A photograph of three hikers on a mountain trail. The hiker in the foreground is wearing a bright green and yellow jacket and a large backpack. The hiker in the middle is wearing a dark jacket and a backpack. The hiker in the background is wearing a blue jacket and a backpack. They are all using trekking poles. The trail is rocky and has some snow patches. The background shows a vast mountain range under a clear blue sky.

# Athene Balance Sheet Tutorial:

## Asset Portfolio Risk & Stress Considerations

October 2021

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This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any security of Athene Holding Ltd. ("Athene").

Certain information contained herein and certain oral statements made in reference thereto may be "forward-looking" in nature. These statements include, but are not limited to, discussions related to the benefits to be derived from the Athene Co-Invest Reinsurance Affiliate ("ACRA") capital raise; benefits to be derived from Athene's capital allocation decisions, including the repurchase of its common shares; the benefits to be derived from the redeployment of excess cash holdings and the assets backing the obligations reinsured from Jackson National Life Insurance Company ("Jackson"); the magnitude of potential future growth in invested assets; expected future operating results; Athene's 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," "will," "should," 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 be correct. These statements are subject to certain risks, uncertainties and assumptions, including Athene's failure to recognize the benefits expected to be derived from the transactions with Jackson and the delay or failure to complete or realize the expected benefits from the proposed merger with Apollo Global Management, Inc., the closing of which is subject to, among other things, the expiration or termination of the applicable antitrust waiting periods, other antitrust and regulatory approvals, stockholder approvals, and other customary closing conditions. For a discussion of the other risks and uncertainties related to Athene's forward-looking statements, see its annual report on Form 10-K for the year ended December 31, 2020, quarterly report on Form 10-Q for the period ended June 30, 2021, and its other SEC filings, which can be found at the SEC's website [www.sec.gov](http://www.sec.gov). Due to these various risks, uncertainties and assumptions, actual events or results or Athene's actual performance may differ materially from that reflected or contemplated in such forward-looking statements. Athene undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

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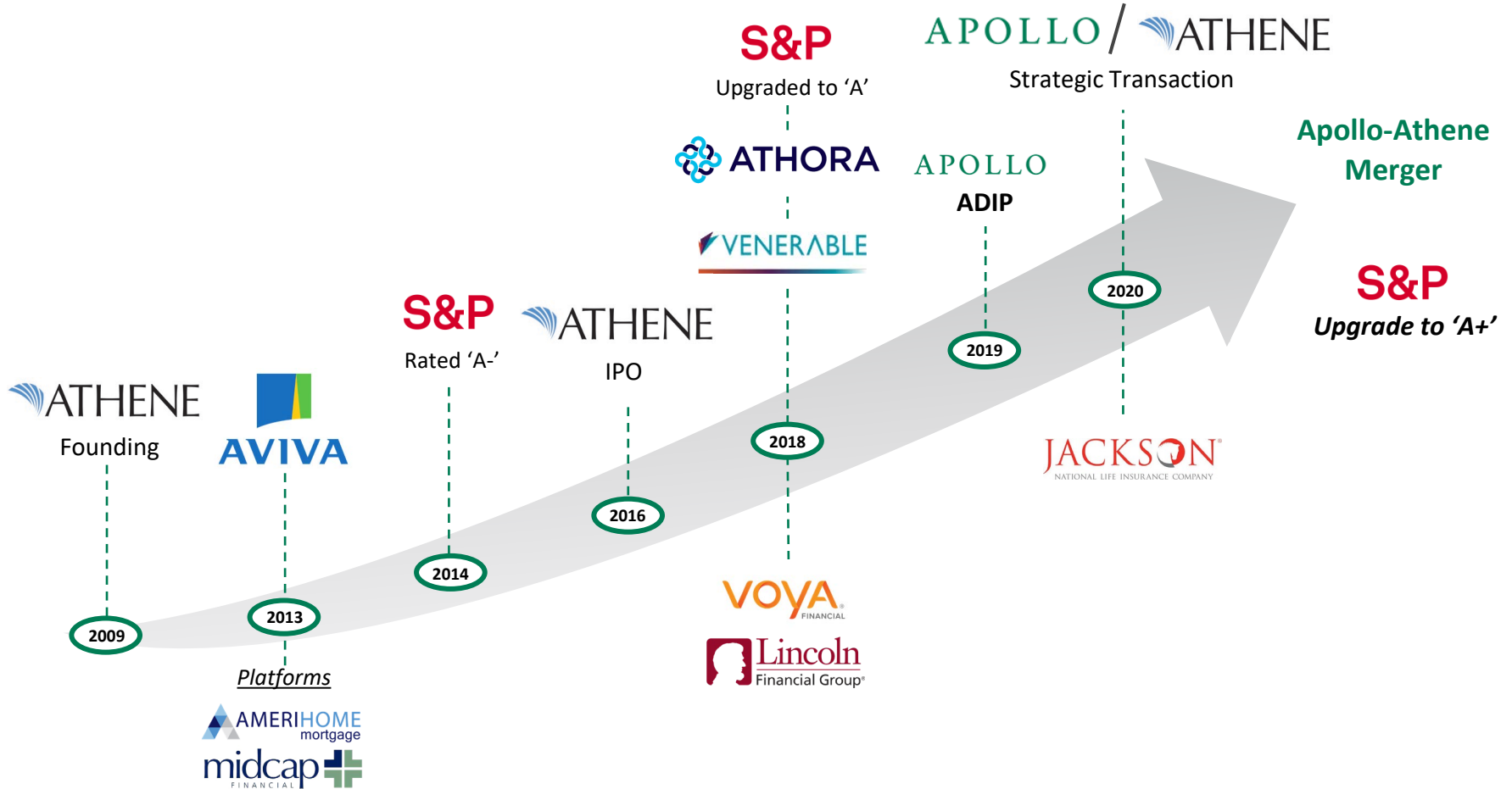
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All information is as of the dates indicated herein.



# What Happened Since Our Last Asset Risk Update

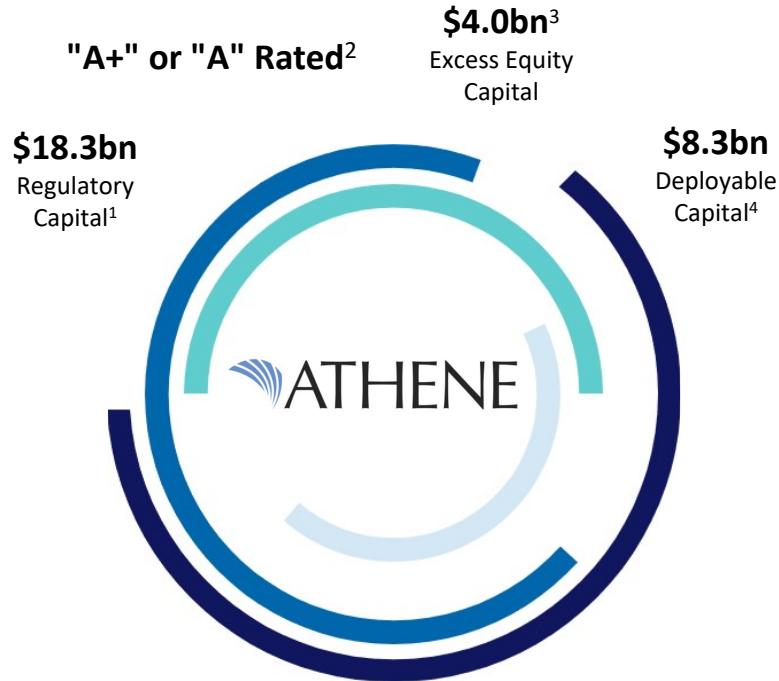
# Athene Was Built Off a Stable Base



Notes: Financial services companies depicted above are examples of current or former investments by Apollo or portfolio companies of investment funds managed by Apollo. Ratings represent Financial Strength Ratings for primary insurance subsidiaries

# Athene Is Extremely Well Capitalized with \$4.0bn of Excess Equity Capital

## Extremely Well Capitalized...



## ...With Access to Ample Liquidity

**\$4.3bn** Cash on Hand<sup>5</sup>

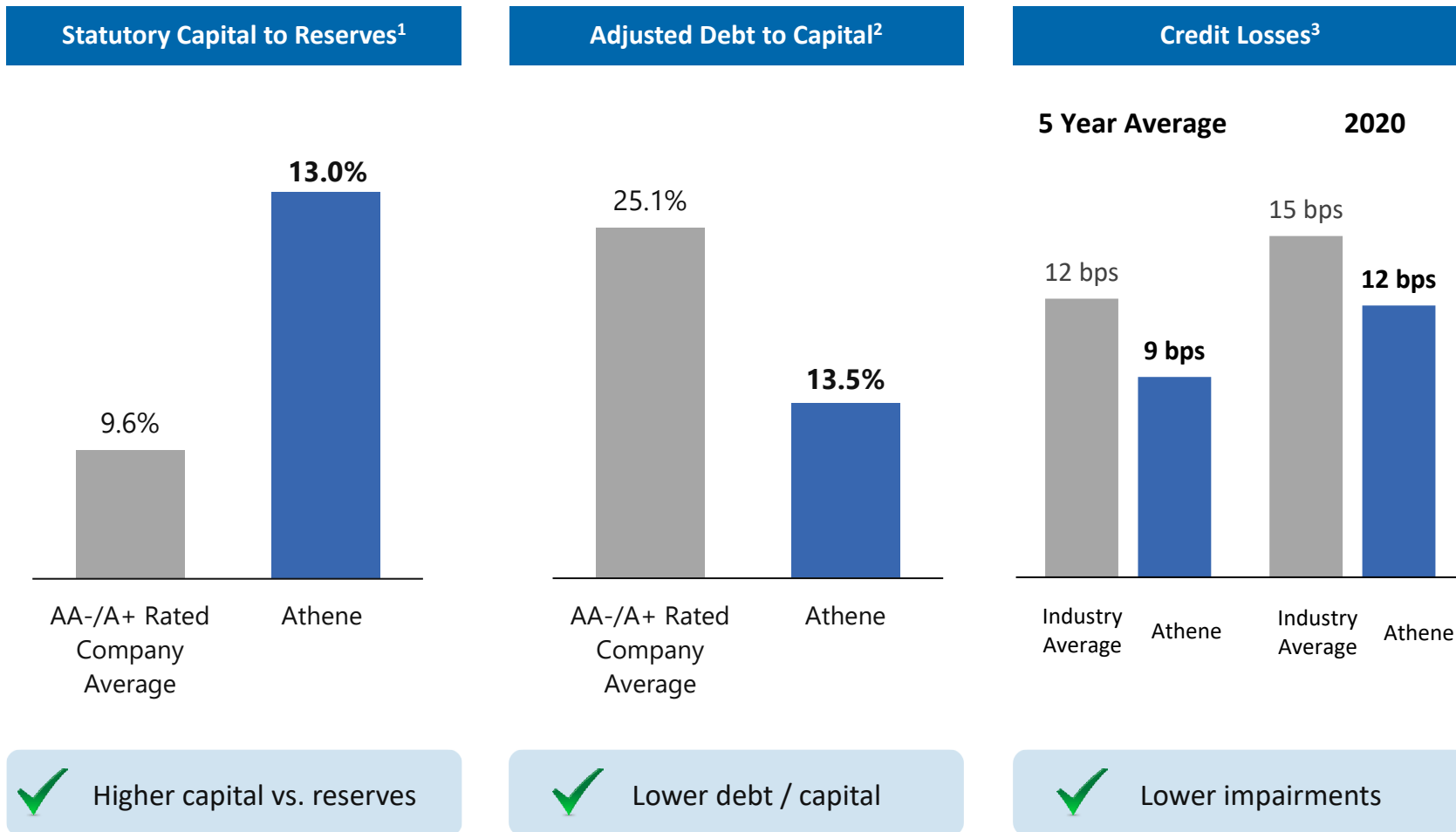
**\$6.7bn** Available Liquidity<sup>6</sup>

**\$56bn** Liquid Bond Portfolio  
of which \$16bn are public corporates rated A or better

Note: As of June 30, 2021

1. Represents the aggregate capital of Athene's US and Bermuda insurance entities, determined with respect to each insurance entity by applying the statutory accounting principles applicable to each such entity. Adjustments are made to, among other things, include assets held by Athene's holding companies. 2. Relates to Athene's primary insurance subsidiaries; represents ratings from AM Best "A", S&P "A+", and Fitch "A". 3. Excess capital is presented net of future expected deployment to fund Jackson transaction announced in June 2020. Computed as the capital in excess of the capital required to support our retirement services segment as determined by our internal capital model. We implemented our internal capital model during the fourth quarter 2020. We previously used NAIC RBC to determine the capital required to support our retirement services segment. 4. Includes excess equity capital of \$4.0 billion, untapped debt capacity of \$2.8 billion, and \$1.5 billion of available undrawn third-party ACRA/ADIP capacity. Untapped debt capacity assumes capacity of 25% debt to capitalization and is subject to general availability and market conditions. 5. Cash and equivalents included in net invested assets 6. Available Liquidity Includes: Uncommitted Repo (\$2.5bn), FHLB (\$1.9bn), Revolver Capacity (\$1.25bn), and Committed Repo (\$1.0bn).

# Athene's Holds More Excess Capital Than the Industry



1. Athene metrics are net of non-controlling interest in ACRA, as of June 30, 2021. AA-/A+ Rated Companies metrics as of December 31, 2020 per SNL Financial. AA-/A+ Rated Companies are: PFG (A+), PRU (AA-), MET (AA-) and GL (AA-). 2. Refers to adjusted debt-to-capital ratio as of June 30, 2021. AA-/A+ Rated Companies metrics as of December 31, 2020 per SNL Financial and company reports. AA-/A+ Rated Companies are: PFG (A+), PRU (AA-), MET (AA-) and GL (AA-). 3. Peer U.S. statutory impairments per SNL Financial; average includes AEL, AIG, AMP, BHF, EQH, FG, LNC, MET, PFG, PRU, VOYA and Transamerica. For Athene, U.S. statutory data adjusted to include impairments and assets in Bermuda

# Athene Held Substantial Excess Capital Going into COVID...

## Athene Has Always Held Excess Capital...

### 2018 Investor Day

#### How We Are Positioning for the Future

- Focus On Quality**
  - Limit risk in the portfolio (94% NAIC 1 or 2<sup>1</sup>)
  - Defensive positioning due to lack of convexity & position in the credit cycle
- Create Capacity**
  - Prepare to **capitalize** on the next market opportunity
  - Reserve below investment grade capacity
  - Sizeable corporate portfolio provides significant source of liquidity
- Be Patient**
  - Drive returns by **capitalizing on the next "Fat Pitch"**

Q1 '20 Earnings

#### Athene Has Been Preparing for Dislocation

Athene has proactively strengthened its excess capital and liquidity over the past year

Opportunistically Raised Excess Capital	Boosted Liquidity Profile
<ul style="list-style-type: none"> <li>Strategic Capital Solution (ACRA) - \$3.2bn</li> <li>Preferred Equity Offerings - \$1.2bn</li> <li>Strategic Transaction with Apollo - \$1bn<sup>1</sup></li> <li>Senior Debt Offering<sup>2</sup> - \$500mn</li> </ul>	<ul style="list-style-type: none"> <li>Robust organic deposits in 1Q'20</li> <li>Extended and updated revolving credit facility</li> <li>Established ~\$2.5 billion of Liquidity Facilities</li> </ul>

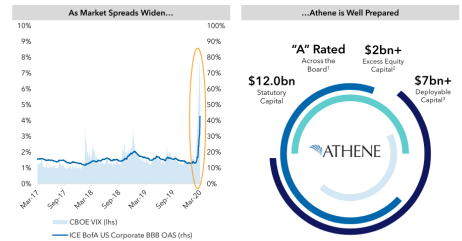
March '20 Asset Stress

- ~\$6bn of equity capital raised
- \$2.7bn<sup>1</sup> of pro forma excess equity capital on balance
- \$2.4bn of undrawn on-demand third-party capital off sheet through ACRA
- Significant capital levers and financial flexibility
  - \$2.3bn of pro forma untapped debt capacity<sup>2</sup>
  - ~\$900mn of preferred equity capacity

1. At closing of the deal. 2. Closed in April. Pro forma for \$20 million senior debt was issued in April. Strategic debt capacity increased by \$750 million in September. Issuance of \$1.2 billion of preferred equity in October. Issuance of \$1 billion of senior debt in November. Issuance of \$500 million of senior debt in December.

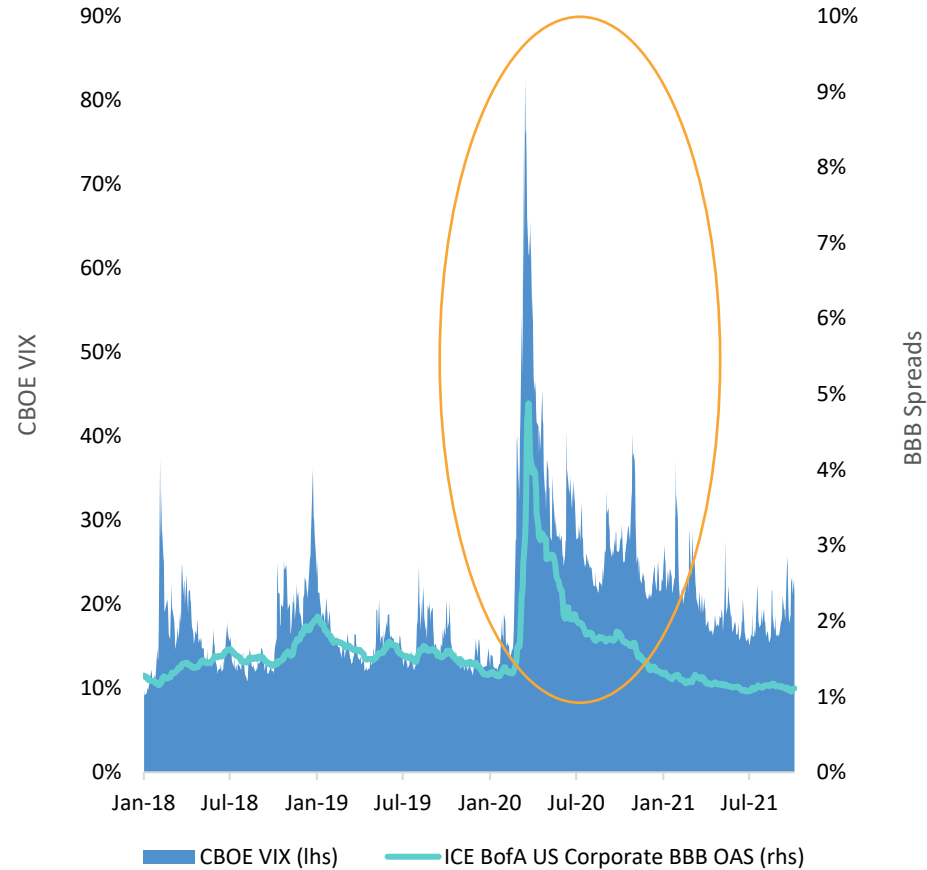
#### Athene is Prepared For Dislocation

We have proactively strengthened our excess capital and liquidity over the past year



Source: Fitch, Federal Reserve Economic Data (FRED), Bloomberg, Moody's Analytics, S&P Global Ratings, and Risk. 1. As of December 31, 2019, pro forma for market value on Apollo Operating Group (AOG) is \$2.7 billion. 2. Strategic debt capacity increased by \$750 million through March 31, 2020. 3. Issuance and extension of revolving credit facility of \$2.3 billion. 4. Issuance of \$1.2 billion of preferred equity in October and \$500 million of senior debt in December. 5. Issuance of \$1 billion of senior debt in November.

## ...In Anticipation of a Market Dislocation Like COVID

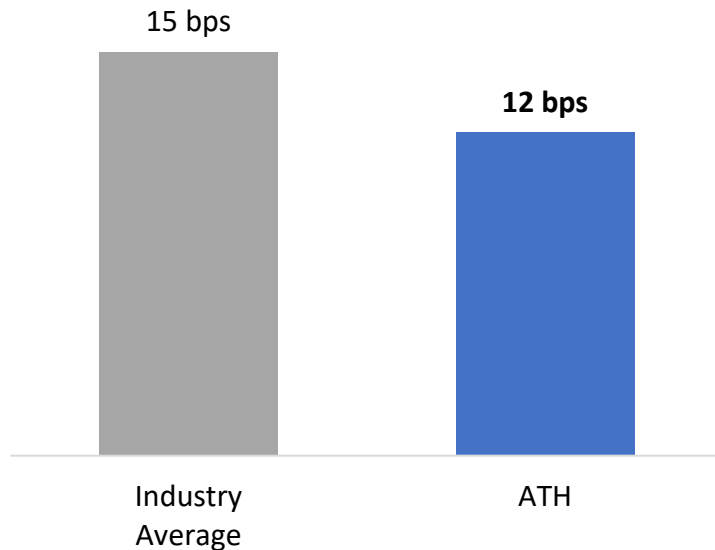


Source: Federal Reserve, Bloomberg.

# ... And Its Asset Portfolio Performed Extremely Well...

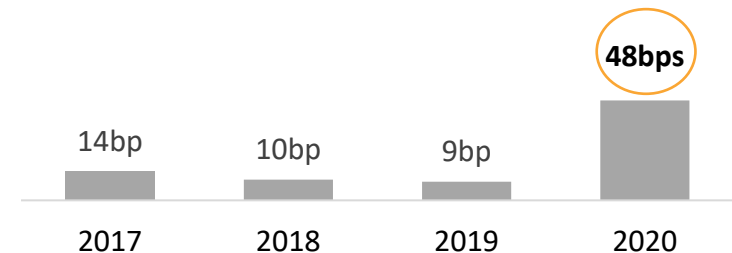
- Only 12bps of asset impairments in 2020 vs. 15bps for the broader life insurance industry<sup>1</sup>
- Strong capital position with **\$4.0bn of excess equity capital** at 2Q'21, net of \$0.7bn of capital impact from downgrades in 2020
- Liabilities remained stable with **\$28bn of gross organic inflows in 2020**, demonstrating ability to back less liquid assets in market stress
- **Actively managed** the portfolio and provided **transparent** disclosure, including on [stress tests \(March 2020\)](#)<sup>2</sup> and [CLOs \(August 2020\)](#)<sup>2</sup>

## 2020 STAT Losses<sup>1</sup>



## Capital Impact from Downgrades (% of Net Invested Assets)

\$0.7bn capital impact from downgrades in 2020 relative to ~\$2.0bn of annual stat earnings and \$4.0bn of excess capital



1. Peer U.S. statutory impairments per SNL Financial, average includes AEL, AIG, AMP, BHF, EQH, FG, LNC, MET, PFG, PRU, VOYA and Transamerica. For Athene, U.S. statutory data adjusted to include impairments and assets in Bermuda 2. Linked presentations are not incorporated by reference

## ... Allowing Athene to Go on the Offense

- ✓ **Record organic growth** at very profitable returns in excess of targets, gaining market share and ending as #1 in all target markets<sup>1</sup>
- ✓ **Strong inorganic growth** at attractive returns, executing largest reinsurance transaction to date
- ✓ **Record investing activity** at differentiated yields while maintaining high quality credit profile
- ✓ **Driving attractive levels of net spread** and profitability despite backdrop of economic volatility
- ✓ **Effective capital allocation** supporting robust growth and shareholder value creation

**\$28 bn**

2020 Record Gross  
Organic Inflows

**\$29 bn**

Jackson  
Reinsurance Deal

**\$46 bn**

2020 Record Gross  
Dollars Invested

**17%**







2020 Retirement  
Services ROE

**~\$3 bn**

2020 Accretive  
Capital Deployment

1. In 2020, Athene was #1 in the Retail Fixed Indexed Annuities and Pension Risk Transfer markets per LIMRA data, #1 in the flow reinsurance market per insurance company US Statutory annual statements, and #1 in the funding agreement market per Bloomberg data. For Athene, funding agreements are comprised of funding agreements issued under our FABN and FABR programs, funding agreements issued to the FHLB and long-term repurchase agreements.

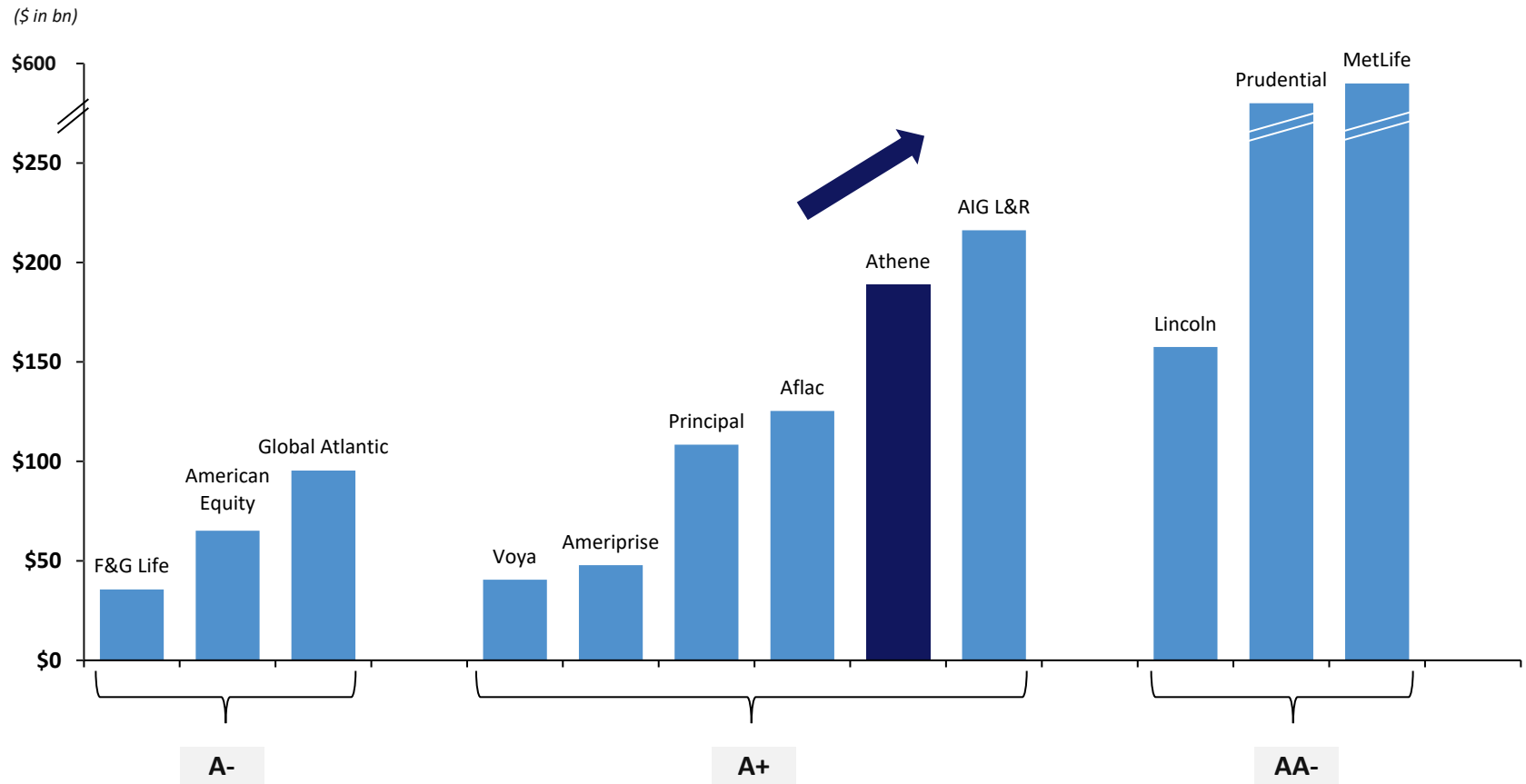
# Athene's Success Was Recognized - S&P Upgraded to 'A+'

Rating Agency	FSR Rating / Outlook	Commentary
		<p>“During the height of the COVID-19 pandemic and the related economic crisis, Athene <b>continued to grow its businesses while maintaining capital strength at the “AA” level</b> per our capital model...Our <b>raising of Athene’s financial strength and issuer credit ratings reflects the group’s capital strength and balance sheet growth....”</b></p> <p>–S&amp;P, May 2021</p>
		<p>“... Athene has moved into a leading market position in key business lines...[Athene] produced strong returns on capital in 2020 and into 2021 despite headwinds associated with the ongoing pandemic... <b>The company's portfolio has performed well over the last 18 months with minimal reported and modest credit migration....</b> Fitch believes Athene is well positioned to manage interest rate risk going forward...”</p> <p>–Fitch, August 2021</p>
		<p>“The ratings reflect Athene’s <b>balance sheet strength</b>, which AM Best categorizes as very strong, as well as its <b>strong operating performance</b>, favorable business profile and appropriate enterprise risk management...”</p> <p>–A.M. Best, April 2021</p>

Note: Ratings represent financial strength ratings for primary insurance subsidiaries

# Athene Continues To Build Off a Strong Base

## Total Invested Assets in the Context of S&P Financial Strength Ratings<sup>1</sup>



Note: Athene includes investments associated with the ACRA noncontrolling interest

1. Ratings represent S&P Financial Strength Ratings for the largest life insurance subsidiary in the group. Sources: Rating agency reports, Company Filings, SNL Financial. Invested Assets as of June 30, 2021



# Athene's Investment Philosophy

# Apollo Provides Athene Differentiated Investment Capabilities

Leading Retirement Services franchise

Needs tens of billions of dollars of new investable ideas per year

Has straightforward and persistent liabilities to invest against

Needs dedicated and bespoke service to sustainably earn targeted investment margin



Leading credit manager

~570 investment professionals

~200 people dedicated to Athene / Athora

30+ year track record

Additional support functions not typically provided in a traditional asset management agreement

**Highly Aligned: Asset Portfolio Was Built When Apollo Owned ~35% of Athene; Increasing to 100% Post Merger**

Note: As of June 30, 2021.

# Athene is Focused on Principal Protection

## Athene's Balance Sheet Paradigm



- ✓ Balance sheet subject to a “book value” versus “market value” framework
  - One exception is Alternatives, which are marked-to-market (~40% real-time and ~60% lagged 1-3 months)
- ✓ What ultimately matters is *credit*, not temporary mark-to-market fluctuations
- ✓ Athene / Apollo employ a “credit first” philosophy, generating incremental yield for Athene by drawing on our credit underwriting capabilities and underwriting illiquidity (appropriate for Athene’s illiquid liability structure), **not through assuming excess credit risk**

Note: As of June 30, 2021

# Athene Captures Illiquidity Premia Appropriate for Long-Dated, Predictable Liabilities

**8.8 year**

weighted average life of Athene's liabilities<sup>1</sup>

**74%**

of deferred annuities are protected by surrender charges<sup>2</sup>

**5.7%**

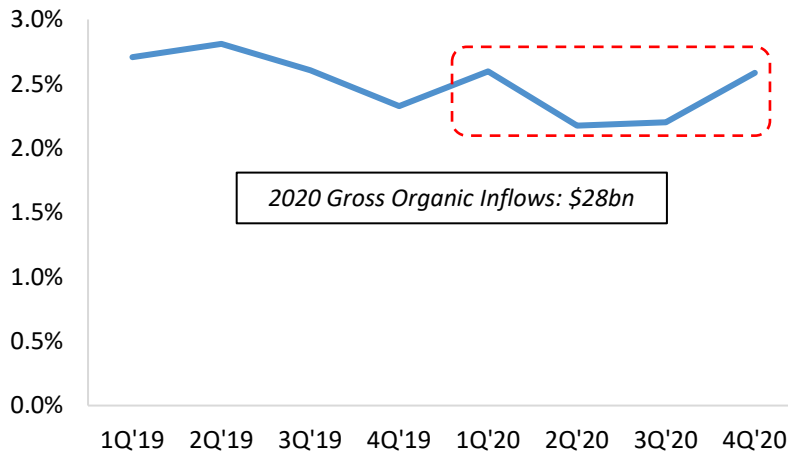
average surrender charge on Athene's deferred annuities<sup>3</sup>

**25%**

of Athene's liabilities are non-surrenderable

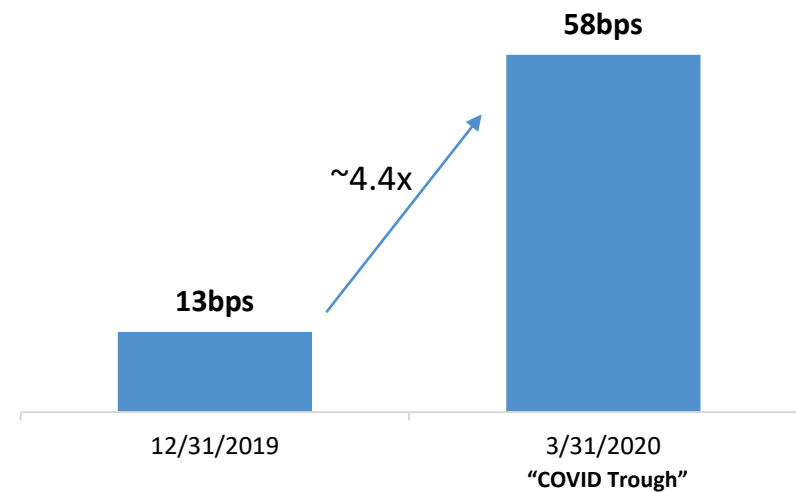
## Athene's Liabilities Stable During Stress

### Quarterly Surrender Rate of Athene's Deferred Annuities



## Peers Overvalue Corp. Bond Liquidity in Stress

### Average Cost to Liquidate IG Corporates<sup>4</sup>



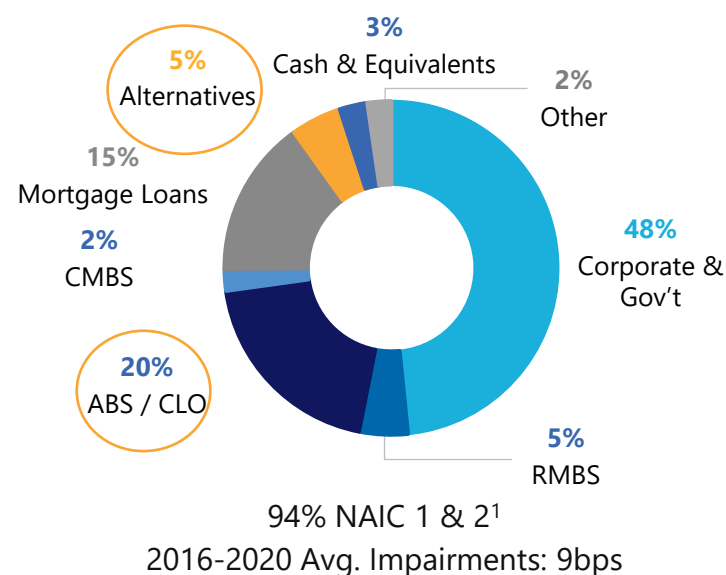
Note: Athene statistics as of June 30, 2021

1. Weighted average life of total reserve liabilities; weighted average life on deferred annuities was 8.6 years. 2. Based on deferred annuities only. Refers to the percentage of account value that is in the surrender charge period. 3. Based on deferred annuities only, excluding the impact of MVAs. Including the impact of MVAs, average surrender charge is 5.0%. 4. Average liquidation cost of bonds in the Bloomberg Corporate Index. Source: BlackRock

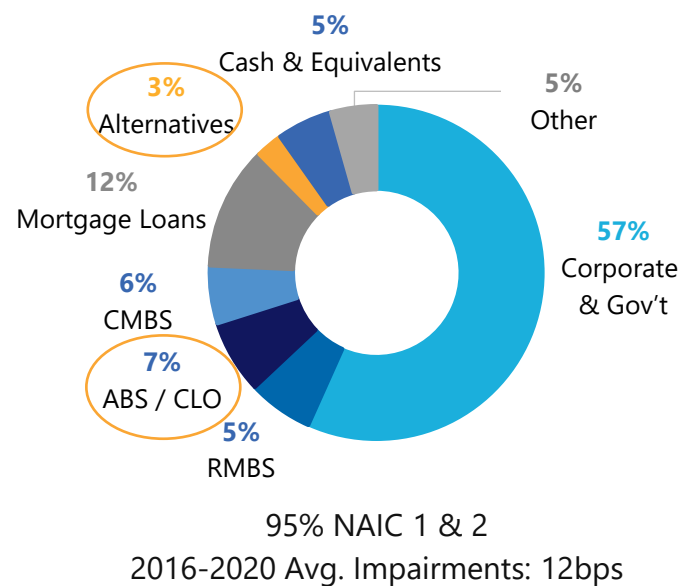
# Athene Targets Incremental Returns Without Incremental Credit Risk

- ~94% of Athene's portfolio is invested in **primarily investment grade fixed and floating rate assets**
- Target asset classes which bring **illiquidity** or **structuring** complexity premium, **not incremental credit risk**
- Focus on **directly originated, senior secured loans** where control of origination results in better risk-adjusted returns

## Athene Portfolio



## Peers

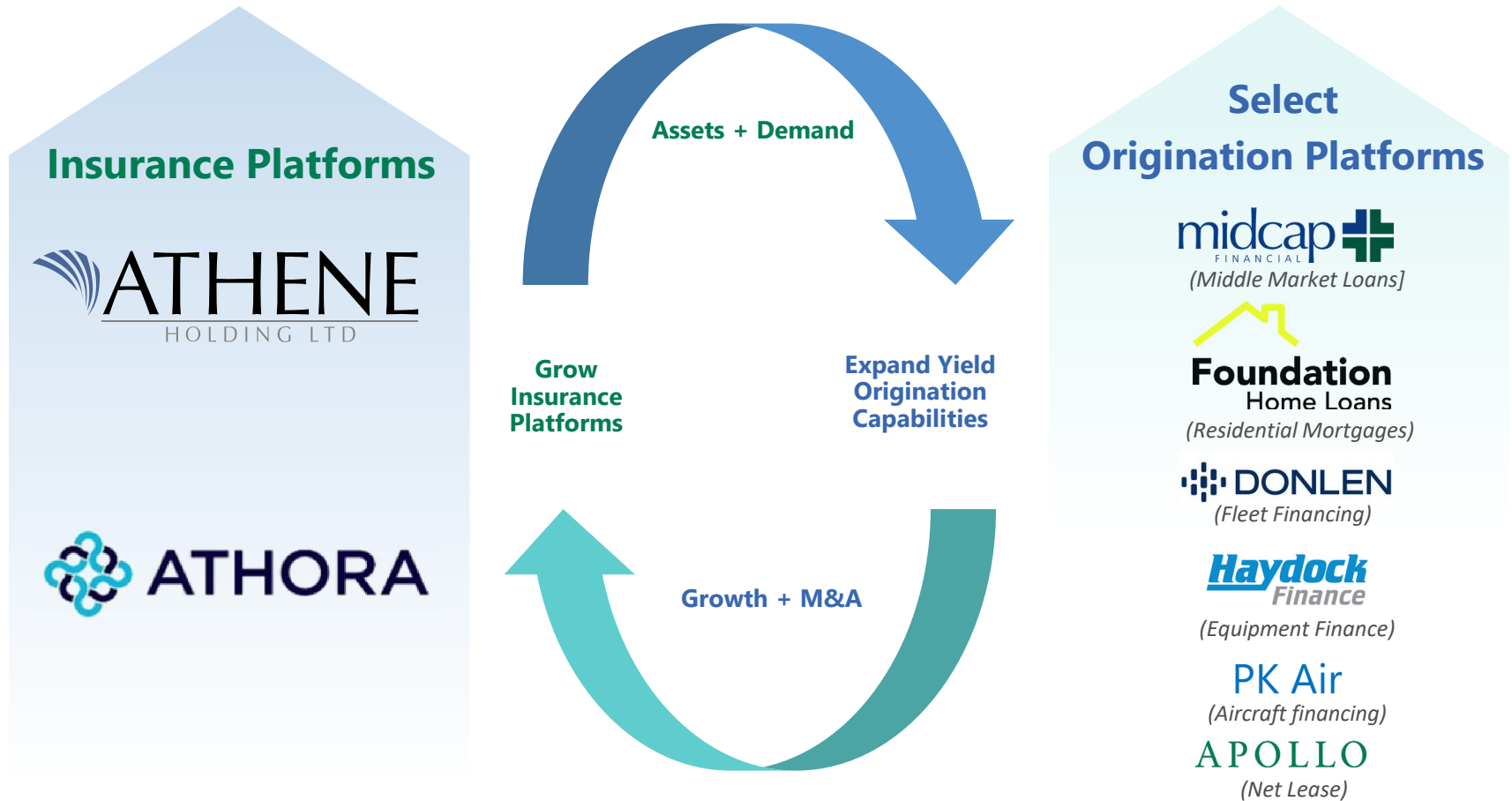


**Key Differentiators: High Quality Private Credit, Structured Credit, Downside-Protected Alternatives**

Note: Athene net invested assets and peers as of June 30<sup>th</sup>, 2021. Peer assets allocations represent weighted average allocations per GAAP Disclosures. Peer U.S. statutory impairments per SNL Financial, average includes AEL, AIG, AMP, BHF, EQH, FG, LNC, MET, PFG, PRU, VOYA and Transamerica. For Athene, U.S. statutory data adjusted to include impairments and assets in Bermuda  
1. AFS fixed maturity securities including related parties and ACRA noncontrolling interests

# Direct Origination Platforms Drive Symbiotic Growth

Platforms Have Originated over \$14 billion of Assets For Athene<sup>1</sup>



Private Markets Have High Barriers of Entry

*“Private markets are 5x more resource-intensive than public markets”- BlackRock Global Insurance Report*

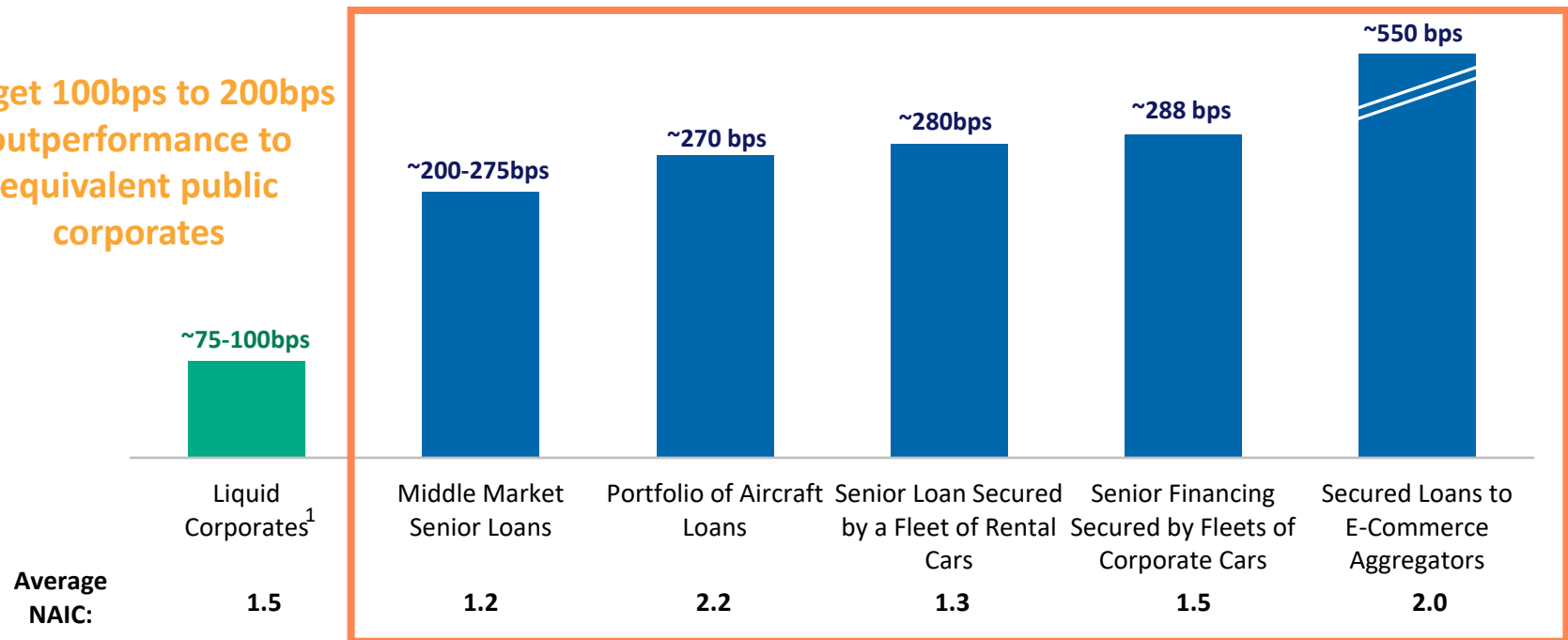
1. Represents net invested assets on Athene’s balance sheet as of June 30<sup>th</sup>, 2021 that were originated by direct origination platforms managed by Apollo.

# Athene Benefits from Apollo Direct Origination Platforms

- Assets directly originated by platforms typically exhibit **differentiated risk-return characteristics**, including:
  - ✓ Generate top of the capital structure senior-secured assets with superior credit attributes to comparable corporates
  - ✓ Control the origination process from opening to closing of the loan
  - ✓ Full access to counterparty diligence
  - ✓ Greater control over terms, credit documentation, and syndication
  - ✓ Disintermediate 'middle-men' and reduce friction costs for the insurance company, enhancing yield

## Illustrative On The Margin Spreads For Investment Grade Tranches

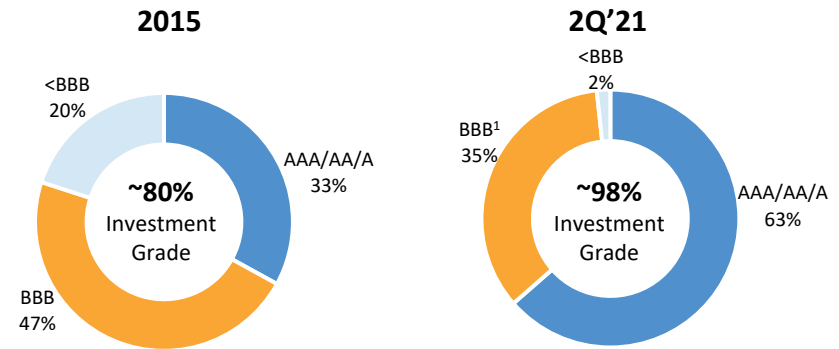
Target 100bps to 200bps outperformance to equivalent public corporates



1. Ranges based on A and BBB opportunities in the market as of June 25, 2021

# Apollo / Athene Take an Active Approach to Asset Risk Management

**Positioned CLO Portfolio into  
~98% Investment Grade Tranches**



**Significant Pre-Covid Reduction to  
Regional Mall CRE Exposure**

- Proactively reduced regional mall exposure beginning in early-2018 (currently ~50 bps of CML portfolio)
- Retail is only 12% of CML portfolio, of which 89% 1st lien mortgage

**Proactive CRE Management During COVID**

- Recent originations almost exclusively focused on 1st lien mortgages
- Negotiated consensual short-term forbearance and modification agreements together with new sponsor equity contributions

**Early COVID, Rebalanced Corporate  
Portfolio to Build Liquidity  
Before Going on Offense**

- Established additional \$2bn of committed repo facilities to further support on-demand liquidity
- Deployed liquidity at attractive risk-adjusted returns as the economy stabilized during the 2nd half of 2020

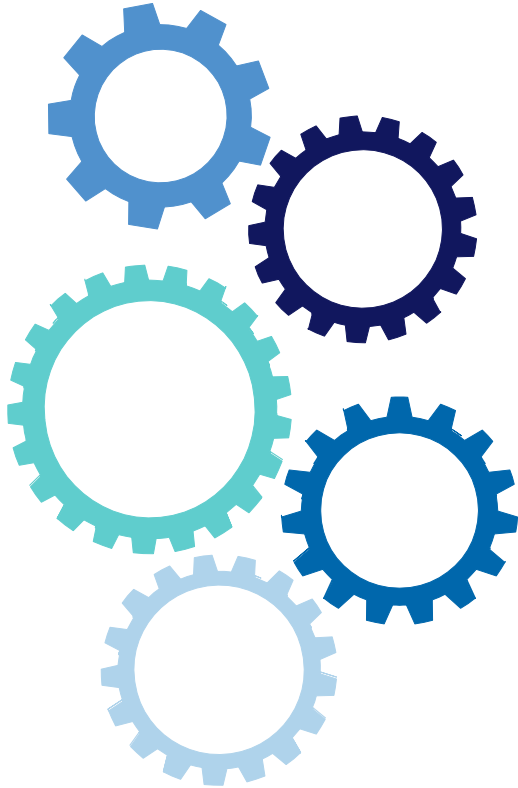
1. 33% of CLOs rated BBB and 2% non-rated. Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled loan-backed and structured securities (LBaSS), the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology



# Risk Management Overview

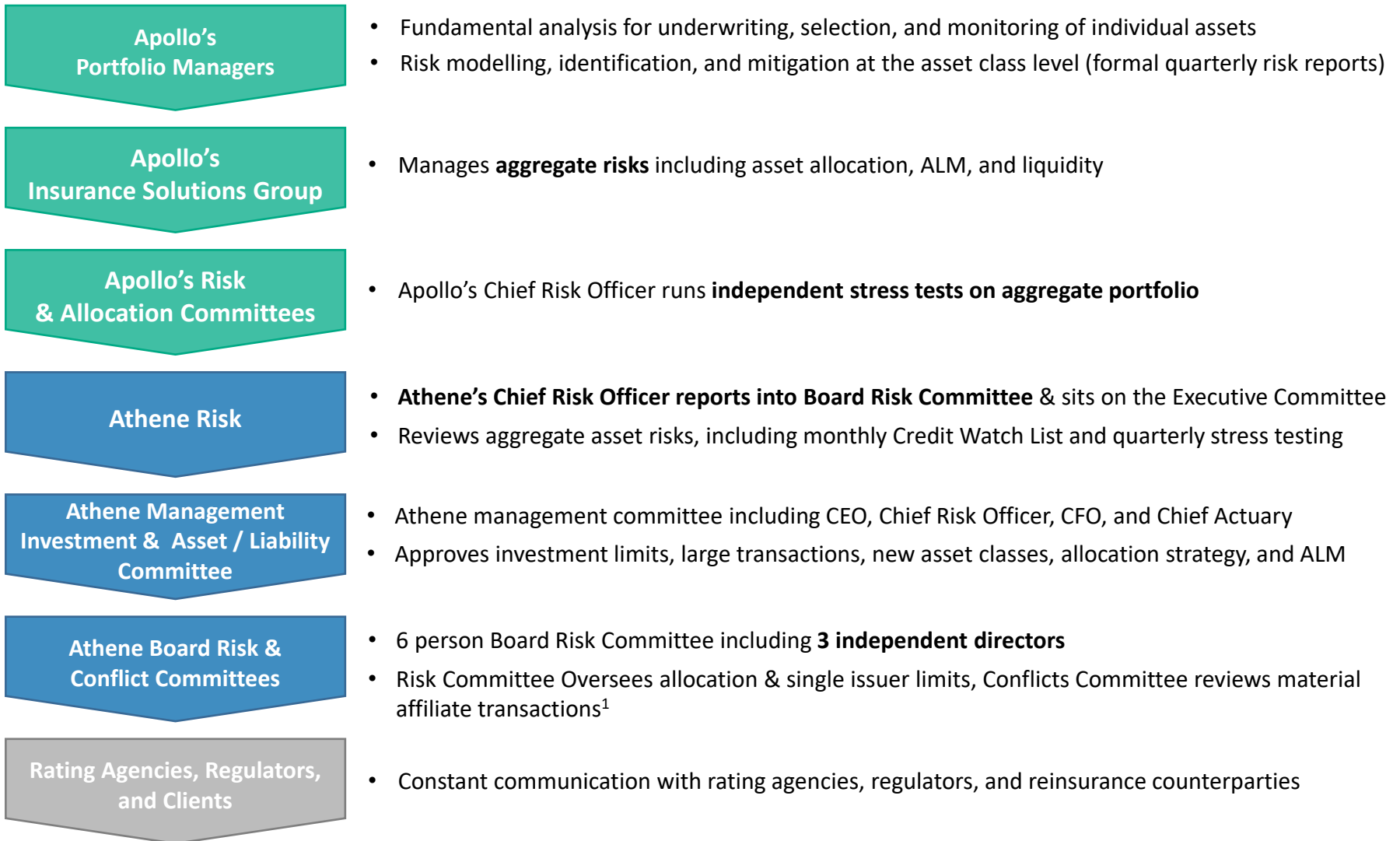
# Risk Management is Embedded in Everything We Do

Manage Athene's Risks So That It Can Grow Profitably Across Various Markets



- Robust risk management framework and procedures
- Risk appetite is to avoid ratings downgrades in a typical “recession” scenario, and maintain investment grade ratings in a “deep recession” scenario more severe than 2008/2009
- Risk strategy, investment, ALM and liquidity compliance policies at the board and management levels
- Engage in active management of the asset portfolio
- Stress testing plays a key role in defining risk appetite
- Stress tests are performed on both sides of the balance sheet
- Risk team plays a key role in assessing inorganic opportunities

# Multiple Layers of Risk Oversight



1. As defined in the Charter of the Conflicts Committee

# Overview of the Stress Methodology

- Risk appetite is to avoid ratings downgrades in a typical 'recession' scenario, and maintain investment grade ratings in a 'deep recession' scenario more severe than 2008/2009
- Defined scenario stresses based on severe economic scenarios over a one to two year period.

**1 Corporates** – Utilize Moody's historical recession era bond default rates and recovery rates. Deep recession applies two year cumulative defaults experienced during both 2008 and 2009

**2 CLO** – Based on Moody's historical recession era speculative grade default rates, while remaining more conservative compared to history

**3 Non-Agency RMBS** – Full model re-generation of each security's cash flows using Housing Price Index/unemployment values observed during historical recessions

**4 Commercial Mortgage Loans ('CMLs')** – Simulating defaults and severities based on rent growth and cap rates observed during 2008

**5 Alternatives** – Loss estimated by shocking spreads to extremely wide levels observed during peak crises; Strategic alternatives modeled individually from the bottom up using Apollo's private equity diligence capabilities

# Stress Assumptions in Historical Context

	Athene Assumptions		Sample Historical Recession Data				
	Baseline Recession Scenario	Deep Recession Scenario	1990	2001	2008	Euro 2016	COVID 2020 <sup>1</sup>
<b>10 Yr US Treasury Yield</b>	Down 60% (e.g. ~70bps)	Down 83% (e.g. ~120bps)	Up 4%	Down 21%	Down 43%	Down 84% <sup>2</sup>	Down 68%
<b>Absolute Spreads (BBB / B)</b>	279bps / 802bps <sup>3</sup>	636bps / 1,789bps <sup>3</sup>	240bps / NA	318bps / 1,083bps	642bps / 1,913bps	317bps / 876bps	474bps / 1139bps
<b>Equity Markets<sup>4</sup></b>	(34%)	(49%)	(20%)	(30%)	(49%)	(12%)	(34%)
<b>Fixed Income Defaults (BBB / B)</b>	0.7% / 12.9%	1.4% / 13.7%	0.3% / 13.7%	1.0% / 9.2%	0.9% / 7.1%	0.0% / 2.4%	0.1% / 6.2%
<b>Housing Price (Peak to Trough)</b>	(3%)	(27%)	(3%)	No Decline	(33%)	No Decline	No Decline

Key Levers  
Driving Losses

Source: Spread –JPMorgan US Liquid Index (JULI) BBB Spread (Libor) for BBB and JPMorgan Domestic HY Spread to Worst for B, except for 1990 and Euro 2016. For 1990: Federal Reserve Bank of St. Louis, Moody's Seasoned Baa Corporate Bond Yield Relative to Yield on 10-Year Treasury Constant Maturity BAA10Y as JP Morgan indices were not available. For Euro 2016: JPMorgan US Liquid Index (JULI) BBB Spread (Treasury) on Feb 10th 2016 for BBB and JPMorgan Developed Market Single B HY Spread to Worst on Feb 9th, 2016 for B. FI Default – For COVID 2020: Moody's Monthly Default Report from Moody's Investor Services. For historical experiences: Moody's Annual Default Study, Corporate Default and Recovery Rates. There is no guarantee that Athene will be able to replicate actual historical recession experience under current market conditions or during future recessions.

1. 10yr US Treasury Yield: Feb 19, 2020 to COVID trough on Aug 4, 2020; Spreads: peak daily absolute spreads during 2020; Equity Markets: SPX pre-COVID peak on Feb 19, 2020 to COVID trough on Mar 23, 2021; FI defaults: peak TTM BBB and B US bond default rates during 2020; Housing price: No decline in TTM Corelogic National HPI index during 2020. 2. German 10-year bund yield. 3. Indicative levels, actual absolute spreads determined formulaically based on prevailing market spreads, predetermined spread multipliers and ceilings. 4. Primarily for representative purposes. Stress scenarios apply customized stresses as relevant for Alternatives sub-categories. Adjusted equities recession shock to reflect worst peak to trough drop, in place of average, during recession years (1990-1991, 2001-2002)

# Athene's Stress Test Results Muted by One Year of Earnings

## Compares to \$4bn of Excess Equity Capital

(\$bn)	Q2'21 Portfolio Allocation	Recession Scenario		Deep Recession Scenario	
		\$bn Impact	% of Net Invested Assets	\$bn Impact	% of Net Invested Assets
Corporate & Gov't Losses	47%	(\$0.4)	(0.5%)	(\$0.7)	(0.9%)
Structured Assets (CLO / ABS) Losses	20%	(\$0.1)	(0.2%)	(\$0.1)	(0.3%)
Commercial Mortgages (CML / CMBS) Losses	14%	(\$0.2)	(0.8%)	(\$0.5)	(2.4%)
Residential Mortgages (RML / RMBS) Losses	8%	(\$0.2)	(1.2%)	(\$0.4)	(3.4%)
Alternatives <sup>1,2</sup> Mark to Market	5%	(\$1.0)	(12.4%)	(\$1.7)	(21.3%)
Other <sup>3</sup> Losses	5%	(\$0.1)	(0.8%)	(\$0.1)	(1.1%)
<b>Subtotal<sup>1,4</sup></b>		<b>(\$1.8)</b>	<b>(1.1%)</b>	<b>(\$3.5)</b>	<b>(2.2%)</b>
Required Capital Impacts		(\$0.2)	(0.1%)	(\$0.6)	(0.4%)
<b>Total Impact on Excess Capital<sup>1</sup></b>		<b>(\$2.0)</b>	<b>(1.3%)</b>	<b>(\$4.1)</b>	<b>(2.6%)</b>
1 Year of Statutory Earnings <sup>5</sup>		\$2.0		\$2.0	
Illustrative Management Action During Deep Recession <sup>6</sup>		n.a.		\$1.5	
<b>Net Impact on Excess Capital</b>		<b>\$0.0</b>		<b>(\$0.6)</b>	
<b>Memo: Pro Forma Excess Capital</b>		<b>\$4.0</b>		<b>\$3.5</b>	

Note: Stress results assumed to occur instantaneously. Results are peak to trough losses estimates.









1. Excludes Athene's investment in Apollo Operating Group (AOG) units. 2. Mark to market impact on alternatives is unrealized and would be expected to recover over time, consistent with historical and recent experience 3. "Other" includes Equities, Preferred Stock, Cash and Derivatives. 4. Total loss estimate is based upon a single scenario involving a discrete set of assumptions regarding economic conditions. Actual economic conditions in a stressed environments may differ significantly from those assumed and actual loss experience may differ from the estimate presented above and such difference could be material. 5. 2020 STAT earnings and capital released from run-off. 6. Illustrative management action above reflects issuing approximately 50% of Athene's untapped debt capacity as of June 30, 2021.

# Detail on Impact on Excess Equity Capital from Stress & Downgrades

<i>(\$bn)</i>	Recession Scenario	Deep Recession Scenario	Every Asset Downgraded One NRSRO Notch <sup>1</sup>
Corporate & Gov't	(\$0.7)	(\$1.1)	(\$0.3)
Structured Assets (CLO / ABS)	(\$0.5)	(\$0.9)	(\$0.1)
Commercial Mortgages (CML / CMBS)	(\$0.1)	(\$0.2)	(\$0.1)
Residential Mortgages (RML / RMBS)	(\$0.0)	(\$0.1)	(\$0.1)
Alternatives / Other	\$0.7	\$1.1	(\$0.1)
<b>Subtotal</b>	<b>(\$0.7)</b>	<b>(\$1.1)</b>	<b>(\$0.6)</b>
Less: Impact of Assets that Were Downgraded in the Prior 12 months <sup>2</sup>	\$0.5	\$0.5	n.a.
<b>Required Capital Impacts</b>	<b>(\$0.2)</b>	<b>(\$0.6)</b>	<b>n.a.</b>

1. Athene's \$19bn of CMLs that are rated by the NAIC but not by a NRSRO were assumed to have the same distribution as Athene's broader fixed income portfolio by NRSRO ratings within each NAIC rating. The results are similar if we instead assume the same NRSRO rating distribution within each NAIC rating bucket as the corresponding historical 25 year average in the US IG and HY corporate bond market. 2. Athene's stress testing framework assumes that modelled downgrades in stress are partly offset by the actual impacts on excess capital from downgrades in the prior 12 months. This assumption reflects the current market conditions in which the stress is being modelled

# Multiple Available Management Actions in Stress

	Action	Illustrative Capital Benefit	Actionability
Capital Markets	Issue Senior Unsecured Debt	~\$2.8bn <i>(to 25% Debt to Cap)</i>	
	Issue Preferred	~\$0.4bn <i>(to 15% Pref to Cap)</i>	
	Draw Revolver	~\$1.8bn <i>(\$1.75bn revolver)<sup>1</sup></i>	
Reduce Capital Usage	Reduce Share Buybacks	~\$0.2bn <i>(current authorization)</i>	
	Buy Fewer New Alternatives	~\$0.5bn <i>(no new alts for 1 year)</i>	
	Reduce Organic Volumes	~\$1.0bn <i>(50% reduction in planned volumes for 1 year)</i>	
Other	Reinsure Select In-Force Blocks	~\$1.0bn <i>(select identified blocks)</i>	
	Change in-force crediting rates	~\$0.5bn <i>(If credited rates taken to half way to contractual minimums)<sup>2</sup></i>	

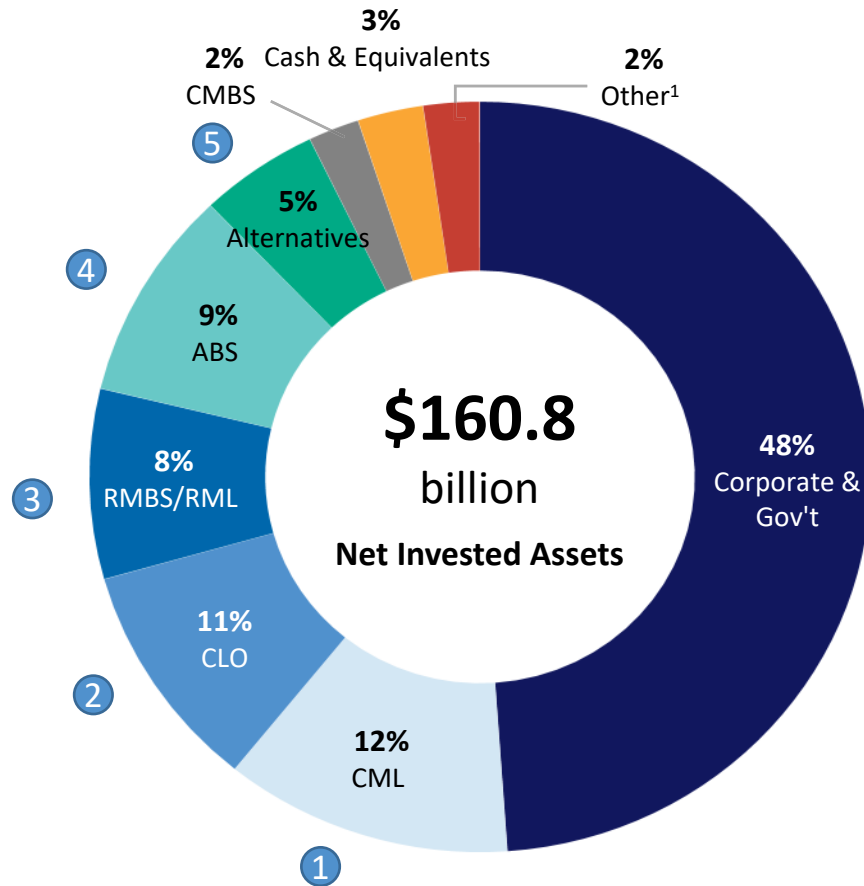
1. Drawing the Revolver would reduce undrawn debt capacity. \$1.25bn revolver with \$0.5bn accordion feature 2. Crediting rate action on deferred annuities



# Select Asset Class Deep Dives

# Differentiated Investment Portfolio Capabilities Drive Returns

Dedicated Deep Dives on Each Asset Class Follow



\$56 billion of assets with a high degree of liquidity of which \$16bn are public corporates rated A or better (e.g. public corporate bonds, municipal bonds, US and foreign government bonds)

94% of AFS fixed maturity securities designated NAIC 1 and NAIC 2<sup>2</sup>

20% invested in floating rate instruments, offsetting potential lapse risk on liabilities from higher rates

Net duration matched

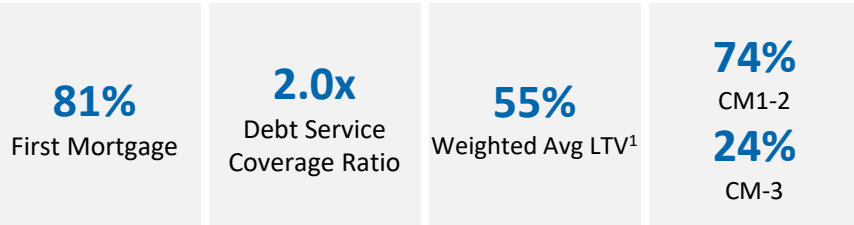
Note: As of June 30, 2021. Net invested assets includes Athene's proportionate share of ACRA investments, based on Athene's economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. 1. "Other" includes AOG, Accrued Income, Equity Securities, Policy Loans, and Short-Term Investments. 2. As of June 30, 2021, including related parties and ACRA noncontrolling interest.

# 1 Commercial Mortgage Loan (CML) Portfolio Overview

\$19 billion of Net Invested Assets, 12% of Athene's Asset Portfolio

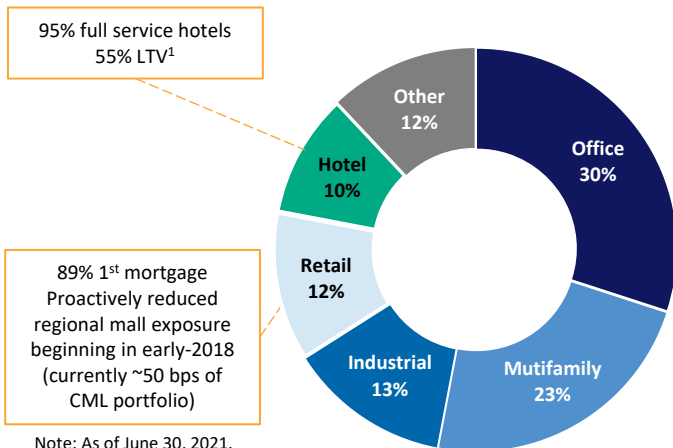
## Key Portfolio Stats

Portfolio construction guided by late cycle of CRE last few years  
High quality sponsors with deep pockets



~\$3.8 billion of CMLs either pledged or eligible to be pledged to the FHLB

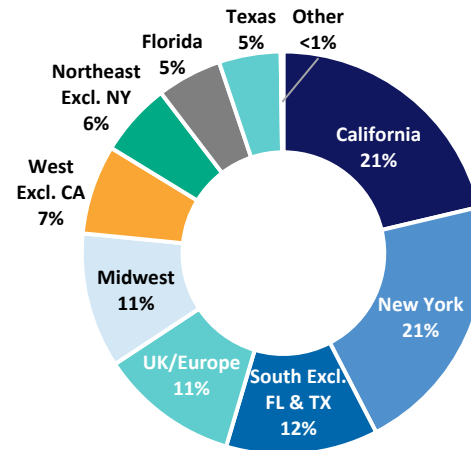
## Underlying Property Type



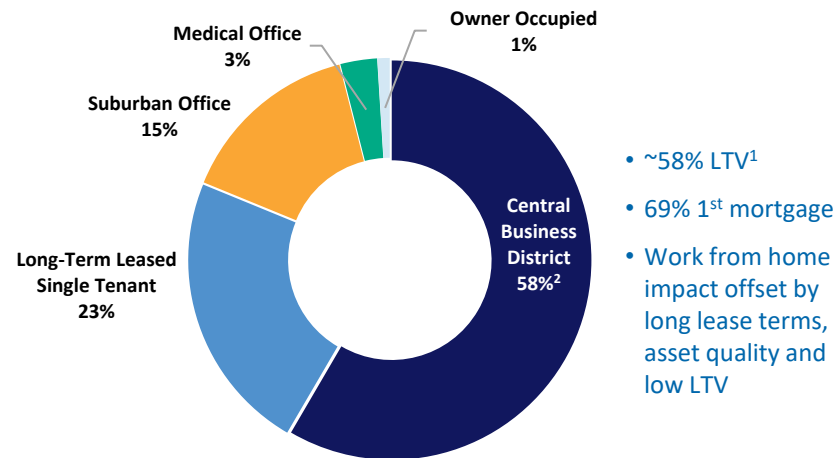
Note: As of June 30, 2021.

1. Based on value at origination. 2 NYC accounts for ~33%, LA ~14%, SF ~9%, Chicago ~7%, Paris ~5%, and London ~4% of CBD exposure

## Portfolio Geography



## CML Office Portfolio by Underlying Exposure

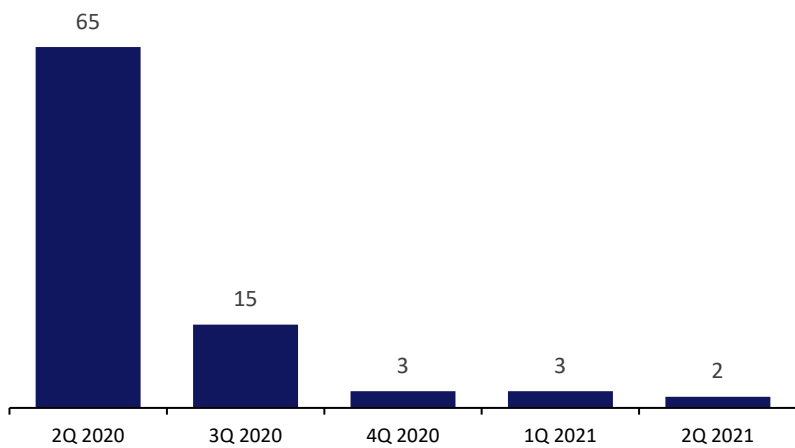


# 1 CML Performance Through COVID

## Summary

- **CML portfolio delinquencies have remained low:**
  - ✓ <1% CML portfolio delinquent throughout COVID
  - ✓ ~99.9% CML positions paid current through 6/30
- **Proactive asset management efforts:**
  - ✓ Negotiate consensual short-term forbearance and modification agreements together with new sponsor equity contributions
  - ✓ Forbearances have gradually burned off as assets recover
- **Impairments to-date below expectations:**
  - ✓ ~\$30MM since 1/1/2020 (~15 bps of CML portfolio)
  - ✓ Concentrated in mall positions (~50 bps of CML portfolio)

## Active Forbearance Trends (# Loans)



Note: As of June 30, 2021.

## Case Study: Nashville Mixed-Use Project



**Transaction Overview:** In September 2019, Apollo originated a \$157 million first mortgage on behalf of Athene

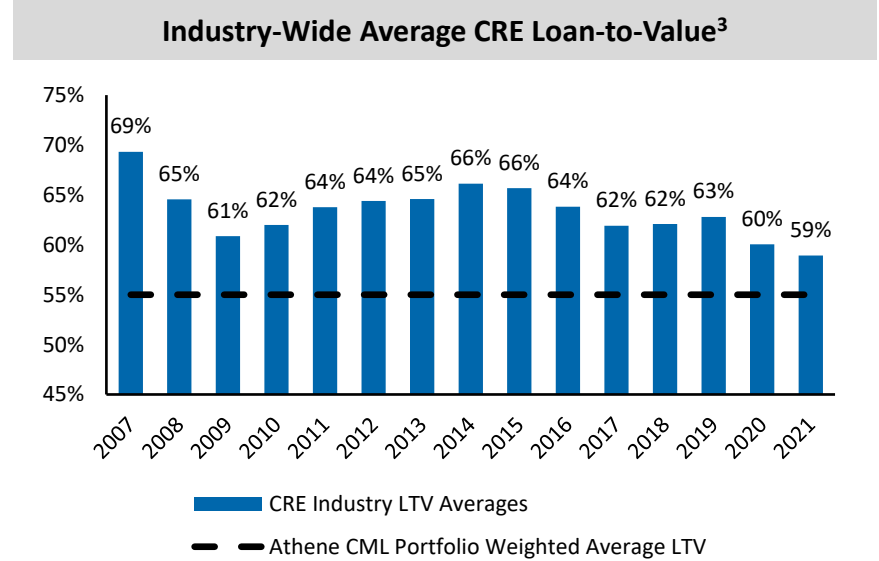
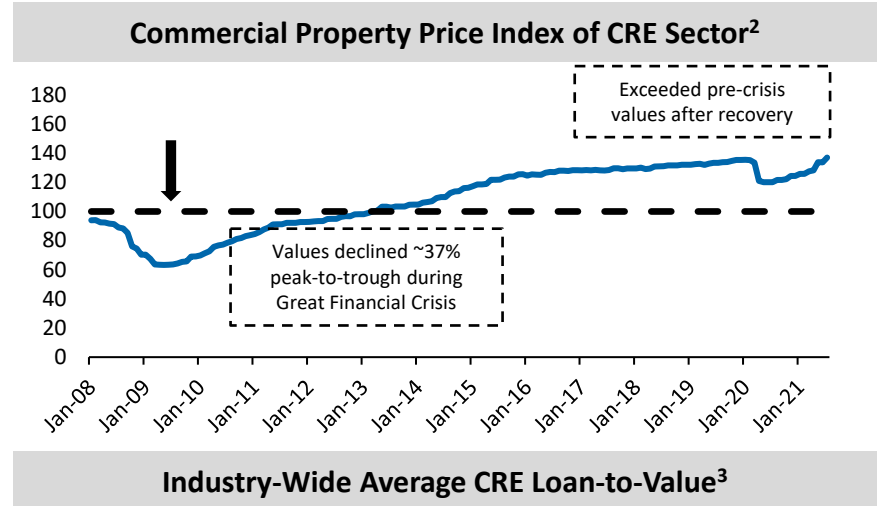
### Deal Details

- Secured by luxury mixed-use project including 350 multi-family units, 180-room hotel, 32K sf of retail and 629 parking spaces
- ~63% LTV at origination
- \$38 million of 3rd party debt subordinate to Athene's position
- Sponsor requested short-term forbearance from Athene and third-party mezzanine lenders in 2020 due to COVID impact
- Consensual agreement executed deferring portion of lenders' interest for 2020. Sponsor continued to carry operating expenses and loan in a cash trap until all deferred amounts repaid
- Sponsor resumed repaying full interest upon expired deferral periods. Athene deferred interest payments have been fully repaid
- Property performance gradually recovering led by multifamily performance (90% current occupancy)

# 1 CML Performance in Stress

Athene's Conservative Weighted Average CML LTV of ~55% could Withstand Worse than 2008 / 2009

- ✓ **Predominately senior positions in the capital stack**
  - ~81% of the CML portfolio consists of senior positions at a conservative average LTV of ~55%<sup>1</sup>
- ✓ **Subordinate debt consists of senior mezzanine positions**
  - Generally at similar LTV as first mortgages
  - Significant subordinate debt and equity from institutional sponsors
- ✓ **Hard asset class secured by tangible property**
  - Real estate has historically preserved significant value over economic cycles and provides downside protection
- ✓ **Focused on LTV**
  - Weighted average first mortgage LTV of ~53%<sup>1</sup>
  - Weighted average subordinate LTV of ~64%<sup>1</sup>
- ✓ **Well positioned to take advantage of liquidity events**
  - Well-capitalized investors such as Athene have the ability to take over a troubled property at an attractive valuation and capitalize on rising property values when the market recovers



Note: Data as of June 30, 2021

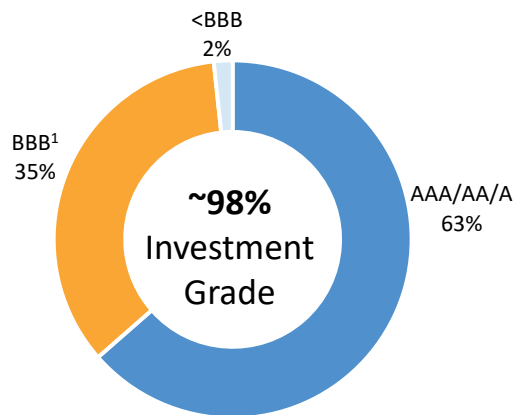
1. LTV based on value at origination. 2. Source: Green Street Advisors. Includes all commercial real estate property types. 3. Source: Real Capital Analytics. 2021 reflects YTD as of June

## 2 Collateralized Loan Obligation (CLO) Portfolio Overview

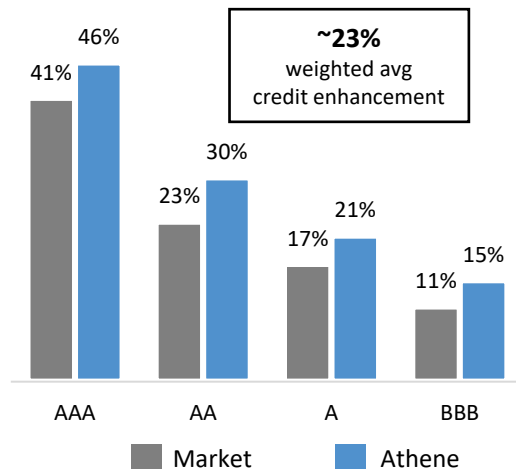
\$17 Billion of Net Invested Assets, 11% of Athene's Asset Portfolio

- Athene's CLO portfolio is **98% investment grade** and **99% of the underlying loans are senior secured first lien**
- Given superior credit underwriting and risk selection, the **weighted average credit enhancement of Athene's CLOs is higher** than the broader market at each ratings level
- Apollo's scale provides Athene **access to unique insights**, including in the selection of its diversified set of >100 3<sup>rd</sup> party managers

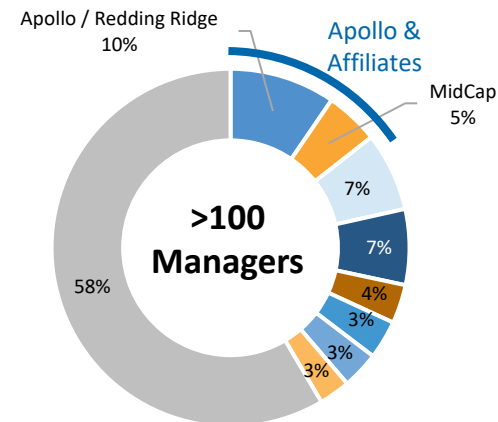
CLO Portfolio by Ratings



CLO Credit Enhancement<sup>2</sup>



CLO Portfolio by Manager



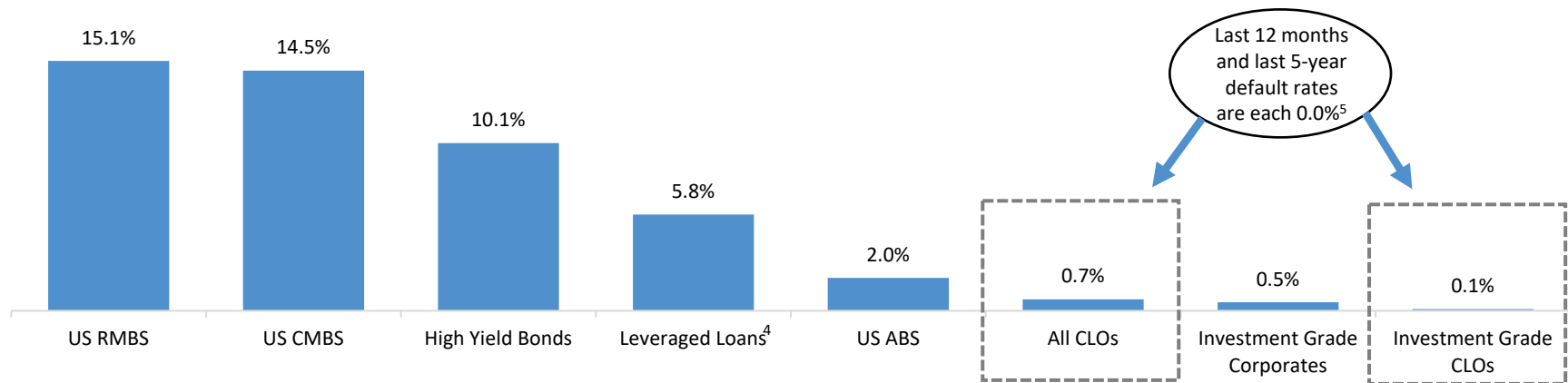
Note: All data is as of June 30, 2021

1. 33% of CLOs rated BBB and 2% non-rated. Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology 2. Credit Enhancement refers to par subordination or the amount of loss that can be absorbed by the structure before impacting the owned tranche.

## 2 Why are CLOs Attractive?

- CLOs allow investors to access a **diversified portfolio** of **senior secured** loans with **significant credit enhancement** and additional **structural protections** relative to corporate bonds
  - The underlying loans are typically first lien, senior secured, and rated BB or B
  - Because they get paid first from the interest in a large pool of senior secured loans, CLO debt investors take less risk than investing in the underlying loans directly and typically demand a lower yield than the interest earned on the underlying loans
- Investment grade CLO debt has had lower average loss rates than investment grade corporates since 1993<sup>1</sup>
  - No CLO debt issued since Lehman / Great Financial Crisis has experienced principal impairment<sup>2</sup>
- CLOs provide better **downside protection** and generate >175bps of additional spread<sup>3</sup> vs. similarly rated corporates
- CLOs are **actively managed**; during the reinvestment period, the manager may buy and sell assets, subject to asset quality covenants
- CLOs issued post 2008 / 2009 have features designed to protect CLO debt investors if the CLO's underlying loans underperform (e.g. cash flow diversion triggers, which, if breached, redirect interest to buy collateral or repay senior debt)

**Historical Avg Cumulative Loss Rates over Trailing 5 Year Period by Asset Class (1993 –2021)<sup>1,2,5</sup>**

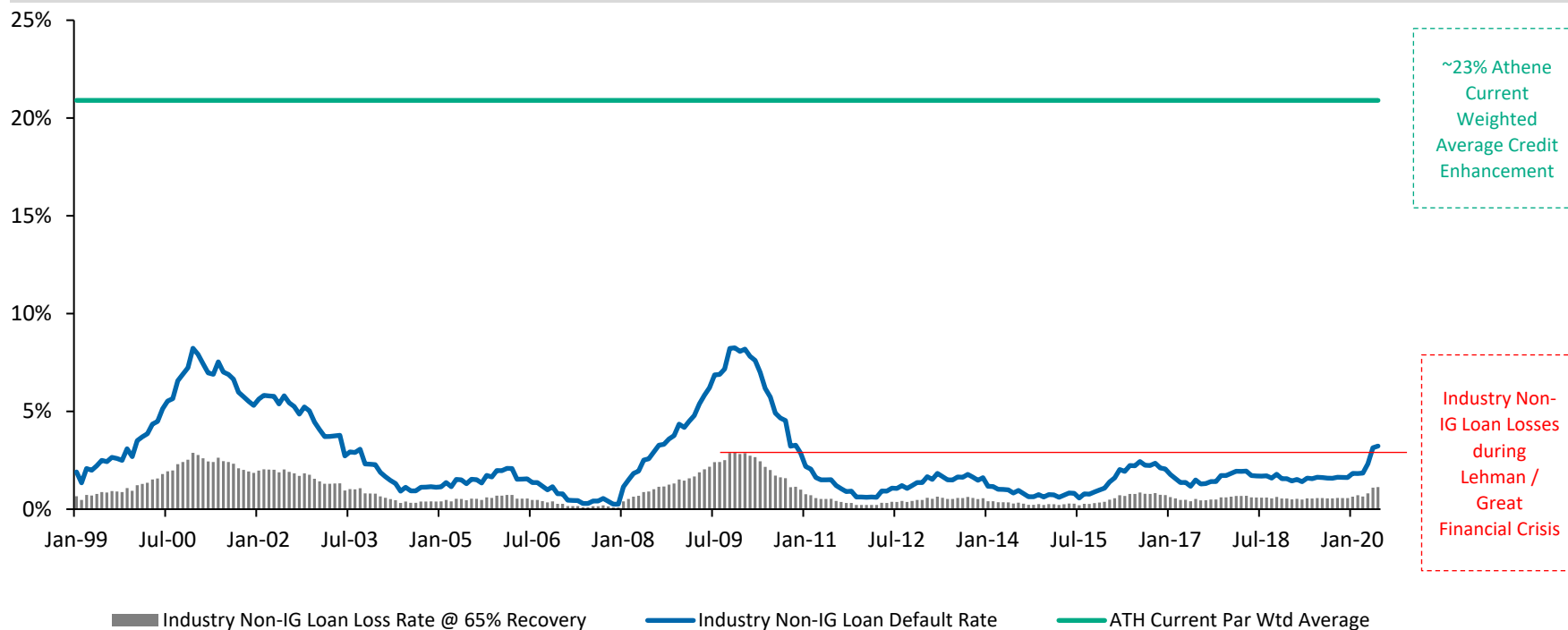


1. "Loss Rates" refer to default rate net of recoveries. Source: Moody's The Performance of Moody's structured finance ratings – Q1 2021 (April 2021). 2. Moody's Impairment and loss rates of structured finance securities 1993-20 (June 2021). 3. Net of fees, based on market spreads to swap rates as of June 30, 2021 for a portfolio of CLOs with the same ratings profile as Athene's existing CLO portfolio compared to corporate bonds with a 5-year duration and same ratings profile 4. Data for leveraged loans is from JP Morgan and references data from and 1998 to 2020. 5. Moody's The Performance of Moody's structured finance ratings – Q2 2021 (July 2021).

## 2 Athene's CLO Portfolio Has Significant Credit Enhancement to Withstand Default Rates Far in Excess of Historical Events

- Athene **regularly stresses its asset portfolio** and would expect **no principal impairments** on its CLO debt portfolio in a “Recession” scenario which utilizes more punitive stress assumptions for CLOs than experienced during Lehman / Great Financial Crisis<sup>1</sup>
- In an even more severe “Deep Recession” scenario, Athene would expect <\$14 million, or 12 basis points, of principal impairments on its CLO debt portfolio

Historical Industry Non-Investment Grade Loan Default and Loss Rates<sup>2</sup>



1. Based on internal estimates. 2. Source: LCD, Intex, S&P, Moody's, Wells Fargo Securities.

## 2 CLOs Year over Year: “What We Said” and “What Happened”

- In August 2020, we published a deep dive on our CLO portfolio and its performance in stress (see [here](#))<sup>1</sup>
- During the market volatility in Q2 2020, CLO markets spreads rose materially. However, Athene’s long-term, persistent liabilities support it holding CLOs to maturity such that Athene is not a forced seller during market volatility
- Athene’s CLO portfolio has performed extremely well; with **no credit losses and more ratings upgrades than downgrades**
- Athene was able to use its position of strength to invest in additional CLOs, locking in long-term, attractive risk-adjusted returns

What We Said (in August 2020)	What Happened
....Defaults would remain low for high quality loan borrowers.	<ul style="list-style-type: none"> <li>• No CLO position we own has defaulted</li> <li>• Default rate for loan borrowers in our CLO portfolio is 0.3%</li> </ul>
....Ratings Downgrades would moderate	<ul style="list-style-type: none"> <li>• <b>More ratings upgrades than downgrades</b> (only 4.3% of portfolio was downgraded; 4.5% has since been upgraded)</li> <li>• Our portfolio is of <b>higher quality today than a year ago</b> (increased its credit enhancement from 22% to 23%)</li> </ul>
....CLO self-corrective features would protect our exposure	<ul style="list-style-type: none"> <li>• We have suffered <b>no credit losses</b></li> <li>• CLO structures continue to work as designed</li> </ul>
....We preferred an up-in-credit bias	<ul style="list-style-type: none"> <li>• 99% of deployment in the past year has been investment grade</li> </ul>

1. Linked presentation is not incorporated by reference

## 2

## CLO Portfolio: Well Diversified Underlying Assets

Top Industry Exposures Underlying Athene's CLO Portfolio				
No.	Name	2Q 2020 Portfolio	2Q 2021 Portfolio	2Q 2021 Cumulative
1	Healthcare & Pharmaceuticals	13%	12%	12%
2	High Tech	10%	10%	23%
3	Services: Business	8%	7%	30%
4	Banking, Finance, Insurance & Real Estate	8%	9%	39%
5	Hotels, Gaming & Leisure	5%	4%	43%
6	Media: Broadcasting & Subscription	4%	5%	48%
7	Beverage, Food & Tobacco	4%	4%	52%
8	Telecommunications	4%	4%	56%
9	Chemicals, Plastics & Rubber	4%	4%	59%
10	Capital Equipment	3%	3%	63%
11	Containers, Packaging & Glass	3%	3%	66%
12	Retail	3%	2%	68%
13	Automotive	3%	3%	71%
14	Services: Consumer	3%	3%	74%
15	Construction & Building	3%	3%	77%
16	Aerospace & Defense	3%	3%	80%
17	Consumer Goods: Non-Durable	2%	2%	82%
18	Utilities: Electric	2%	2%	84%
19	Energy: Oil & Gas	2%	2%	86%
20	Consumer Goods: Durable	2%	2%	88%

→ ✓ **Resilient top exposures, with consistent diversity year over year**

→ ✓ **Diversified Portfolio: Top 10 industries = ~60% of portfolio**

→ ✓ **Actively managed portfolio to deemphasize energy, retail, and consumer goods**

Note: As of June 30, 2021. Based on CLOs included in Athene's net invested assets

# 3 Residential Mortgage Loans (RML) and Residential Mortgage-Backed Securities (RMBS) Portfolio Overview

\$13 Billion of Net Invested Assets, 8% of Athene's Asset Portfolio

## Key Portfolio Facts

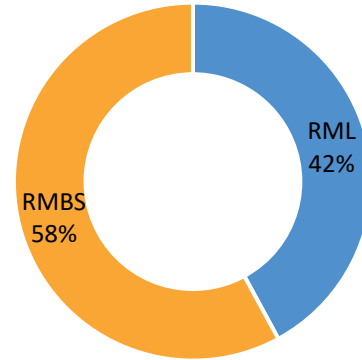
**93%**  
of RMBS  
designated  
NAIC 1/2

**15-25%**  
RMBS Purchase  
Discount to Par

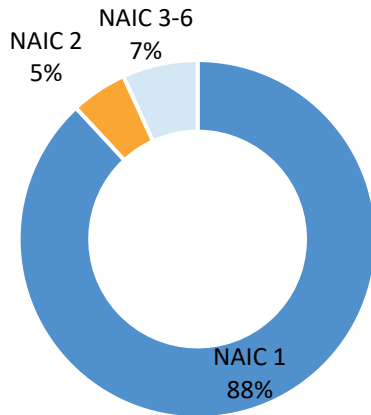
**93%**  
of RMLs  
"in good  
standing"<sup>1</sup>

**51%**  
Average LTV  
Across Portfolio

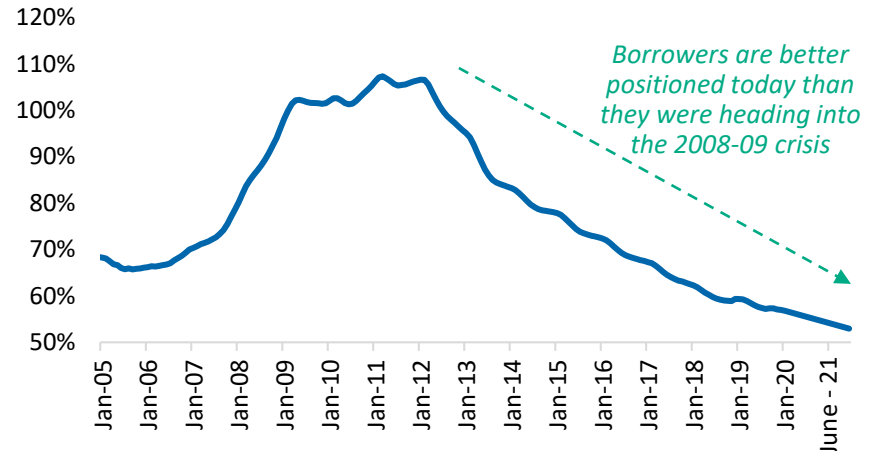
## Portfolio By Type



## RMBS Portfolio By NAIC Designation



## Athene's Borrower-Level LTVs: Then vs. Now



Note: As of June 30, 2021.

1. In Good Standing reflects loans that are less than 90 days delinquent

### 3 Residential Mortgage: Performance in Stress

#### Illustrative Loss Scenarios<sup>1</sup> (bps)

		Home Prices vs. Today				
		(5%)	(10%)	(15%)	(20%)	(25%)
Unemployment Rate	7.7%	0.31%	0.41%	0.56%	0.81%	1.24%
	9.7%	0.37%	0.48%	0.65%	0.92%	1.36%
	11.7%	0.42%	0.55%	0.72%	1.01%	1.46%

#### Illustrative Loss Scenarios<sup>1</sup> (\$mm)

		Home Prices vs. Today				
		(5%)	(10%)	(15%)	(20%)	(25%)
Unemployment Rate	7.7%	\$42	\$55	\$77	\$111	\$168
	9.7%	\$50	\$65	\$88	\$126	\$185
	11.7%	\$58	\$75	\$98	\$137	\$199

Note: As of June 30, 2021.

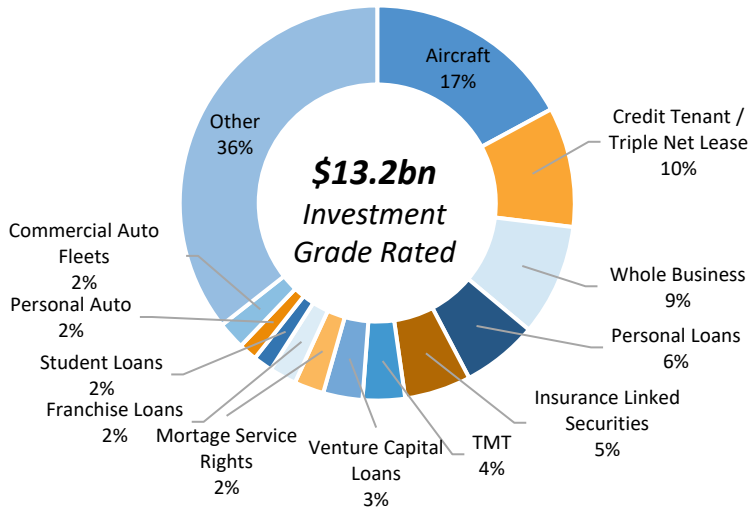
<sup>1</sup> For illustrative purposes, stress scenario assumes a 6 month delay, prior to 48 months of unemployment / home price stress, followed by 6 month recovery

# 4 ABS Portfolio Overview

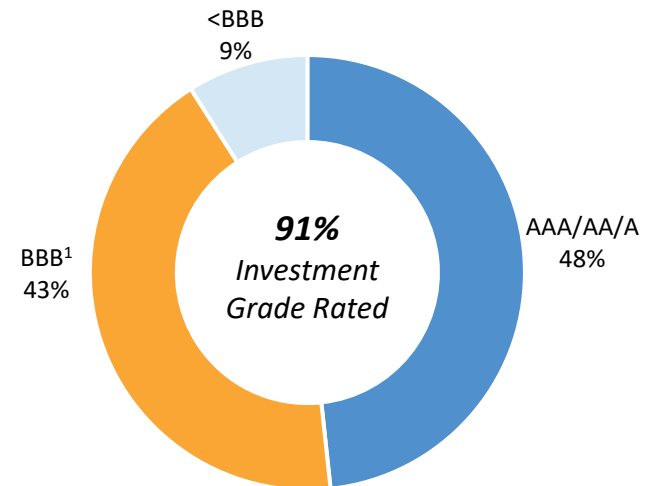
\$14.5 billion of Net Invested Assets, 9% of Athene’s Asset Portfolio

- Includes many directly-originated and high-grade alpha assets that typically exhibit **differentiated risk-return characteristics**
- **Diversified** by industry, sponsor, and transaction
- Target overcollateralization from cash flows with **additional credit support** from pledge of real assets and/or intellectual property
- Target performance-based triggers to trap cash and accelerate pay down in times of credit stress
- Target pre-defined collateral package in a bankruptcy remote vehicle

ABS Portfolio by Industry



ABS Portfolio by Rating

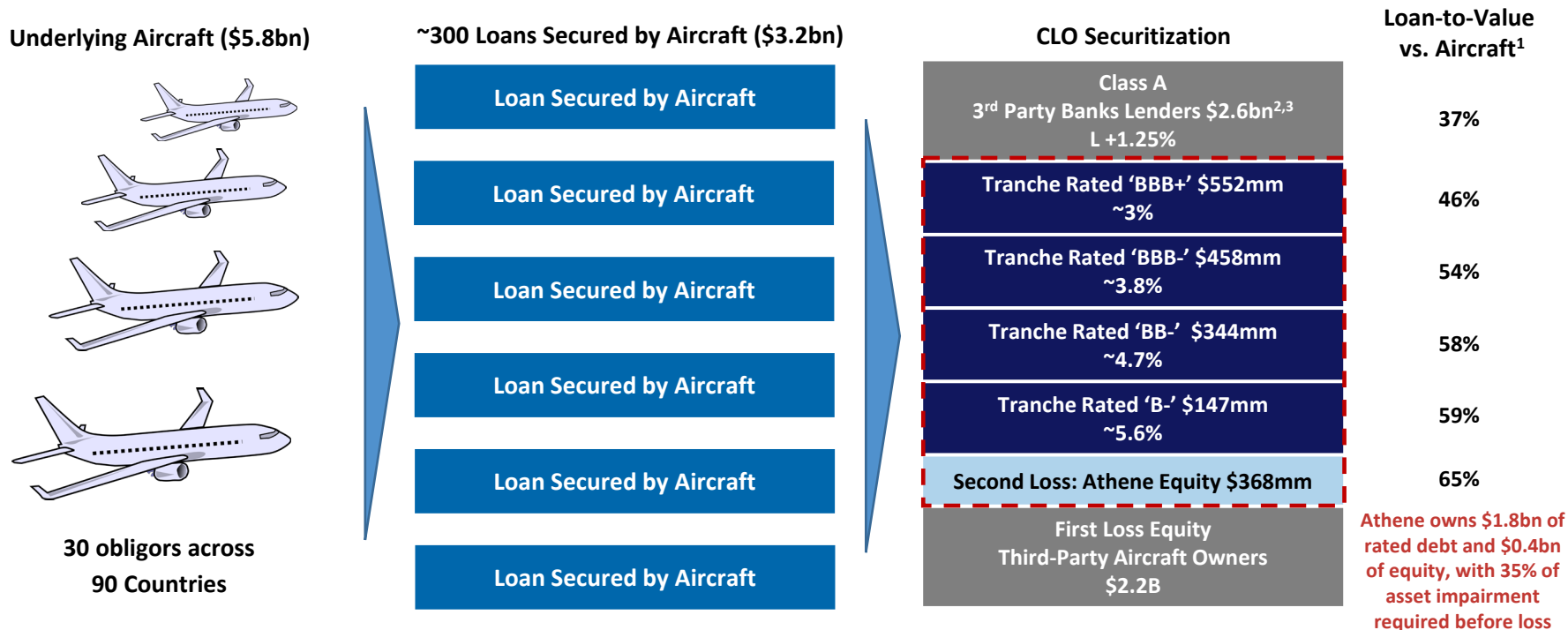


Note: data as June 30, 2021

1. 28% of ABS rated BBB and 15% non-rated. Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBASS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology

# 4 ABS Case Study: P.K. AirFinance

- In December 2019, Athene acquired the PK AirFinance \$3.2bn **portfolio of aircraft loans** from General Electric (“GE”)
  - Transaction also provided Athene a forward flow of attractive assets with superior spread (+100bps) and loss track record (10bps avg. annual losses for past 20 years) vs. liquid investment grade CUSIPs
- Instead of holding the loans directly, Athene **utilized a CLO structure to enhance credit protection and liquidity**
- Only \$9 million or 30bps of realized losses since the beginning of COVID, the most severe and prolonged stress in the aircraft market



1. Aircraft value and associated LTV based on third-party appraised values as of March 2021. Blended LTV is shown for indicative purposes; not all loans are cross-collateralized. 2. The capital structure includes a USD CLO and Euro CLO. For illustrative purposes, we show the USD CLO and Euro CLO together on a fully-funded basis. Individual tranche ratings reflective of USD denominated tranches. 3. Athene owns approximately \$0.4bn class A.

## 4 ABS Case Study Continued: PK Air vs. Aircraft Leasing

- PK AirFinance is a lender to airlines and lessors who utilize this financing to buy aircraft outright
- Traditional aircraft ABS are utilized by lessors who are in the business of directly acquiring physical aircraft, leasing those aircraft out to airlines and taking repossession at lease maturity
- Despite similar underlying collateral (commercial aircraft), there are important fundamental differences

	PK AirFinance	Aircraft Leasing <sup>1</sup>
<b>Underlying Business</b>	Direct Lending	Operating Leases
<b>Seniority</b>	Senior secured loans Cross-collateralization with other aircraft	Equity ownership of physical assets Little to no cross-collateralization
<b>Typical Gross Yields</b>	5-7% Coupon	12-20% Lease Yields
<b>Loan-To-Value</b>	Loan advance rate ranges from 50-70% Mid-50% on blended basis across PK portfolio	Lease is 100% LTV with typical 70-80% ABS attachment point
<b>Duration</b>	5-8 year amortizing loans with contractual maturity	Full life of the aircraft – up to 20+ years
<b>Typical Exit Path</b>	Cash repayment	Residual monetization or remarketing
<b>COVID-related Delinquencies</b>	~9-10% currently past due	75-85% of global lease fleet requesting to defer lease payments for 3-plus months
<b>Typical Amendments</b>	Full interest continues, excess collateral pledged and/or other protection / cash flow	Full deferral of all payments typically for 3-6 months

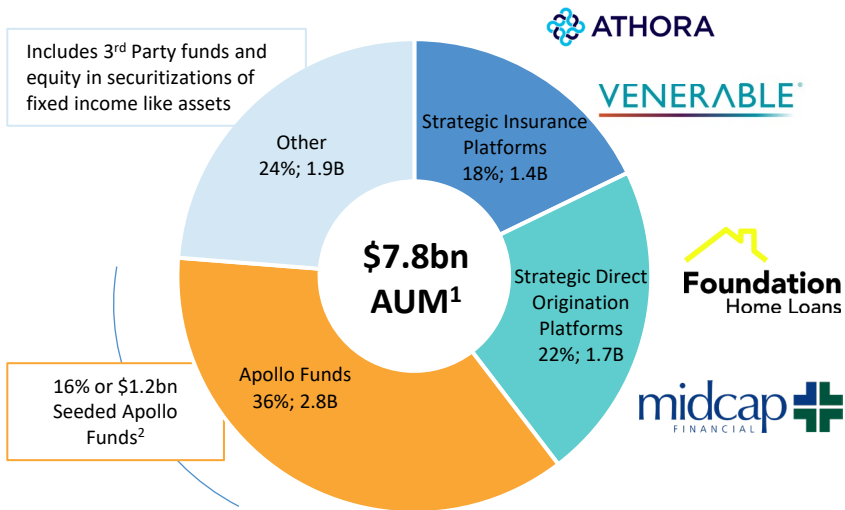
1. Represents the views and opinions of Apollo Analysts.

# 5 Alternative Investment Strategy is Differentiated

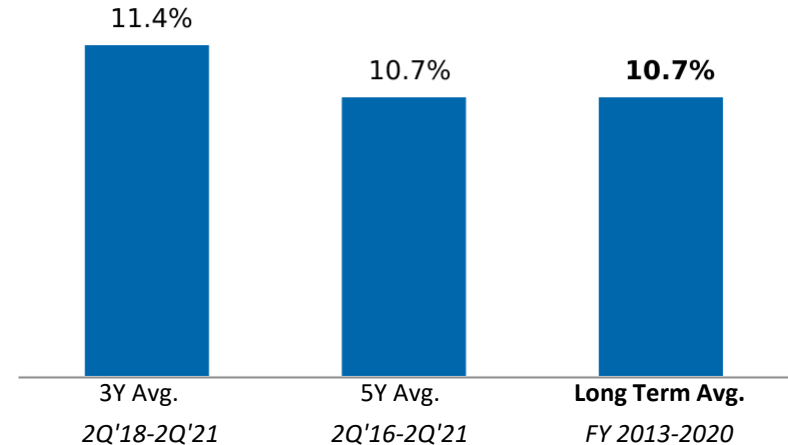
\$7.8 Billion of Net Invested Assets, 5% of Athene’s Asset Portfolio

- Focused on alternatives that offer **downside protection** and avoid binary outcomes
  - Provide strong current income over time, with the potential to create significant value upon exit
- Athene makes **strategic investments in platforms** that provide attractive financial returns in addition to their strategic benefits
  - Direct origination platforms that allow greater control over asset origination and proprietary access to attractive credit investments
  - Insurance platforms that provide strategic access to liability expertise and flow reinsurance arrangements

Athene’s Alternatives Portfolio by Type



Historical Alts Performance<sup>3</sup>

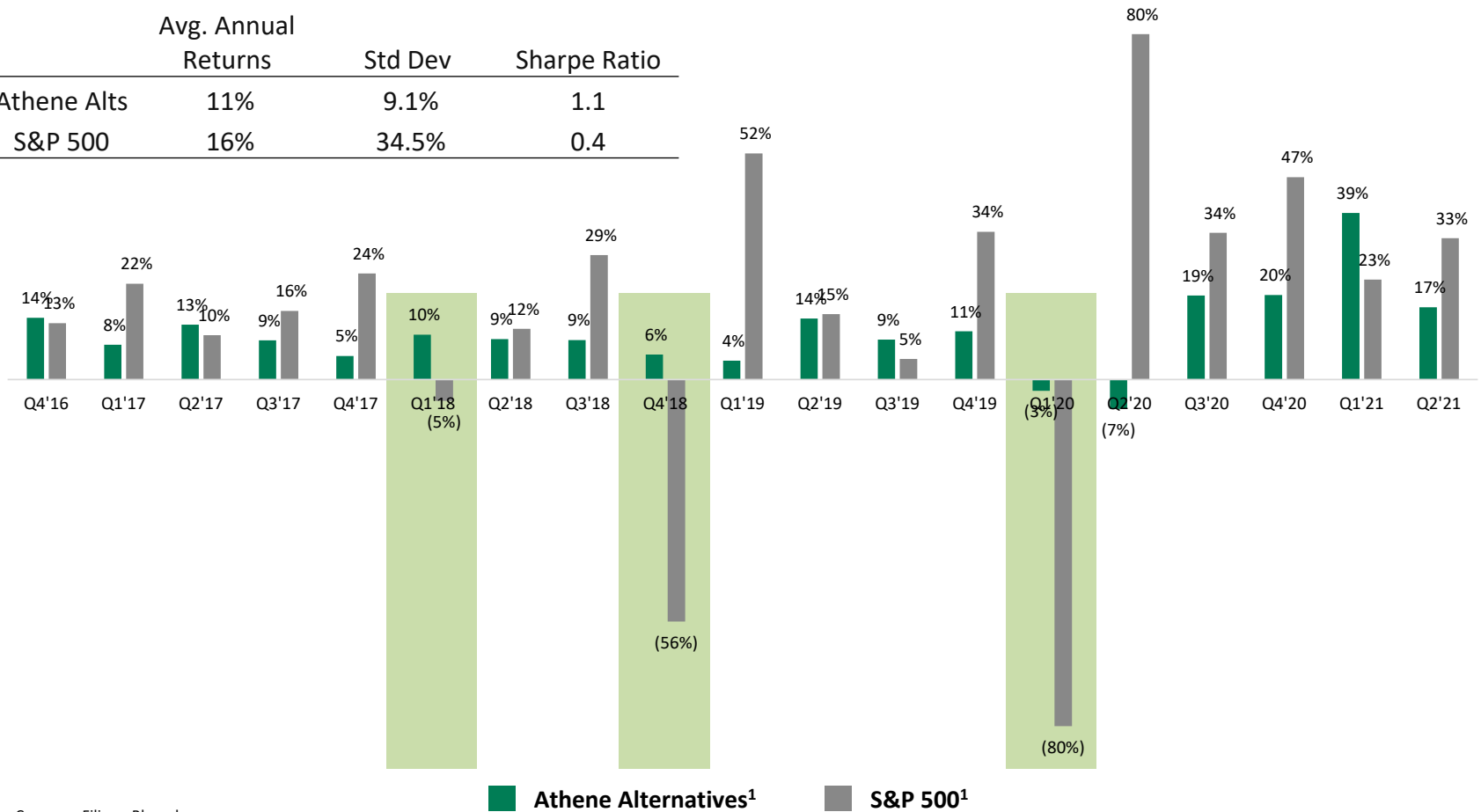


1. Net Invested Assets as of June 30, 2021 2. Investments in first or second vintage of Apollo funds 3. Alternatives performance is presented net of investment management fees

# 5 Athene's Alternatives Have Demonstrated Downside Protection and Experienced Less Volatility

## Annualized Returns Since Athene's IPO

	Avg. Annual Returns	Std Dev	Sharpe Ratio
Athene Alts	11%	9.1%	1.1
S&P 500	16%	34.5%	0.4



Source: Company Filings, Bloomberg.  
 Note: Athene alts report ~40% timely, ~60% lagged (1-3months).  
 1. Returns are annualized

# Athene is Well Positioned To Go On The Offense in the Next Dislocation

- Athene is **extremely well capitalized** with \$4.0bn of excess equity capital and ample access to liquidity
- Capture asset outperformance through **illiquidity premia** appropriate for long-dated, predictable liabilities
  - Does **not seek yield by taking incremental credit risk** (94% of AFS fixed income securities are NAIC 1 or 2)
  - Directly originate senior secured assets that earn 100 to 200bps premia over equivalent liquid corporates
- During COVID, portfolio outperformed peers and **excess capital meant Athene could go on the offense**
  - In 2020, Athene had only 12bps of impairments vs. 15bps for peers<sup>1</sup>
  - Deployed \$46bn into high-quality assets at attractive risk-adjusted returns in 2020
- Maintain **multiple layers of risk oversight**, actively manage the portfolio, and perform regular stress tests
- Impact of a modelled 'recession' muted by one year's earnings, even without intervening management actions
- Committed to **transparency**, publishing annual stress tests

1. Peer U.S. statutory impairments per SNL Financial; average includes AEL, AIG, AMP, BHF, EQH, FG, LNC, MET, PFG, PRU, VOYA and Transamerica. For Athene, U.S. statutory data adjusted to include impairments and assets in Bermuda



# **Appendix: Additional Disclosure & Non-GAAP Reconciliations**

# Net Invested Assets From Q2 2021 Financial Supplement

Unaudited (in millions, except percentages)

	December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	Percent of Total	Invested Asset Value <sup>1</sup>	Percent of Total
<b>NET INVESTED ASSETS</b> (Management View)				
Corporate	\$ 71,040	47.3 %	\$ 75,413	46.9 %
CLO	14,609	9.7 %	17,245	10.7 %
Credit	85,649	57.0 %	92,658	57.6 %
RMBS	8,337	5.6 %	7,585	4.7 %
CML	16,778	11.2 %	18,898	11.8 %
RML	4,774	3.2 %	5,510	3.4 %
CMBS	3,227	2.1 %	3,452	2.1 %
Real estate	33,116	22.1 %	35,445	22.0 %
ABS	13,137	8.7 %	14,542	9.0 %
Alternative investments	6,793	4.5 %	7,831	4.9 %
State, municipal, political subdivisions and foreign government	2,136	1.4 %	2,054	1.3 %
Equity securities	478	0.3 %	525	0.3 %
Short-term investments	479	0.3 %	52	— %
U.S. government and agencies	206	0.2 %	241	0.2 %
Other investments	23,229	15.4 %	25,245	15.7 %
Cash and equivalents	5,417	3.6 %	4,342	2.7 %
Policy loans and other	1,455	1.0 %	1,394	0.9 %
Net invested assets excluding investment in Apollo	148,866	99.1 %	159,084	98.9 %
Investment in Apollo	1,324	0.9 %	1,730	1.1 %
Net invested assets	\$ 150,190	100.0 %	\$ 160,814	100.0 %

1. Please refer to Notes to the Financial Supplement for discussion on net invested assets including net alternative investments and Non-GAAP Measure Reconciliations for the reconciliation of investments including related parties to net invested assets. Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest.

# Credit Quality From Q2 2021 Financial Supplement

Unaudited (in millions, except percentages)

	December 31, 2020		June 30, 2021	
	Fair Value	Percent of Total	Fair Value	Percent of Total
<b>CREDIT QUALITY OF AFS SECURITIES (GAAP VIEW)</b>				
NAIC designation				
1	\$ 41,532	46.5 %	\$ 45,430	45.5 %
2	41,704	46.7 %	47,979	48.0 %
Total investment grade	83,236	93.2 %	93,409	93.5 %
3	4,853	5.4 %	5,033	5.0 %
4	1,145	1.3 %	1,257	1.3 %
5	114	0.1 %	118	0.1 %
6	25	— %	68	0.1 %
Total below investment grade	6,137	6.8 %	6,476	6.5 %
Total AFS securities including related parties	\$ 89,373	100.0 %	\$ 99,885	100.0 %
NRSRO designation				
AAA/AA/A	\$ 33,553	37.5 %	\$ 38,530	38.5 %
BBB	34,404	38.5 %	41,725	41.8 %
Non-rated <sup>1</sup>	12,732	14.3 %	11,353	11.4 %
Total investment grade <sup>2</sup>	80,689	90.3 %	91,608	91.7 %
BB	4,020	4.5 %	4,114	4.1 %
B	1,030	1.2 %	1,183	1.2 %
CCC	1,557	1.7 %	1,448	1.4 %
CC and lower	973	1.1 %	881	0.9 %
Non-rated <sup>1</sup>	1,104	1.2 %	651	0.7 %
Total below investment grade	8,684	9.7 %	8,277	8.3 %
Total AFS securities including related parties	\$ 89,373	100.0 %	\$ 99,885	100.0 %
	Invested Asset Value <sup>3</sup>	% NAIC 1 or 2	Invested Asset Value <sup>3</sup>	% NAIC 1 or 2
<b>SUMMARY OF NAIC 1 &amp; 2 DESIGNATIONS BY ASSET CLASS (MANAGEMENT VIEW)</b>				
Corporate securities	\$ 65,887	92.7 %	\$ 70,509	93.5 %
RMBS	7,721	92.6 %	7,049	92.9 %
CLO	14,139	96.8 %	16,955	98.3 %
ABS	11,722	89.2 %	12,985	89.3 %
CMBS	2,459	76.2 %	2,643	76.6 %
Total structured securities	36,041	91.7 %	39,632	92.5 %
State, municipal, political subdivisions and U.S. and foreign government	2,221	94.9 %	2,270	98.9 %
Short-term investments	429	89.4 %	42	81.8 %
Total NAIC 1 & 2 Designations	\$ 104,578		\$ 112,453	

1. Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology. 2. We view the NAIC designation methodology as the most appropriate way to view our AFS portfolio when evaluating credit risk since a large portion of our holdings were purchased at a significant discount to par. With respect to loan-backed and structured securities, the NAIC designation methodology differs in significant respects from the NRSRO rating methodology. NRSRO ratings methodology is focused on the likelihood of recovery of all contractual payments, including principal at par regardless of entry price, while the NAIC designation methodology considers our investment at amortized cost, and the likelihood of recovery of that book value as opposed to the likelihood of the recovery of all contractual payments. 3. Please refer to Notes to the Financial Supplement section for discussion on net invested assets and the Non-GAAP Measure Reconciliations section for the reconciliation of total investments, including related parties, to net invested assets.

# Credit Quality From Q2 2021 Financial Supplement

Unaudited (in millions, except percentages)

	December 31, 2020		June 30, 2021	
	Invested Asset Value	% of Total	Invested Asset Value	% of Total
<b>CREDIT QUALITY OF NET INVESTED ASSETS</b>				
<b>NAIC designation</b>				
1	\$ 52,883	46.7 %	\$ 55,905	46.4 %
2	51,695	45.7 %	56,548	46.9 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total investment grade	104,578	92.4 %	112,453	93.3 %
3	6,256	5.5 %	6,116	5.0 %
4	1,957	1.7 %	1,602	1.3 %
5	335	0.4 %	337	0.3 %
6	45	— %	76	0.1 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total below investment grade	8,593	7.6 %	8,131	6.7 %
Total NAIC designated assets <sup>3</sup>	113,171	100.0 %	120,584	100.0 %
<b>Assets without NAIC designation</b>				
<b>Commercial mortgage loans</b>				
CM1	4,712	28.0 %	4,884	25.9 %
CM2	7,794	46.5 %	9,018	47.7 %
CM3	3,906	23.3 %	4,577	24.2 %
CM4	366	2.2 %	419	2.2 %
CM5	—	— %	—	— %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	18,898	100.0 %
<b>Residential mortgage loans</b>				
In good standing	4,666	97.7 %	5,112	92.8 %
90 days late	65	1.4 %	363	6.6 %
In foreclosure	43	0.9 %	35	0.6 %
Total RMLs	4,774	100.0 %	5,510	100.0 %
Alternative investments	6,793		7,831	
Investment in Apollo	1,324		1,730	
Cash and equivalents	5,417		4,342	
Equity securities	478		525	
Other <sup>4</sup>	1,455		1,394	
Net invested assets	\$ 150,190		\$ 160,814	

	December 31, 2020		June 30, 2021	
	Invested Asset Value	% of Total	Invested Asset Value	% of Total
<b>CREDIT QUALITY OF NET INVESTED ASSETS</b>				
<b>NRSRO designation</b>				
AAA/AA/A	\$ 42,492	37.6 %	\$ 45,868	38.0 %
BBB	42,478	37.5 %	48,412	40.1 %
Non-rated <sup>2</sup>	16,494	14.6 %	15,983	13.3 %
Total investment grade	101,464	89.7 %	110,263	91.4 %
BB	5,317	4.7 %	5,030	4.2 %
B	1,784	1.5 %	1,514	1.3 %
CCC	1,899	1.7 %	1,736	1.4 %
CC and lower	1,145	1.0 %	1,009	0.8 %
Non-rated <sup>2</sup>	1,562	1.4 %	1,032	0.9 %
Total below investment grade	11,707	10.3 %	10,321	8.6 %
Total NRSRO designated assets <sup>3</sup>	113,171	100.0 %	120,584	100.0 %
<b>Assets without NRSRO designation</b>				
<b>Commercial mortgage loans</b>				
CM1	4,712	28.0 %	4,884	25.9 %
CM2	7,794	46.5 %	9,018	47.7 %
CM3	3,906	23.3 %	4,577	24.2 %
CM4	366	2.2 %	419	2.2 %
CM5	—	— %	—	— %
CM6	—	— %	—	— %
CM7	—	— %	—	— %
Total CMLs	16,778	100.0 %	18,898	100.0 %
<b>Residential mortgage loans</b>				
In good standing	4,666	97.7 %	5,112	92.8 %
90 days late	65	1.4 %	363	6.6 %
In foreclosure	43	0.9 %	35	0.6 %
Total RMLs	4,774	100.0 %	5,510	100.0 %
Alternative investments	6,793		7,831	
Investment in Apollo	1,324		1,730	
Cash and equivalents	5,417		4,342	
Equity securities	478		525	
Other <sup>4</sup>	1,455		1,394	
Net invested assets	\$ 150,190		\$ 160,814	

1. Please refer to Notes to the Financial Supplement section for discussion on net invested assets and Non-GAAP Measure Reconciliations section for the reconciliation of total investments, including related parties, to net invested assets. 2. Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology. 3. NAIC and NRSRO designations include corporates, CLO, RMBS, CMBS, ABS, state, municipal, political subdivisions and foreign government securities, short-term investments and U.S. government and agencies securities. 4. Other includes policy loans, accrued interest, and other net invested assets.

# Structured Product Credit Quality From Q2 2021 Financial Supplement

Unaudited (in millions, except percentages)

	December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF RMBS – NAIC DESIGNATION</b>				
1	\$ 7,449	89.3 %	\$ 6,668	87.9 %
2	272	3.3 %	381	5.0 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total investment grade	7,721	92.6 %	7,049	92.9 %
3	378	4.5 %	306	4.1 %
4	171	2.1 %	144	1.9 %
5	49	0.6 %	39	0.5 %
6	18	0.2 %	47	0.6 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total below investment grade	616	7.4 %	536	7.1 %
RMBS net invested assets	\$ 8,337	100.0 %	\$ 7,585	100.0 %
<b>CREDIT QUALITY OF CLOs – NAIC DESIGNATION</b>				
1	\$ 9,130	62.5 %	\$ 11,195	64.9 %
2	5,009	34.3 %	5,760	33.4 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total investment grade	14,139	96.8 %	16,955	98.3 %
3	457	3.1 %	283	1.7 %
4	9	0.1 %	7	— %
5	4	— %	—	— %
6	—	— %	—	— %
Total below investment grade	470	3.2 %	290	1.7 %
CLOs net invested assets	\$ 14,609	100.0 %	\$ 17,245	100.0 %
<b>CREDIT QUALITY OF ABS – NAIC DESIGNATION</b>				
1	\$ 6,789	51.6 %	\$ 7,415	51.0 %
2	4,933	37.6 %	5,570	38.3 %
Non-rated <sup>2</sup>	—	— %	—	— %
Total investment grade	11,722	89.2 %	12,985	89.3 %
3	862	6.6 %	1,009	6.9 %
4	389	3.0 %	392	2.7 %
5	164	1.2 %	156	1.1 %
6	—	— %	—	— %
Non-rated <sup>2</sup>	—	— %	—	— %
Total below investment grade	1,415	10.8 %	1,557	10.7 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 14,542	100.0 %

	December 31, 2020		June 30, 2021	
	Invested Asset Value <sup>1</sup>	% of Total	Invested Asset Value <sup>1</sup>	% of Total
<b>CREDIT QUALITY OF RMBS – NRSRO DESIGNATION</b>				
AAA/AA/A	\$ 1,286	15.4 %	\$ 1,297	17.1 %
BBB	670	8.0 %	673	8.9 %
Non-rated <sup>2</sup>	2,548	30.6 %	2,338	30.8 %
Total investment grade	4,504	54.0 %	4,308	56.8 %
BB	276	3.3 %	149	2.0 %
B	309	3.7 %	268	3.5 %
CCC	1,795	21.6 %	1,568	20.7 %
CC and lower	1,141	13.7 %	1,009	13.3 %
Non-rated <sup>2</sup>	312	3.7 %	283	3.7 %
Total below investment grade	3,833	46.0 %	3,277	43.2 %
RMBS net invested assets	\$ 8,337	100.0 %	\$ 7,585	100.0 %
<b>CREDIT QUALITY OF CLOs – NRSRO DESIGNATION</b>				
AAA/AA/A	\$ 9,113	62.4 %	\$ 10,948	63.5 %
BBB	4,995	34.2 %	5,723	33.2 %
Non-rated <sup>2</sup>	31	0.2 %	286	1.7 %
Total investment grade	14,139	96.8 %	16,957	98.4 %
BB	457	3.1 %	281	1.6 %
B	9	0.1 %	7	— %
CCC	4	— %	—	— %
CC and lower	—	— %	—	— %
Total below investment grade	470	3.2 %	288	1.6 %
CLOs net invested assets	\$ 14,609	100.0 %	\$ 17,245	100.0 %
<b>CREDIT QUALITY OF ABS – NRSRO DESIGNATION</b>				
AAA/AA/A	\$ 5,691	43.3 %	\$ 7,020	48.3 %
BBB	2,156	16.4 %	4,072	28.0 %
Non-rated <sup>2</sup>	3,794	28.9 %	2,145	14.7 %
Total investment grade	11,641	88.6 %	13,237	91.0 %
BB	545	4.2 %	749	5.2 %
B	281	2.1 %	390	2.7 %
CCC	13	0.1 %	33	0.2 %
CC and lower	—	— %	—	— %
Non-rated <sup>2</sup>	657	5.0 %	133	0.9 %
Total below investment grade	1,496	11.4 %	1,305	9.0 %
ABS net invested assets	\$ 13,137	100.0 %	\$ 14,542	100.0 %

1. Please refer to Notes to the Financial Supplement section for discussion on net invested assets and Non-GAAP Measure Reconciliations section for the reconciliation of total investments, including related parties, to net invested assets. 2. Securities denoted as non-rated by the NRSRO were classified as investment or non-investment grade according to the security's respective NAIC designation. With respect to modeled LBaSS, the NAIC designation methodology differs in significant respects from the NRSRO ratings methodology.

# Non-GAAP Measures and Definitions

## Key Operating and Non-GAAP Measures

In addition to our results presented in accordance with GAAP, we present certain financial information that includes non-GAAP measures. Management believes the use of these non-GAAP measures, together with the relevant GAAP measures, provides information that may enhance an investor's understanding of our results of operations and the underlying profitability drivers of our business. The majority of these non-GAAP measures are intended to remove from the results of operations the impact of market volatility (other than with respect to alternative investments) as well as integration, restructuring and certain other expenses which are not part of our underlying profitability drivers, as such items fluctuate from period to period in a manner inconsistent with these drivers. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the corresponding GAAP measures.

### *Adjusted Operating Income (Loss) Available to Common Shareholders*

Adjusted operating income (loss) available to common shareholders is a non-GAAP measure used to evaluate our financial performance excluding market volatility and expenses related to integration, restructuring, stock compensation and other expenses. Our adjusted operating income (loss) available to common shareholders equals net income (loss) available to AHL common shareholders adjusted to eliminate the impact of the following (collectively, the non-operating adjustments):

- **Investment Gains (Losses), Net of Offsets**—Consists of the realized gains and losses on the sale of AFS securities, the change in fair value of reinsurance assets, unrealized gains and losses, changes in the credit loss allowance, and other investment gains and losses. Unrealized, allowances and other investment gains and losses are comprised of the fair value adjustments of trading securities (other than CLOs) and investments held under the fair value option, derivative gains and losses not hedging FIA index credits, and the change in credit loss allowances recognized in operations net of the change in AmerUs Closed Block fair value reserve related to the corresponding change in fair value of investments. Investment gains and losses are net of offsets related to DAC, DSI, and VOBA amortization and changes to guaranteed lifetime withdrawal benefit (GLWB) and guaranteed minimum death benefit (GMDB) reserves (together, GLWB and GMDB reserves represent rider reserves) as well as the market value adjustments (MVA) associated with surrenders or terminations of contracts.
- **Change in Fair Values of Derivatives and Embedded Derivatives – FIAs, Net of Offsets**—Consists of impacts related to the fair value accounting for derivatives hedging the FIA index credits and the related embedded derivative liability fluctuations from period to period. The index reserve is measured at fair value for the current period and all periods beyond the current policyholder index term. However, the FIA hedging derivatives are purchased to hedge only the current index period. Upon policyholder renewal at the end of the period, new FIA hedging derivatives are purchased to align with the new term. The difference in duration between the FIA hedging derivatives and the index credit reserves creates a timing difference in earnings. This timing difference of the FIA hedging derivatives and index credit reserves is included as a non-operating adjustment, net of offsets related to DAC, DSI, and VOBA amortization and changes to rider reserves.  
  
We primarily hedge with options that align with the index terms of our FIA products (typically 1–2 years). On an economic basis, we believe this is suitable because policyholder accounts are credited with index performance at the end of each index term. However, because the term of an embedded derivative in an FIA contract is longer-dated, there is a duration mismatch which may lead to mismatches for accounting purposes.
- **Integration, Restructuring, and Other Non-operating Expenses**—Consists of restructuring and integration expenses related to acquisitions and block reinsurance costs as well as certain other expenses, which are not predictable or related to our underlying profitability drivers.
- **Stock Compensation Expense**—Consists of stock compensation expenses associated with our share incentive plans, excluding our long-term incentive plan, which are not related to our underlying profitability drivers and fluctuate from time to time due to the structure of our plans.
- **Income Tax (Expense) Benefit – Non-operating**—Consists of the income tax effect of non-operating adjustments and is computed by applying the appropriate jurisdiction's tax rate to the non-operating adjustments that are subject to income tax.

We consider these non-operating adjustments to be meaningful adjustments to net income (loss) available to AHL common shareholders for the reasons discussed in greater detail above. Accordingly, we believe using a measure which excludes the impact of these items is useful in analyzing our business performance and the trends in our results of operations. Together with net income (loss) available to AHL common shareholders, we believe adjusted operating income (loss) available to common shareholders provides a meaningful financial metric that helps investors understand our underlying results and profitability. Adjusted operating income (loss) available to common shareholders should not be used as a substitute for net income (loss) available to AHL common shareholders.

# Non-GAAP Measures and Definitions

## ***Adjusted Operating Income (Loss) Available to Common Shareholders Continued***

### ***Adjusted Operating ROE***

Adjusted operating ROE is a non-GAAP measure used to evaluate our financial performance excluding the impacts of AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted AHL common shareholders' equity is calculated as the ending AHL shareholders' equity excluding AOCI, the cumulative change in fair value of funds withheld and modco reinsurance assets and preferred stock. Adjusted operating ROE is calculated as the adjusted operating income (loss) available to common shareholders, divided by average adjusted AHL common shareholders' equity. These adjustments fluctuate period to period in a manner inconsistent with our underlying profitability drivers as the majority of such fluctuation is related to the market volatility of the unrealized gains and losses associated with our AFS securities. Except with respect to reinvestment activity relating to acquired blocks of businesses, we typically buy and hold AFS investments to maturity throughout the duration of market fluctuations, therefore, the period-over-period impacts in unrealized gains and losses are not necessarily indicative of current operating fundamentals or future performance. Accordingly, we believe using measures which exclude AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets are useful in analyzing trends in our operating results. To enhance the ability to analyze these measures across periods, interim periods are annualized. Adjusted operating ROE should not be used as a substitute for ROE. However, we believe the adjustments to net income (loss) available to AHL common shareholders and AHL common shareholders' equity are significant to gaining an understanding of our overall financial performance.

### ***Adjusted Debt to Capital Ratio***

Adjusted debt to capital ratio is a non-GAAP measure used to evaluate our capital structure excluding the impacts of AOCI and the cumulative change in fair value of funds withheld and modco reinsurance assets, net of DAC, DSI, rider reserve and tax offsets. Adjusted debt to capital ratio is calculated as total debt divided by adjusted AHL shareholders' equity. Adjusted debt to capital ratio should not be used as a substitute for the debt to capital ratio. However, we believe the adjustments to shareholders' equity are significant to gaining an understanding of our capitalization, debt utilization and debt capacity.

### ***Invested Assets***

In managing our business, we analyze net invested assets, which does not correspond to total investments, including investments in related parties, as disclosed in our consolidated financial statements and notes thereto. Net invested assets represents the investments that directly back our net reserve liabilities as well as surplus assets. Net invested assets, excluding our investment in Apollo, is used in the computation of net investment earned rate, which allows us to analyze the profitability of our investment portfolio. Net invested assets includes (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). We include the underlying investments supporting our assumed funds withheld and modco agreements in our net invested assets calculation in order to match the assets with the income received. We believe the adjustments for reinsurance provide a view of the assets for which we have economic exposure. Net invested assets includes our proportionate share of ACRA investments, based on our economic ownership, but does not include the proportionate share of investments associated with the noncontrolling interest. Net invested assets also includes our investment in Apollo. Our net invested assets, excluding our investment in Apollo, are averaged over the number of quarters in the relevant period to compute our net investment earned rate for such period. While we believe net invested assets is a meaningful financial metric and enhances our understanding of the underlying drivers of our investment portfolio, it should not be used as a substitute for total investments, including related parties, presented under GAAP.

### ***Sales (Volumes)***

Sales statistics do not correspond to revenues under GAAP but are used as relevant measures to understand our business performance as it relates to inflows generated during a specific period of time. Our sales statistics include inflows for fixed rate annuities and FIAs and align with the LIMRA definition of all money paid into an individual annuity, including money paid into new contracts with initial purchase occurring in the specified period and existing contracts with initial purchase occurring prior to the specified period (excluding internal transfers). While we believe sales is a meaningful metric and enhances our understanding of our business performance, it should not be used as a substitute for premiums presented under GAAP.

# Non-GAAP Measure Reconciliations

<b>RECONCILIATION OF NET INCOME AVAILABLE TO AHL COMMON SHAREHOLDERS TO ADJUSTED OPERATING INCOME AVAILABLE TO COMMON SHAREHOLDERS</b>	
<b>Net income available to AHL common shareholders</b>	\$ 1,446
Non-operating adjustments:	
Investment gains (losses), net of offsets	508
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	(235)
Integration, restructuring and other non-operating expenses	(10)
Stock compensation expense	(11)
Income tax (expense) benefit - non-operating	(48)
Less: Total non-operating adjustments	204
<b>Adjusted operating income available to common shareholders</b>	<u>\$ 1,242</u>
<b>Adjusted operating income available to common shareholders by segment</b>	
Retirement Services	\$ 1,266
Corporate and Other	(24)
Adjusted operating income available to common shareholders	<u>\$ 1,242</u>
<b>RECONCILIATION OF AVERAGE AHL SHAREHOLDERS' EQUITY TO AVERAGE ADJUSTED AHL COMMON SHAREHOLDERS' EQUITY</b>	
Average AHL shareholders' equity	\$ 14,528
Less: Average preferred stock	1,633
Less: Average AOCI	2,030
Less: Average accumulated change in fair value of reinsurance assets	575
Average adjusted AHL common shareholders' equity	<u>\$ 10,290</u>
<b>Average adjusted AHL common shareholders' equity by segment</b>	
Retirement Services	\$ 7,491
Corporate and Other	2,799
Average adjusted AHL common shareholders' equity	<u>\$ 10,290</u>

Note: For the year ended December 31, 2020

# Non-GAAP Measure Reconciliations

## RECONCILIATION OF DEBT TO CAPITAL RATIO TO ADJUSTED DEBT TO CAPITAL RATIO

Total debt	\$ 2,468
Total AHL shareholders' equity	20,006
Total capitalization	<u>22,474</u>
Less: Accumulated other comprehensive income (loss) (AOCI)	3,337
Less: Accumulated change in fair value of reinsurance assets	886
Total adjusted capitalization	<u>\$ 18,251</u>

Debt to capital ratio	11.0%
AOCI	2.0%
Accumulated change in fair value of reinsurance assets	0.5%
Adjusted debt to capital ratio	<u>13.5%</u>

## RECONCILIATION OF TOTAL INVESTMENTS INCLUDING RELATED PARTIES TO NET INVESTED ASSETS

Total investments including related parties	\$ 194,509
Derivative assets	(4,151)
Cash and cash equivalents (including restricted cash)	8,726
Accrued investment income	1,010
Payables for collateral on derivatives	(3,890)
Reinsurance funds withheld and modified coinsurance	(1,699)
VIE and VOE assets, liabilities and noncontrolling interest	(281)
Unrealized (gains)/losses	(5,960)
Ceded policy loans	(179)
Net investment receivables (payables)	328
Allowance for credit losses	338
Total adjustments to arrive at invested assets	<u>(5,758)</u>
Gross invested assets	188,751
ACRA noncontrolling interest	(27,937)
Net invested assets	<u>\$ 160,814</u>

## RECONCILIATION OF INVESTMENT FUNDS INCLUDING RELATED PARTIES TO NET ALTERNATIVE INVESTMENTS

Investment funds including related parties	\$ 7,483
Nonredeemable preferred stock included in equity securities	226
CLO and ABS equities included in trading securities	1,021
Investment in Apollo	(1,730)
Investment funds within funds withheld at interest	1,586
Royalties and other assets included in other investments	(76)
Unrealized (gains)/losses and other adjustments	(32)
ACRA noncontrolling interest	(647)
Total adjustments to arrive at alternative investments	<u>348</u>
Net Alternative investments	<u>\$ 7,831</u>

Note: As of June 30, 2021