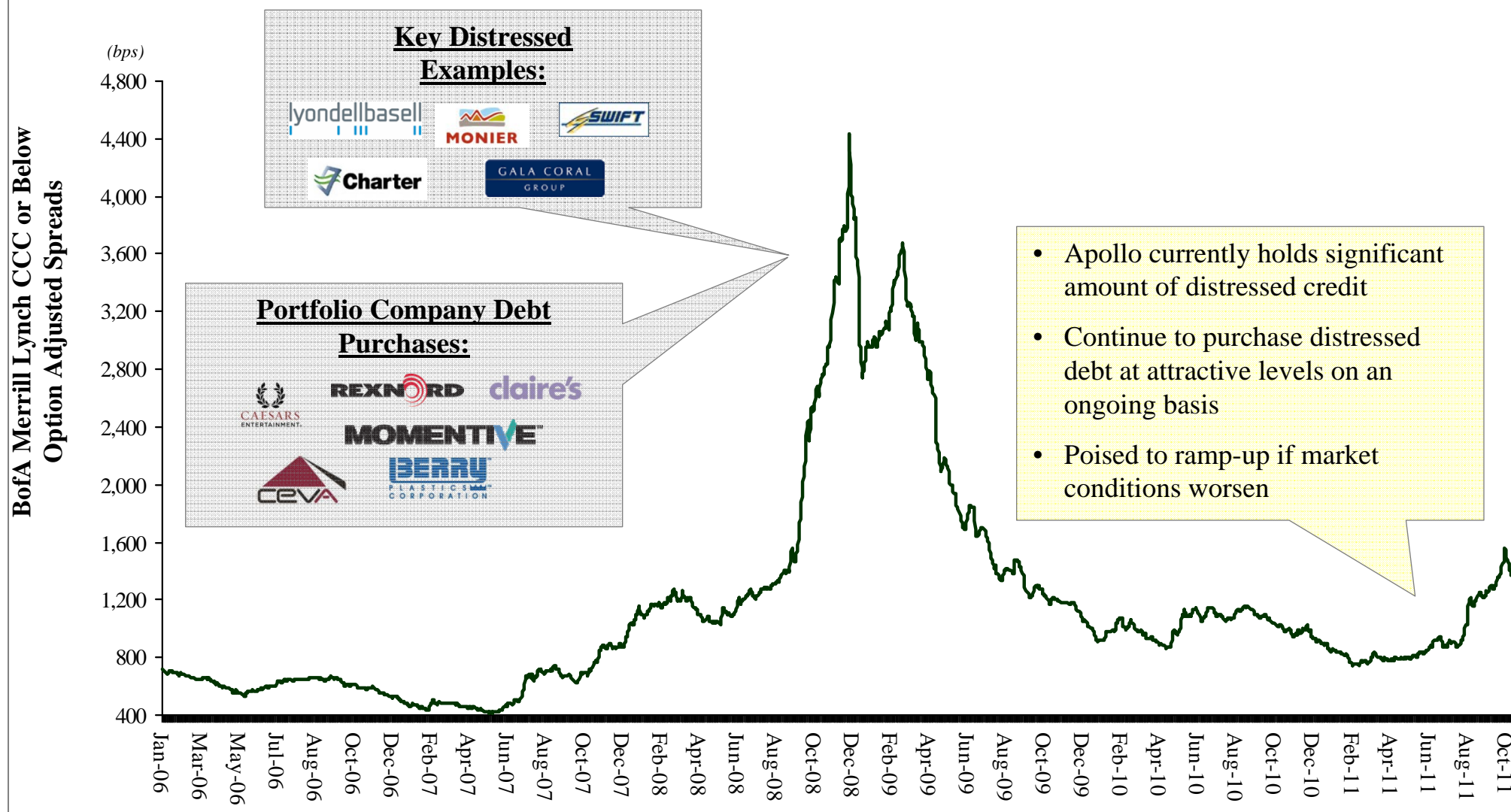
(1) Represents net IRR for respective Apollo PE fund as of December 31, 2011, to compare the timeframe to the most recently available performance information of the peer universe. Past performance not indicative of future results; please refer to Apollo Global Management, LLC's SEC filings for policies regarding forward looking statements and definition of net IRR.

(2) Thomson Reuters. Data as of September 30, 2011. Top Quartile benchmarks represent the Upper Quartile Net IRRs for U.S. Buyout Funds of greater than \$500 million by vintage year, unless otherwise noted. Top Quartile benchmarks for "I,II,MIA" vintage represent the combined 1990 and 1992 Net IRRs for all U.S. Buyout Funds as more detailed breakdown is not available. Vintage Year Average represents the average net IRR for the same categories as with the Top Quartile figures.



# Apollo Captures Value when Markets are in Distress

Apollo acts opportunistically to capitalize on distressed opportunities across market cycles

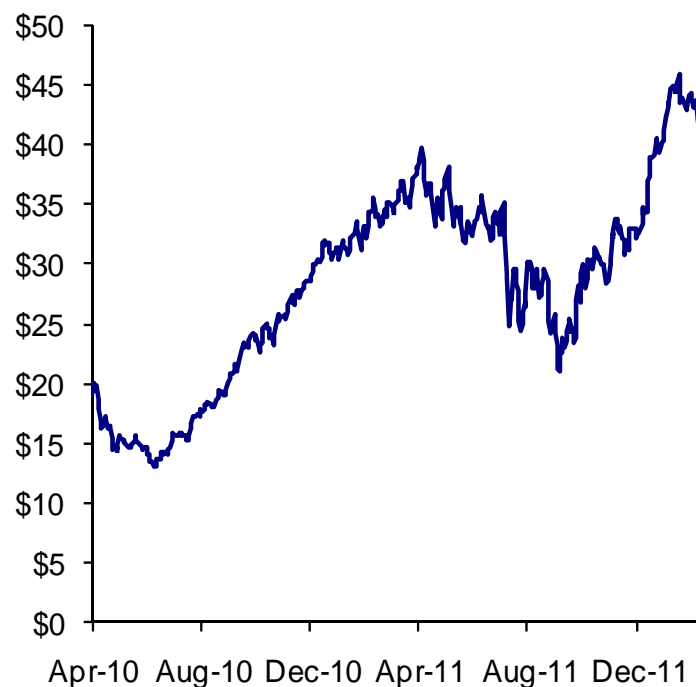


Note: This data represents the Option-Adjusted Spread (OAS) of the BofA Merrill Lynch US Corporate C Index, a subset of the BofA Merrill Lynch US High Yield Master II Index tracking the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. This subset includes all securities with a given investment grade rating CCC or below. The BofA Merrill Lynch OASs are the calculated spreads between a computed OAS index of all bonds in a given rating category and a spot Treasury curve. An OAS index is constructed using each constituent bond's OAS, weighted by market capitalization. When the last calendar day of the month takes place on the weekend, weekend observations will occur as a result of month ending accrued interest adjustments

# Examples of the Embedded Value in our Funds

## LyondellBasell

**Total Investment: \$6.9 billion <sup>(1)</sup>**



## Charter Communications

**Total Investment: \$2.0 billion <sup>(1)</sup>**



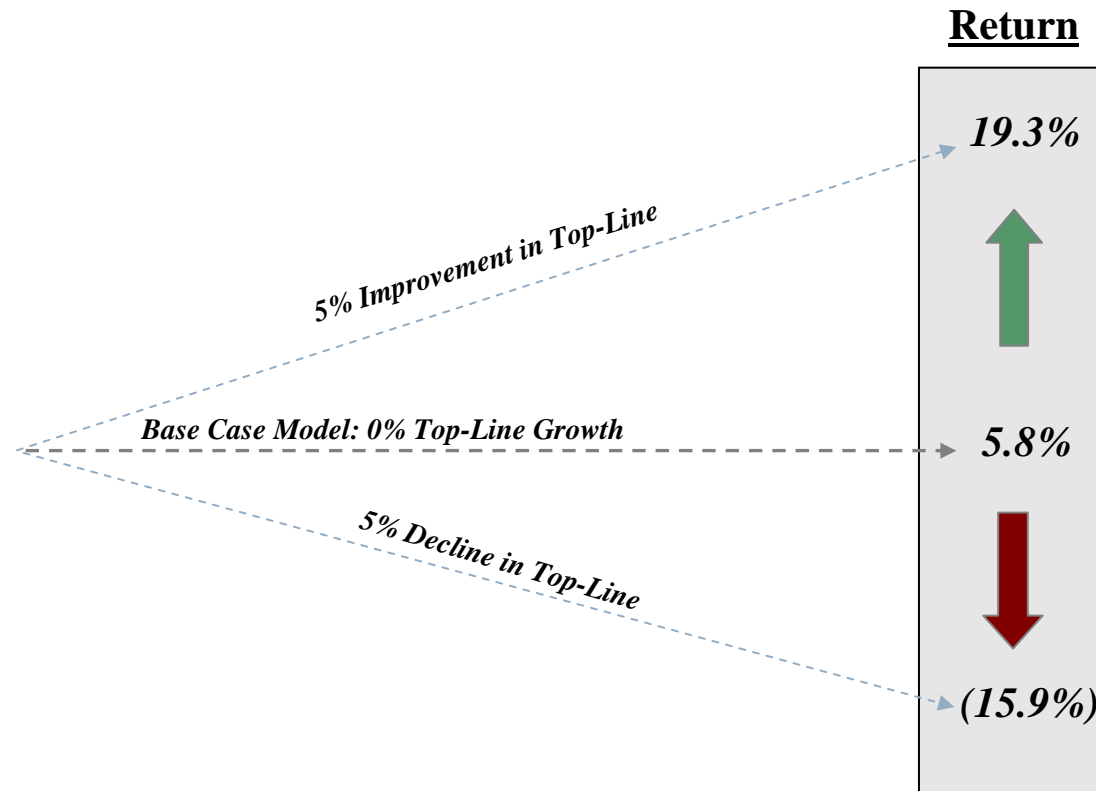
(1) Based on respective stock prices at market close on March 7, 2012 and combined LYB and CHTR shares held across Apollo funds as of December 31, 2011.

# Unfavorable Risk-Reward for Leveraged Buyouts

- In an uncertain economic environment, we do not believe that putting equity at the bottom of a capital structure makes much sense...

## Typical LBO Assumptions

- Implied EV/LTM EBITDA entry multiple of **8x**
  - No multiple expansion
  - **5 year** hold period
- Transaction Enterprise Value of **\$1 billion**
- Transaction financed with **70% leverage**
- Cost of debt: **9%**
- Entry Free Cash Flow multiple of **11x**
- **Constant margins**
  - EBITDA: 20%
  - CapEx: 5.5%



*Relying on economic growth presents greater risk in today's market*

# Capturing Risk/Return in Today's Market

- As contrarian, value-oriented investors we are focusing our investment activity on less obvious, often more complicated, paths towards value in the face of current market uncertainty

## Hedged Natural Resources

- *Acquire physical assets at discounted prices to where they trade in financial markets*
- *By using futures market to hedge production, Apollo attempts to lock-in that value arbitrage*
- *Examples include:*

 **PARALLEL**

 **VERITABLE**

  
ATHLON ENERGY

  
TALOS  
ENERGY LP

  
**elpaso**  
(announced 2/24/12)

## Non-cyclical/Idiosyncratic

- *Opportunities to purchase companies in sectors that we know well at significant discounts to publicly traded comps*
- *These businesses are often uncorrelated to the macro environment*
- *Examples include:*

  
CKX

  
**Brit**  
Insurance

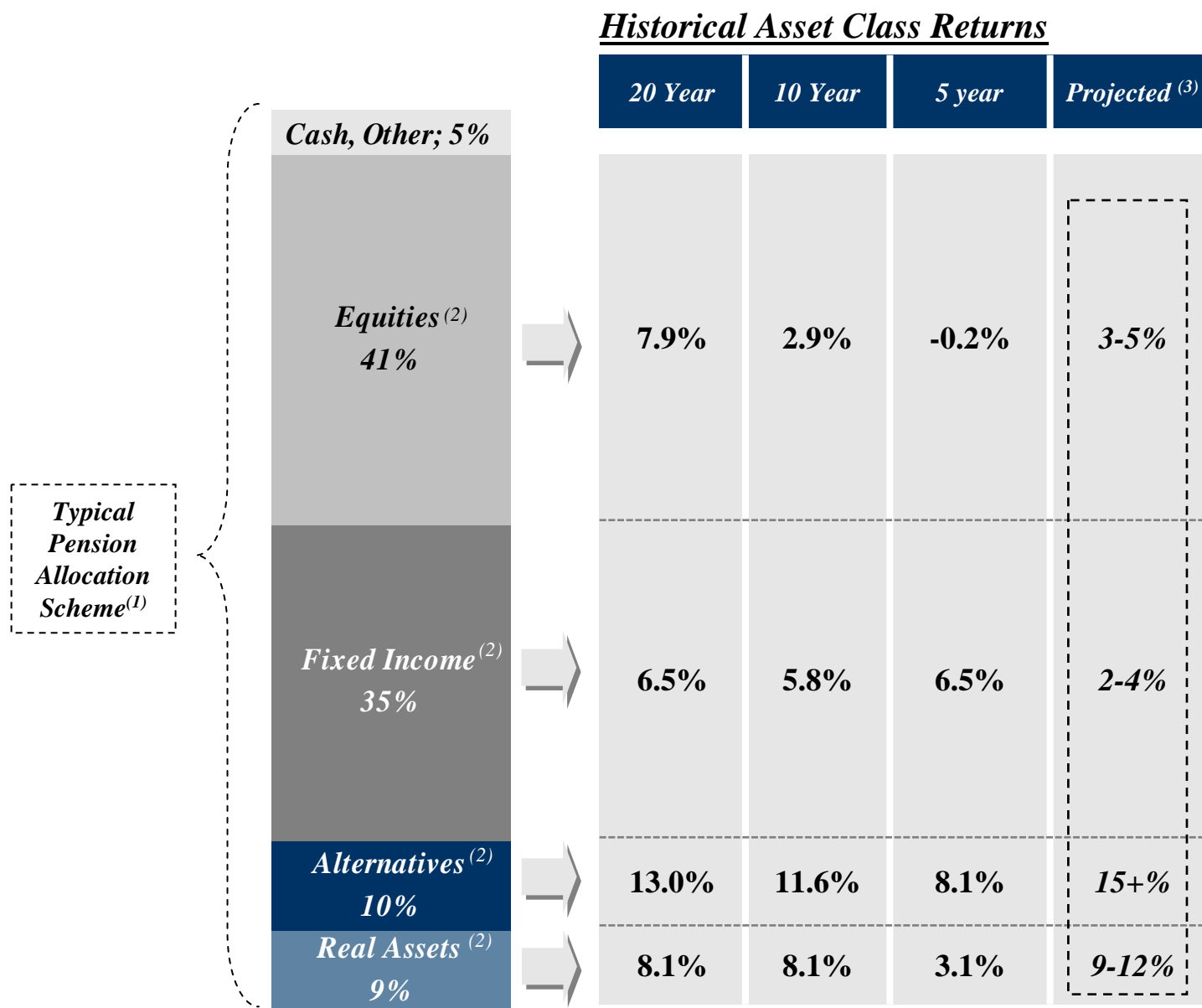
  
EVERTEC

  
**ATHENE**  
L I F E R E

# Agenda

1. Apollo Opportunity
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4. Appendix

# Current Allocation Schemes are Broken



1) Source: Russell Investments 2010 Global Survey on Alternative Investing, expected allocations by 2012.

2) Historical 20 year, 10 year and 5 year returns from page 5.

3) Represents Apollo estimates for asset class returns over next 3-5 years based on current market trading levels, interest rates and potential interest rate changes over time, inflation and expected inflation, third party research, comparable analysis, precedent transactions and current and expected underwriting levels. No assurances can be made that these projections will be met.

# Unfortunately, They have an Issue Today...

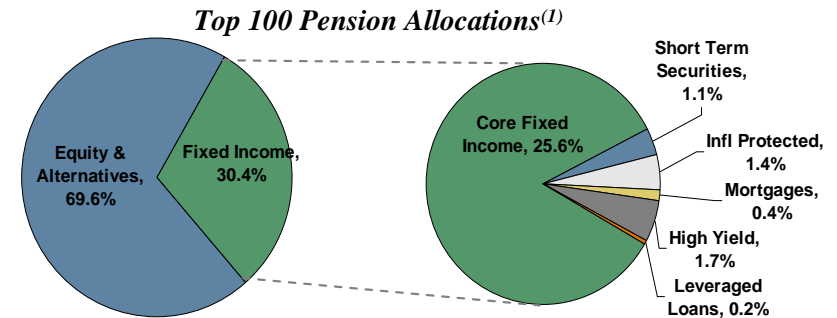
*...the last thing State budgets need is another \$25 - \$50 billion liability...*

## A Pension Plan's Need for Yield

**\$200 Billion  
Asset Fund**

Assuming a 40 Year Even Annuity	
Discount Rate	Deficit
8%	\$0
7%	\$23.6 bn
6%	\$52.4 bn
5%	\$87.8 bn
4%	\$132.0 bn

## Current Allocation Schemes do Not Work



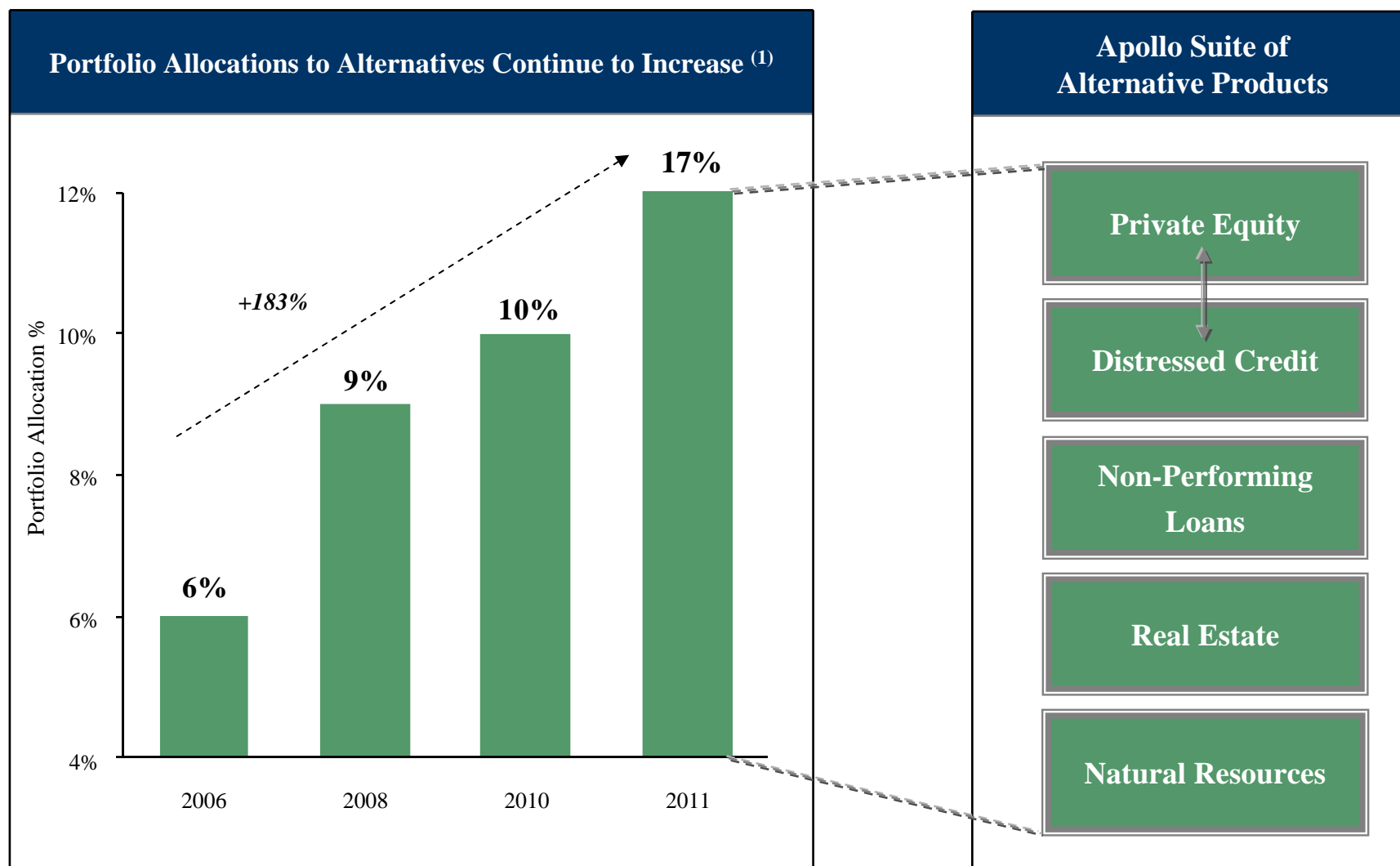
	<b>"Then"</b> March 31, 2007	<b>"Now"</b> December 31, 2011	<b>Change</b>
<b>CD Rate (1 year)</b>	4.94%	1.10%	<b>-77.7%</b>
<b>Money Market Rates</b>	3.76%	0.25%	<b>-93.4%</b>
<b>U.S. 5-Year Treasury</b>	4.53%	0.83%	<b>-81.7%</b>
<b>LIBOR (3 month)</b>	5.35%	0.58%	<b>-89.2%</b>
<b>Investment Grade</b>	5.79%	4.27%	<b>-26.3%</b>
<b>S&amp;P 500</b>	1,420.86	1,257.60	<b>-11.49%</b>

Source: Bloomberg, JP Morgan.

(1) Source: Pensions & Investments Online. Pension funds typically reference the Barclays Aggregate Index when constructing core fixed income allocations. Credit is a small allocation within the Barclays Aggregate Index.

(2) Represents Apollo estimates for returns over next 3-5 years based on current market trading levels, interest rates and potential interest rate changes over time, inflation and expected inflation, third party research, comparable analysis, precedent transactions and current and expected underwriting levels. No assurances can be made that these projections will be met.

## Increased Allocations to Alternatives Plays to Apollo's Strengths





# Apollo is Well-Positioned to Capitalize on New Opportunity Set

- **Strategic Partnerships** can enable institutional investors to be more opportunistic and well-positioned to capture value in today's market

## Select Apollo Strategic Partnerships

**Large State Pension Plan**  
\$1.5 billion

- Diversified, opportunistic portfolio focused on idiosyncratic/ less traditional investments

**Large State Pension Plan**  
\$3 billion

- Diversified exposure to Apollo's integrated platform, spanning PE, Capital Markets, Natural Resources and Real Estate

**Large Sovereign Wealth Fund**  
\$500 million

- Dedicated European mandate focused on:
  - Yield based opportunities
  - Opportunistic opportunities
  - Wide spectrum of asset types

**Large City Pension Plan**  
\$600 million

- Broad spectrum of credit investments covering U.S. and Europe; focus on both yield and opportunistic asset types

**Large Sovereign Wealth Fund**  
€200 million

- Dedicated European credit mandate including:
  - Primary
  - Secondary
  - Distressed corporate debt

- **Dedicated Funds** can provide targeted exposure to opportunity sets that we believe are particularly attractive and longer-term in nature

## Select Apollo Funds

**European Non-Performing Loans**

- Seeks to acquire non-performing loans in real estate, credit cards and other assets in Europe.

**European Credit**

- Focus on providing capital in constrained lending environment and purchasing attractively priced credit assets within major Western European economies

**Senior Loans**

- Targeting performing senior secured floating rate loans in the U.S. and in Europe

**Natural Resources**

- Focus on corporate carve-outs, distressed investments and physical asset acquisitions in the Natural Resources sector

**India Distressed**

- Seeks to invest in stressed, distressed and specialized credit situations in India

# Apollo's Credit Capabilities

**JAMES ZELTER**

*Managing Partner and CIO of Apollo Capital Management*

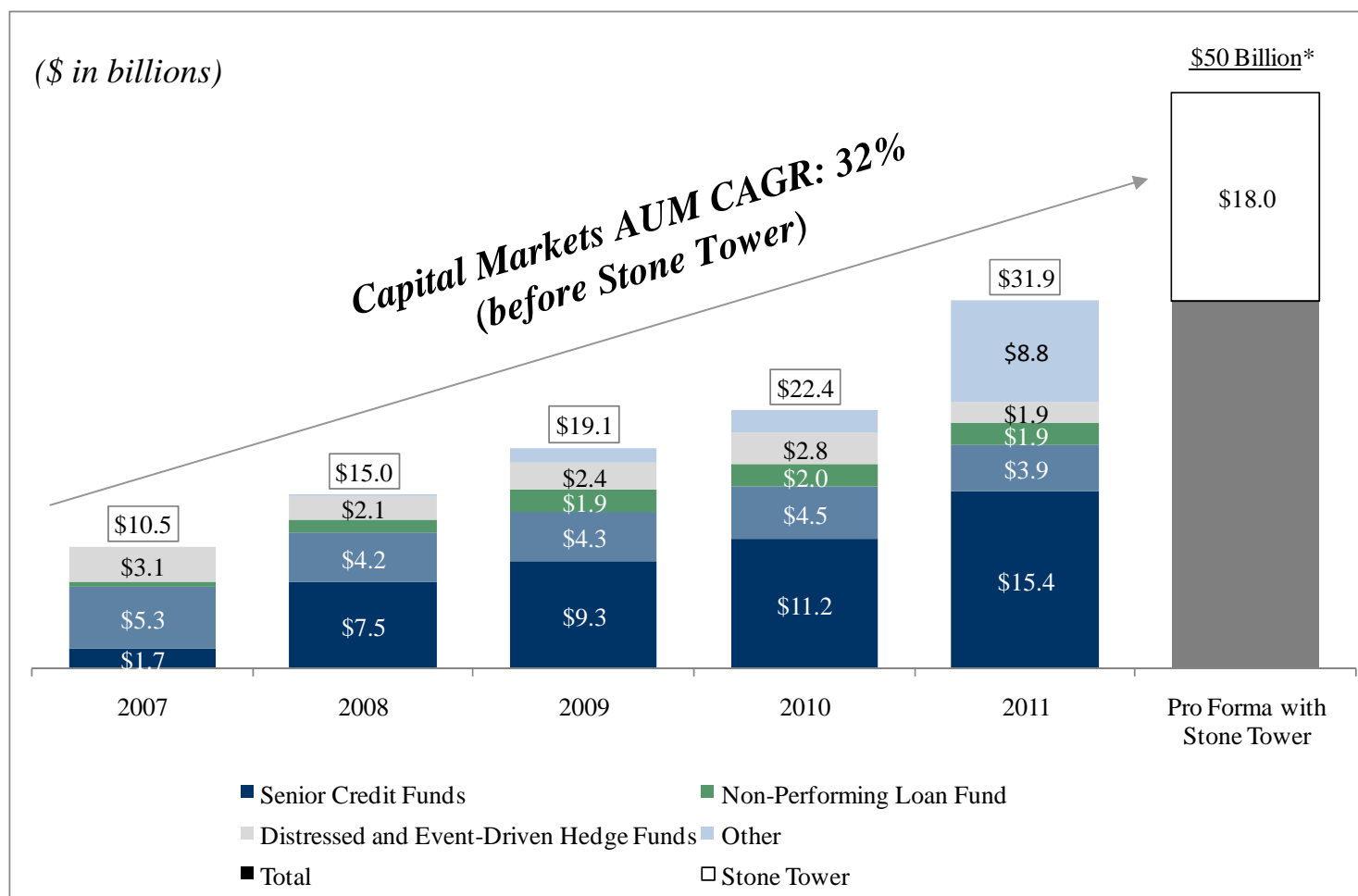
Senior Loans & CLO	European Credit	U.S. Mezzanine	Asia Mezzanine	RMBS	Longevity	Distressed / Event Driven	Non-Performing Loans	CMBS <sup>(1)</sup>
18 Investment Professionals	6 Investment Professionals	16 Investment Professionals	8 Investment Professionals	6 Investment Professionals	5 Investment Professionals	10 Investment Professionals	8 Investment Professionals	2 Investment Professionals

Dedicated teams supported by more than 200 investment professionals across the firm

(1) Additional credit capability that reports into Apollo's real estate segment.

# Significant Growth in Capital Markets AUM

## Capital Markets Segment Assets Under Management



\* Contingent upon Stone Tower merger that is expected to close in April 2012 and subject to the satisfaction of closing conditions.

## Agenda

1. Apollo Opportunity
2. Market Opportunity
3. Client Opportunity
- 4. Appendix**

# Apollo's Public Vehicles



Symbol	AINV	ARI	AMTG	AFT	AAA
Exchange	NASDAQ	NYSE	NYSE	NYSE	NYSE Euronext Amsterdam
Market Cap <sup>1</sup> (in millions)	\$1,395	\$316	\$198	\$271	\$902
Stock Price <sup>1</sup>	\$7.08	\$15.36	\$19.29	\$17.50	\$10.00
52 week high / low	\$12.39 / \$5.97	\$17.07 / \$11.79	\$19.29 / \$14.02	\$20.09 / \$15.01	\$13.75 / \$7.88
Annualized Dividend	\$0.80	\$1.60	\$3.00	\$1.26	\$0.31
Dividend Yield	11.3%	10.4%	15.6%	7.2%	3.1%
NAV per share <sup>2</sup>	\$8.16	\$16.39	\$19.92	\$18.30	\$16.41
Current Discount to NAV	(13.2%)	(6.3%)	(3.2%)	(4.4%)	(39.1%)
Avg. Daily Trading Volume as a % of Shares Outstanding	1.2%	0.5%	0.9%	0.7%	0.0%

1. As of 3/7/12.

2. AINV, ARI, AMTG and AAA as of 12/31/11; AFT as of 3/7/12.

# AGM's Financial Highlights

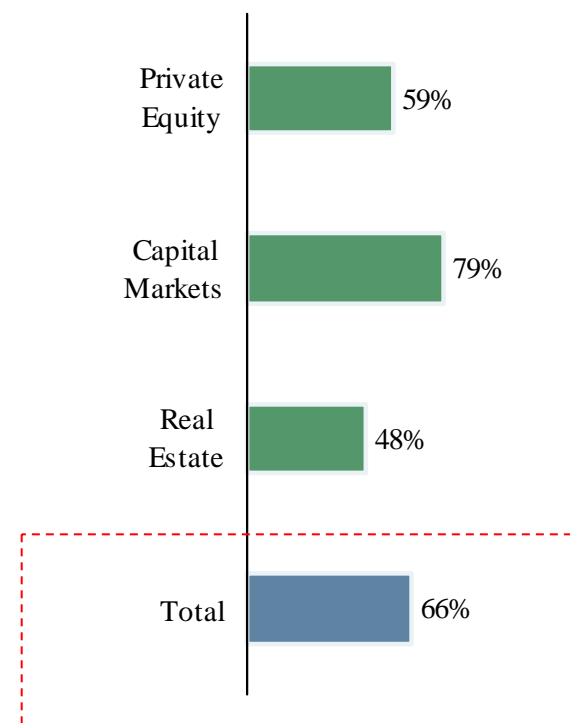
<i>\$ in millions</i>	Q4 2011	Q4 2010	FY 2011	FY 2010
<b>Total Assets under Management</b>				
Private Equity	\$35,384	\$38,799	\$35,384	\$38,799
Capital Markets	31,867	22,283	31,867	22,283
Real Estate	7,971	6,469	7,971	6,469
<b>TOTAL AUM</b>	<b>\$75,222</b>	<b>\$67,551</b>	<b>\$75,222</b>	<b>\$67,551</b>
<b>Management Business Revenues</b>				
Management Fees	127.8	114.5	490.2	431.2
Net Advisory & Transaction Fees	22.1	22.3	82.3	79.7
Carried Interest (from AIC)	9.5	13.6	44.5	47.4
<b>Total Management Business Revenues</b>	<b>159.4</b>	<b>150.4</b>	<b>617.0</b>	<b>558.3</b>
Management Business Expenses	130.9	145.7	543.3	478.8
Other Management Business Income / (Loss) <sup>(1)</sup>	(0.5)	121.9	2.7	180.5
<b>Management Business ENI</b>	<b>28.0</b>	<b>126.6</b>	<b>76.4</b>	<b>260.0</b>
<b>Incentive Business</b>				
Carried Interest Income	489.2	1,198.0	(442.0)	1,551.6
Carry & Incentive Fee Compensation	212.6	438.6	(60.2)	575.3
Other Incentive Business Income/(Loss)	52.0	39.9	4.9	80.9
<b>Incentive Business ENI</b>	<b>328.6</b>	<b>799.3</b>	<b>(376.9)</b>	<b>1,057.2</b>
<b>Total ENI (after tax)</b>	<b>302.0</b>	<b>881.8</b>	<b>(321.6)</b>	<b>1,225.4</b>
Total ENI per share	\$0.80	\$2.52	\$(0.86)	\$3.51
<b>Distributions per share</b>	<b>\$0.46</b>	<b>\$0.17</b>	<b>\$1.12</b>	<b>\$0.38</b>

(1) Q4'10 other income includes \$95.0 million from insurance proceeds and \$24.1 million gain related to the acquisition of Citi Property Investors (CPI); FY 2010 other income includes \$162.5 million of insurance proceeds and \$24.1 million gain related to the acquisition of CPI.

# Overview of Carried Interest

<i>\$ in millions</i>	<i>As of 12/31/11</i>
<b>Carried Interest Receivable by Fund:</b>	
Private Equity Fund VII	\$508.0
Private Equity Fund VI	--
Private Equity Fund V	125.0
Private Equity Fund IV	17.9
AP Alternative Assets	22.1
Distressed & Event-Driven Hedge Funds	12.6
Mezzanine Funds	17.4
Non-Performing Loan Fund	51.5
Senior Credit Funds	114.1
<b>Total Carried Interest Receivable</b>	<b>\$868.6</b>
Less: Profit Sharing Payable	352.9
<b>Net Carried Interest Receivable</b>	<b>\$515.7</b>

## % of Portfolio Marks Valued Using Exchange or Broker Quotes<sup>(1)</sup> as of 12/31/11



Note: Past performance is not indicative of future results.

(1) Percent of investments valued using listed exchange quotes or broker quotes.

# AGM Key Balance Sheet Indicators

## AGM Key Balance Sheet Indicators as of December 31, 2011

(\$ in millions, except per share data)

Cash and Cash Equivalents	\$ 739
G.P and L.P. Investments Held by AGM	354
Carried Interest Receivable	869
Profit Sharing Payable	353
Total Debt	739
(1)	
Q4 2011 Dividend Per Share	\$0.46

**Net Carry  
Receivable  
\$516**

*Note: Past performance is not indicative of future results.*

*(1) Dividend for Q4 2011 declared February 10, 2012.*



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